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Broadcast

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RECORD CABLE REVENUES & PROFITS: FCC reports 1977 income of \$1.2 billion vs. \$894 million in 1976, profits of \$133.7 million vs. \$27 million, as-sets at \$2.45 billion, pay-cable revenues of \$85.8 million. (P. 3)

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CBS WARNS that circular polarization might significantly increase co-channel interference in study submitted to FCC, urges 6-12-month industry-wide tests. (P. 5)

SILVERMAN 'TEST' STARTS IN SEPT.—GRIFFITHS: "Fall '79 represents [NBC Pres.] Fred Silverman's first true opportunity to select the programming. I suppose it would be fair to say that what we put on in January is Silverman's, but he might like to have had a little more time and a little less duress in making those selections... And I think in the fall, and as we get a little further into the year, it's entirely Silverman's. So the prospects for 1979 relate very heavily on his ability to be a good program selector... If you look to the past—despite people who sometimes now detract [from Silverman's programming abilities]—if you look to the past, the future should be bright."

Speaker was RCA Pres. Edgar Griffiths during wide-ranging interview with Television Digest (for his comments on RCA, see p. 9). Griffiths thus made it plain that Silverman won't be under the gun until well into 2nd year of his 3-year contract as NBC pres. NBC morale had been low for couple years, but Griffiths noted that it "went up sharply" when Silverman came aboard in June and that many expected it to stay high—but that hasn't been case. However, RCA pres. saw morale tied directly to ratings "and when ratings go up, morale and pride will go up."

Unlike previous chief executives of RCA, Griffiths keeps close tabs on NBC through monthly meetings: "It is a structured agenda which can begin with a review of the network, and that would encompass sales and various elements of expense, getting down to profitability and ratings and the various time periods, etc... Then we go to the TV stations, then we go to radio and do that, then we go to news and the sports... They also talk about how they're doing

Consumer Electronics

1979—ANOTHER RECORD year in consumer electronics dollar volume is seen in our annual forecast, sparked by over \$1 billion in 'advanced' products, 10-million color sets, 550,000 VCRs. (P. 7)

U.S. INNOVATION in consumer electronics is re-suming, keyed by record RCA investment in research, Griffiths says. No decision yet on videodisc, which is now in market-research stage. 'No recession in 1979.' (P. 9)

TAIWAN AGREES TO LIMIT color exports to U.S. to 373,000 complete sets yearly, incomplete sets to 270,000 in 5 months. Koreans balking at 17,000 monthly quota on incompletes. U.S. changing trade policy. (P. 10)

MORE 3-TUBE PROJECTION due at CES. New videocassette market entries, possible demonstration of new-format portable VCR, metal-tape prototypes scheduled for Las Vegas. (P. 11)

SONY CLOSES FISCAL '78 with net off 26% despite 5.7% sales increase; sluggish 4th quarter, rise in yen blamed. (P. 12)

in respect to sales for the quarter ahead and how the rates are holding up and whatever knowledge they have about the competitive situation."

Griffiths said he plays no role in NBC programming decisions, doesn't screen pilots in advance. "The content of the programming is entirely the decision of NBC... Outside of that, I consider myself not to be the best judge of what the general public wants to watch." Asked what new types of programs might be in development, he responded:

"I don't know... Unfortunately, after a good hard try, 'Lifeline' just didn't work... Good show... You try... I don't know that you can do much more than depict life [and] its aberrations and put that on the screen. You can go to the classics, but you find that people don't want to watch it... I don't think there's anything new and different that anybody can program... To be successful, you've got to program to the masses and you've got to program in a way that appeals to more of the masses than somebody else."

Griffiths used words like "significant" & "substantial" in confirming NBC will suffer drop in profits for 1978—mostly due to performance of TV network, although he refused to discuss network specifically. (Note: Bache security analyst Anthony Hoffman estimates NBC-TV network pre-tax profits for 1978 were only \$65 million, down from \$102 million in 1977. He places ABC-TV network profits at whopping \$240 million, up from \$165 million; CBS's at \$145 million, up slightly from \$139 million. Hoffman estimated ABC-owned TV stations had pre-tax profit of \$95 million, up from \$75 million; CBS's & NBC's each \$45 million, former up from \$38 million, latter from \$41 million.)

Looking to 1979, RCA's pres. said "I would expect that there will be no further profit erosion at NBC... We should begin to see improvements as we go forward." Despite setbacks and program expenses, Griffiths stressed that NBC still is RCA's No. 2 profit maker—behind Hertz.

Personal viewing habits? "Well, I really like to watch TV. I don't get as much opportunity as I'd like, as I get home too late to watch in the evening... I like the sports and the news programs and I certainly like some of the entertainment." Griffiths said he uses RCA's Selectavision "a great deal. I have a greater inventory of recorded material than I can address."

He said his "concern" about NBC's prime-time programming is voiced "by those who constitute the Nielsen rating panel as not being as desirable as that of the leading network. That's my concern... It's there that we have to do better and it's there that tremendous effort is going forth... We're spending a great deal... and as you know we replaced all of our new programming [that started in Sept.]. All of this takes money, plus we've brought in an influx of talented people which costs money... Plus, when the ratings are down, I don't have to tell you you don't get the same amount of income and everytime you... replace a program you have the [re-selling] problem from the advertiser.

"All of this is cumulative... All of it hurts on the bottom line. We're willing to [spend what's necessary]... I'll tell you, if we're not willing to pay that price, then we may as well forget talking about becoming No. 1 and improving... I think that the mark that I'm particularly pleased with... is that we [RCA] are accomplishing record profits... quarter after quarter after quarter despite this tremendous investment... in NBC and despite the significant drop in NBC earnings. And, I always like to say, can you picture where we will be once we turn [NBC] around?"

Griffiths said he has no target date for making NBC No. 1 in ratings. "I have what I would like to see but the same thing applies here that applies to the video disc [see p. 9]. When we do it, you'll know it. And we'll do it."

Threat to networking from new technology? "They'll give us a range of viewing possibilities that we never had before... It's exciting from that standpoint. As to what it will do to the broadcast networks, I think you have to say that it in some way nibbles at them but I don't think in any appreciable way. I think the [networks] are still going to be the dominant means of home entertainment for the American public as far as anybody can see. After all, the price

is right and hard to beat. Despite the carping that you hear [about programming], the viewing public is large indeed and they wouldn't be watching if they didn't find something of interest... However, when you're No. 3 in profitability, which we are at the present time, and somebody is nibbling away, I'm sure we are in the envious position of being able to offset the nibbling just by improving our position."

Griffiths refused to comment on wide speculation that NBC plans to inaugurate 2nd radio network (a la ABC's 3-network concept), stating: "I don't wish to get into the radio plans. They are not fully hardened. A lot is being looked at in radio. Our radio performance has been unsatisfactory—to say the least—and we are looking into it. Others make good money at radio and there is no reason why we can't." He said NBC doesn't intend to sell any of its radio stations and, if anything, network is interested in acquiring more (it now owns 4 AMs, 4 FMs —3 below FCC maximums in each category; NBC sold radio stations in Cleveland & Pittsburgh several years ago).

Asked about Washington rumor that RCA would like to sell TV network, keep owned stations, Griffiths chuckled: "I don't know where you can get a more absurd rumor than that. To own a network is an asset and we are pleased to own the NBC network. We have no need to sell anything. We have a strong cash position. We certainly don't sell off money-making businesses and businesses with good potential."

RCA pres. said that sole "personal" involvement he'll have in Washington is in "shaping the role that will be taken by our various affected activities... In behalf of NBC... yes, only NBC," Chmn. Jane Pfeiffer will be principal representative. "Not at all," Griffiths said, when asked if NBC planned to cut back its Washington presence. "You cannot think of cutting back... in the seat of government. If anything, you've got to think of expanding, not only NBC but our other business activities as well."

Griffiths expressed "concern" about the Washington regulatory climate: "I'd have to say that as it unfolds, we're concerned. It's vital to our interest in a number of fields—the stations' area, our NBC area... Our concern is that once you tamper with something that is working reasonably well today, its replacement has got to be something that is equally or hopefully better."

Griffiths on NBC's super statesman and former chmn., now vice chmn.: "David Adams is beyond the retirement age... and has agreed to remain on a year-to-year basis... We value David highly... He is a fountain of knowledge and he is one hell of a fine gentleman to boot... I encouraged him to stay on... It's nice when you reach 65 and somebody wants you to stay... He's truly the resident wise man... If he's emotional, it never clouds the judgments that he makes."

RECORD CABLE REVENUES & PROFITS: Cable revenues reached \$1.2 billion in 1977, FCC estimates, up huge 34% from \$894 million it estimated for 1976. Industry analysts are a bit skeptical of one figure or the other, noting that revenues have been rising about 20% yearly for last 5-6 years. They're skeptical, also, because it's only 2nd year Commission has produced estimates, and they say reporting & estimating machinery still isn't well broken in. If anything, there's belief \$1.2 billion figure is low—some say low by 10-15%. Industry experts believe revenues in 1978 are up 20%—which could mean total of about \$1.45 billion.

Commission estimates pre-tax net income at \$133.7 million vs. mere \$27 million in 1976. Pay-cable revenues are figured at \$85.8 million (7% of revenues). Average operating margin is stated at 40% before interest, depreciation-amortization, taxes and extraordinary gains & losses. Assets are reported with book value of \$2.45 billion.

Figures are extrapolated from reports by systems with 90% of subscribers. Other 10% are "incomplete, inaccurate or delinquent." Average monthly subscriber rate is put at \$6.85, and total subscribers were counted at 12,832,014. We think subscriber number is close; we estimated it at 13,000,000 at that time.

The 14-page report includes state-by-state breakdown, copies available from FCC Information Office.

FTC DELAYS D.C. KID AD HEARING: Presiding Officer Morton Needelman last week delayed FTC's children's TV advertising hearing in Washington, although not because of vehement requests of almost all industry groups. He said delay was needed because he required more time between end of San Francisco hearing (Vol. 18:52 p3), beginning Jan. 15, and start of Washington hearing, originally Jan. 29—now delayed to March 5-30.

Washington witness list shows many from industry & consumer groups wanted to make Washington chief battle ground, rather than San Francisco. Networks (except NBC), NAB, ACT, Nader groups—all will be well represented. Surgeon Gen. Julius Richmond and FDA Comr. Donald Kennedy also will testify, presumably in favor of restrictions. Needelman will hear some 125 witnesses in Washington, about 90 in San Francisco. Testimony is required not to stray from original filings of those testifying, so observers will be listening to questions & answers more than to basic statements.

Portable satellite transmitter-receiver application has been filed by United Video, Tulsa, equipment to be made by Collins. According to UV Pres. Roy Bliss: "This transportability, with the cooperation of Intelsat, plus the portable microwave system, makes live telecasting possible of any sporting, entertainment or news event virtually anywhere in the world regardless of how remote." System is collapsible, comes in 3 options, can be transported by trailer or plane.

NAB has joined Washington law firm Fly, Shuebruk, Blume, Gaguine, Boros & Schulkind in seeking rule that would require FCC to notify licensee subject to investigation before agency orders hearing. Rule is needed "so that time, effort and resources... will not be needlessly expended on hearings which would serve no useful purpose," NAB said.

Guilty pleas from former top Telemation Program Services executives, Robert Weisberg and Henry Feinstein, were made in N.Y. last week on charges of mail fraud (Vol. 18:34 p5). Weisberg's activity involved some \$208,000, Feinstein's \$50,000. Both face maximum of 5 years in jail, \$1,000 fine.

NAB TV Code Board meets Feb. 20-21 with joint ANA-AAAA committee on Code changes, effective Jan. 1, designed to reduce clutter. Advertisers & agencies objected to changes and originally had sought appearance before parent TV board in Maui (Vol. 18:51 p3).

Women now comprise 28% of broadcast news personnel, a 100% increase since 1972, according to RTNDA survey of 890 TV & radio stations. Of minorities in TV news, 16% are women, 13% men. Of TV stations, 71% had at least one minority in news, 20% of radio stations.

Managing business office is subject of meeting of Cable TV Administration & Marketing Society, St. Francis Hotel, San Francisco, Jan. 16-18. Details: Viacom Cablevision, Box 13, Pleasanton, Cal. 94566.

\$3.7 BILLION THROUGH NOV.: Network advertisers have spent \$3.7 billion on TV for 11 months through Nov., increase of 13% over 1977, according to TvB-BAR. Of total, ABC received \$1.35 billion, CBS \$1.22 billion, NBC \$1.15 billion.

Nov. was 2nd best month of year (behind Oct.'s \$458 million) for networks, which collectively billed \$445 million, up 10.1%. Largest jump was in weekend daytime, up 21.7%; prime-time billings were up 10.4%, weekday daytime only 3.9%. (For predictions on TV network pre-tax profits for 1978, see p. 2.)

No "significant public protest" resulted when AM-FM combination dropped Boston's only country music format, FCC ruled in approving \$3.3 million sale of WACQ-WTTK by Plough Bestg. to GCC Communications. Committee for Community Access sought hearing because stations changed to beautiful music. Committee also protested because buyer didn't include minorities, claimed price was "too low to motivate GCC to make the stations as productive as possible and too high for the resources of most buyers." Agency said "the price was the concern of the parties... and not that of the Commission."

NAB conventions through 1988: Dallas March 25-28, 1979; New Orleans March 30-April 1, 1980; Las Vegas April 12-15, 1981; Dallas April 4-7, 1982; Las Vegas April 10-13, 1983; Atlanta March 18-21, 1984; Las Vegas April 7-10, 1985; Kansas City April 13-16, 1986; Atlanta April 5-8, 1987; Las Vegas April 10-13, 1988. NAB board has recommended that Washington be considered for 1989, "pending building of a convention center and new hotels."

TeleRep is adding 3 new sales offices, according to Pres. Alfred Masini: Cleveland (762 Hanna Bldg. 44115), Sales Mgr. Pat O'Donnell; Miami (3550 Biscayne Blvd. 33173), Mgr. John Fox; Memphis (1407 Union Ave. 38104), headed by Jerry Jones, ex-Blair. Masini also announced promotions of Steven Herson to TeleRep vp-dir. of operations and L.A. Sales Mgr. Jerry Braet to vp.

Society of Cable TV Engineers holds 2-day meeting on towers Jan. 8-9, Melbourne, Fla. On Feb. 27-28, it conducts CATV reliability conference in Denver, co-sponsored with Broadcast, Cable & Consumer Electronics Society of IEEE. Details: Box 2665, Arlington, Va. 22202.

BBC 2-day strike ended when union representing 14,000 of BBC's 26,000 employees accepted agreement allowing up to 16.5% wage increase. Govt. had been trying to hold raises to 5% in effort to combat inflation.

Fanfare pay-TV service to Southwest expands from 5 to 8 hours of sports & entertainment programming daily, using RCA satellite.

March 27 TV session at NAB Dallas convention will be devoted to a "UHF Spectacular," jointly programmed with CUB.

CBS WARNS OF CP ANTENNAS: CBS last week warned FCC of potential serious side-effects of circular polarization (CP) transmissions by TV stations and hinted that Commission should halt further grants until industry-wide study can be made. Network submitted new study indicating that widespread use of CP could significantly increase co-channel interference on some channels.

Report suggested that 6-12-month tests be conducted to determine magnitude of increase in interference under various ionospheric & tropospheric conditions which vary with time of day & year. Use of CP is designed to reduce ghosts, involves doubling transmitter power and changing antennas. About 10 CP systems have been authorized by FCC to date. RCA, a leading proponent of CP, had no comment by press time

WQAL(FM) Cleveland would be granted—and has accepted—year renewal under summary decision by FCC Judge David Kraushaar. Station got in difficulty, was ordered to hearing, because its non-entertainment programming didn't match what had been promised during 1972-75 renewal period (Vol. 18:43 p3). In decision, Kraushaar expressed concern because station aired 30-min. public affairs program between 4:30-6:30 a.m. when it had promised 7:30-8 a.m. Program was rescheduled July 28.

Longest coaxial TV run—145 miles, between Winnipeg & Brandon, Man.—is now in service, reports Manitoba Telephone System. It uses "feed-forward" system, 8 TV channels forward on 50-106 MHz, 4 reverse on 5-30 MHz, 3/4" cable buried 4 ft., amplifiers 6,300 ft. apart (each with transponder for remote monitoring). Signal-noise ratio in Brandon is reported exceeding 50 dB. Details: 489 Empress St., Winnipeg R3C 3V6.

Rep. Van Deerlin (D-Cal.) & FCC Comr. Quello are among speakers at INTV Convention in Washington Feb. 4-7, Shoreham Americana. "The Independent Station in an Era of Change" is theme. Other speakers: Jonathan Blake, Covington & Burling; Paul Bortz, NTIA; David Braun, General Foods; Richard Frank, Paramount TV Distribution; Thomas Krattenmaker, FCC; Stan Moger, SFM.

NAB member stations are being asked to donate used equipment for less developed countries; first will be sent to Caribbean countries, according to Daniel Kops, NAB rep on World Press Freedom Committee. He said turntables, microphones, consoles, transmitters & tape recorders are "urgently needed."

Multimedia is buying UHF independent WZTV Nashville for more than \$6 million from Reel Bcstg. At FCC, purchase of WRIK-TV Ponce, P.R. by Lucas Muniz, owner of WLWZ(AM) Bayamon, P.R., was approved, conditioned on Muniz selling AM within 2 years. WRIK-TV was sold by United Artists.

National Religious Bcstrs. holds national convention Jan. 21-24, Washington Hilton. Group holds regional meetings: Sept. 28-29, Hyatt Regency Indianapolis; Oct. 5-6, Stroudsburg, Pa.; Oct. 16-17, Sheraton, Oklahoma City.

"**Controversial matters** and educational campaigns designed to offer information not presented by commercial messages are proper subjects for PSAs," FTC told FCC last week. Trade Commission comments were filed in FCC inquiry looking toward requiring public service announcements throughout day (including certain percentage in prime time), require locally produced PSAs minimum number per day and limit percent received from any one supplier (Ad Council). FTC said PSAs could "effectively complement the large volume of intensive advertising... by providing information about nutrition, health and safety and legal rights." FTC also urged FCC to set "reasonable percentage" on PSAs from single supplier and to strike "proper balance" between nationally and locally oriented spots. Currently, most PSAs are aired "during low-audience graveyard hours when commercial sponsors are hesitant to buy time," FTC charged. On other hand, NAB protested "utter futility" of FCC inquiry since any agency rules on PSAs would be unconstitutional.

Proposal to raise funds for local and national use of media has been approved by nation's Catholic dioceses. Work will focus on nationally produced TV-radio programs dealing with doctrinal & moral themes, TV-radio spots dramatic programs for families and radio programs for younger people, use of CATV, Spanish language programs, national resource center, improved press & information services, media training programs for priests & laity, stronger representation at FCC & Congress. First collection will begin next spring with \$7 million anticipated.

Congressional Black Caucus wrote House members urging appointment of black to Communications Subcommittee to provide minority input to Communications Act rewrite. Letter also complains that there's no black on FTC (that agency had Leon Higginbotham, now a federal judge in Philadelphia, long before FCC's first black, Benjamin Hooks, was appointed), no blacks in supergrades at FCC and no black on Senate Communications Subcommittee staff.

Me. Assn. of Bcstrs. rejected proposal to form tri-state association with N.H. & Vt., instead expanded to hire part-time exec. dir. (Secy.-Treas. Norman Gallant, WFAU-AM-FM Augusta), legislative lobbyist & counsel. New pres. is John Michaud, WFST-AM-FM Caribou; Margo Cobb, WLBZ-TV Bangor, and Robert Papper, WKXA-AM-FM Brunswick, vps.

FCC has "sufficient information" to establish AM stereo standards and doesn't need to supplement outstanding inquiry, according to NAB. Opposing suggestion of Belar Electronics that more information is needed, NAB also told Commission that manufacturers have "years of experience" with their systems and should participate in testing along with FCC Field Operations Bureau.

FCC has denied extension of Jan. 15 deadline—sought by NAB, INTV and law firms—for comments in children's TV inquiry. However, Commission said it would "consider favorably" all late filings through Feb. 12, provided justification is given.

Personals

FCC Chmn. **Charles Ferris** speaks and answers questions at closing session of NAB March 25-28 convention in Dallas (Ferris didn't submit to questions at his first NAB convention last year); same morning, **Baseball Comr.** **Bowie Kuhn** and **NFL Comr.** **Pete Rozelle** will participate in panel session; convention closes with "top entertainment" at lunch.

C. Edward Little, Mutual pres. since Jan. 1972, resigns because of owner Amway's policy of "management by committee [which] is not my style of operating a radio network," he said. . . **Peter Lund**, vp-CBS AM stations, succeeds **Sherril Taylor**, promoted to vp-development, as network rep on NAB radio board; **Cornelius Knox** promoted to vp-radio affiliate relations, succeeding **Taylor**.

Charles Stanford promoted to dir.-legal & business affairs, **ABC Sports**; **Amy Sacks** & **Robert Iger** to mgrs.-program planning. . . **George Carpenter** promoted to vp-gen. mgr., **WHO-TV-AM Des Moines**, and elected a dir. of parent **Palmer Bcstg.** . . **Don Prijatel**, **WDTN** Dayton program dir., named station mgr., new post.

Humberto Carlos, ex-KCOP L.A., appointed business mgr., **KPTV** Portland, Ore.; **Valarie Whitcomb** promoted to personnel-office mgr. . . **Daniel Lesmeister**, ex-KOTA-TV-AM Rapid City, joins **WWNY-TV-AM** & **WMSA(FM)** Watertown, N.Y. as dir. of community services & promotion. . . **NBC Pres.** **Fred Silverman** & **Columbia Pictures Chmn.** **Leo Jaffe** elected trustees of **American Film Institute**.

John Lack, ex-CBS Radio vp & gen. mgr. of **WCBS-AM-FM** N.Y., appointed to new post of vp-programming & mktg., **Warner Cable**, including systems, **Star Channel**, **Qube**, "Nickelodeon" children's satellite network, etc.; **Alan Hirschfield**, ex-Columbia Industries pres., named full-time consultant to **Warner Communications**. . . **Peter Dunne**, ex-NBC, **ABC** & **Lorimar**, joins **Viacom Enterprises** as vp-network programming; Corp. Development Vp **George Castell** also named chmn. of **Strategic Planning Committee**.

Clay T. Whitehead, ex-OTP dir. and more recently pres. of **Allison Technical Services**, becomes pres. of newly formed **Hughes Communications Services** which will construct \$335-million satellite system for Navy; **Ben Forte** promoted to national mgr.-special accounts, **Hughes microwave products**; **Norman Woods** succeeds **Forte** as western sales mgr. . . **John Raines**, ex-Jackson Communications, becomes partner in **Cable Communications Consultants** (**Leo Hoarty**).

Joseph Martinez advanced to sales engineer-RCA Bcst. Systems, Miami hq. . . **Robert Manahan** (Southern Cal. & Nev.), **Charles Taylor** (Rocky Mountains) & **Henry Van Amburgh** (Northeast) appointed **Sony Video** sales engineers. . . **Edward Larkin**, newly elected **NARUC** 2nd vp, also named chmn. of **Communications Committee**.

Robert Bray, ex-vp-gen. mgr. of **WHNB-TV** Hartford, appointed vp-gen. mgr. of **Entertainment & Sports Programming Network** (cable satellite net-

work). . . **C. Dean Taylor** joins **Systems Wire & Cable** as vp-marketing. . . **Don Joannes**, ex-20th Century-Fox TV, appointed western sales mgr., **Viacom Enterprises**. . . **Bart Swift**, ex-Warner Cable, joins **HBO** as **New England** regional mgr.

Steve Dyer promoted to service exec., **Wendell Johnson** to new post of special asst. to Pres. **James Lyons**, **Nielsen Media Research Services Group**. . . **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.

Stuart Feldstein elected a member, **Washington law firm Wilner & Scheiner**; **Dennis Lane & Richard Waysdorf** become associates. . . **Robert Enders** promoted to asst. regional dir., **FTC L.A. office**. . . **William Kunkel** joins **MGM TV** as administrative asst. & contract administrator.

FCC "oversight committee" of 3 commissioners—**Ferris**, **Lee**, **Brown**—has been formed by Chmn. **Ferris** to follow up State Dept. follow-through on agency's recommendations for **WARC 1979** (Vol. 18:50 p4). "Brown and Lee have a hell of a lot to offer" on **WARC**, **Ferris** told us, adding he told State Dept. same thing. Chmn. said it's up to State Dept. (plus **Delegation Chmn.** **Glen Robinson**) to decide whether any commissioners go to **WARC**—but all 3 oversight members are expected to attend part of Sept.-Dec. negotiations in Geneva. Meanwhile, **Georgetown U.'s Center for Strategic & International Studies** plans Jan. 10 conference in Washington on upcoming **WARC** and recent **UNESCO** resolution on world press freedom. Participants will include **Robinson**, **John Gronowski** of **Board of International Bcstg.**; ex-USIA Dir. **Leonard Marks** will moderate.

TelCom Assoc. (program consultant) expands to include creative assistance to production, agency & financial communities, moves west coast office to 1901 Ave. of the Stars, **Century City**, L.A. 90067, 213-277-1691. East coast office moves from N.Y. to 43 **MacDonald Dr.**, **Wayne**, N.J. 07470, 201-628-1061. **James Ritter** is new vp, heads N.J. office; **Herb Jacobs** remains pres. in L.A.

FCC won't contest D.C. Appeals Court decision, which ruled unconstitutional congressionally approved **FCC** regulation requiring public broadcasters to provide audio tapes, if requested, of programs of "public importance" (Vol. 18:36 p4).

RAB & Sterling Institute will sponsor 18 radio sales clinics, starting Jan. 23 in Orlando, ending March 15 in Chicago suburb **Arlington Hts.**

At request of **Harris** & **Motorola**, **FCC** extended deadline for comments on AM stereo to Jan. 31, replies March 30.

Oak Industries reports L.A. over-air pay-TV system now has more than 100,000 subscribers, adding 2,500 weekly.

Consumer Electronics®

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STATE OF THE INDUSTRY

Sales to dealers (total market), from EIA, for week ended Dec. 15 (50th week of 1978):

	Dec. 9-15	1977 week	% change	Dec. 2-8	1978 to date	1977 to date	% change
Total TV	368,036	384,391	-4.3	367,918	15,630,209	14,180,515	+10.2
color	222,625	232,638	-4.3	230,851	9,830,520*	8,728,680	+12.6
monochrome ...	145,411	151,753	-4.2	137,067	5,799,689	5,451,835	+6.4
Home VCR	9,454	—	—	11,876	380,712	—	—
Total radio	658,941	1,162,592	-43.3	722,283	44,007,445	53,137,563	-17.2
home, portable .	447,739	856,911	-47.7	440,897	31,725,520	40,791,123	-22.2
AM-only	167,009	265,105	-37.0	171,034	7,617,696	10,468,396	-27.2
FM & FM-AM .	280,730	591,806	-52.6	269,863	24,107,824	30,322,727	-20.5
auto	211,202	305,681	-30.9	281,386	12,281,925	12,346,440	-0.5

Color TV 5-week moving average: 1978—238,452**; 1977—224,576 (up 6.2%).

* Record year. **Record for week.

1979—2ND RECORD YEAR BACK-TO-BACK? Consumer electronics dollar volume at factory level hit all-time high of more than \$10 billion in 1978, we estimate. We know we're bucking trend of almost all prognosticators, but we see that record broken in 1979 with new high, led by well over \$1 billion in advanced products—VCRs, computers, games, handhelds and their software & accessories.

This first issue of year traditionally features our annual forecasts, and, frankly, we're emboldened by our success in predicting major trends for this year. Just one year ago in this space (Vol. 18:1 p7), we said 1978 could 'go down in history as first year of 10 million color sales to dealers'—at time when industry consensus was 8.8 million sets—and correctly predicted that Treasury would hit importers with stiff TV dumping duties, that surge of imports from Taiwan & Korea would largely negate effects of Japan quota. We even predicted 'you won't be able to buy [a videodisc player] this year'—and if you were in Atlanta, you know how correct that was.

As we get out on our limb for 1979, we're more bullish than industry consensus on color TV sales (9.3 million; Vol. 18:52). We see 1979 as 2nd consecutive year of 10 million sales—down perhaps 2% or so from this year's 10.2 million, but at just about 10-million mark. To back this forecast, we cite huge replacement market (17 million color sets bought in 1967-69 and ready for junkpile), growing 2nd & 3rd-set market, fact that color TV traditionally is among last products to be affected by economic downturn. Monochrome sales to dealers—down little from last year's 6 million; we'd say 5.7-5.8 million. As to VCR, this year we'll go along with industry consensus—550,000, increase of 37.5% from 400,000 in 1978.

TV prices: Industry learned in 1978 that frequent very modest increases will stick while annual big ones tend to fall apart. Policy will be continued, with perhaps 3 waves of 1-2% hikes during year. Step-up features, particularly remote control, will help increase average sale price.

Foreign trade: In legal, congressional & administrative action, 1979 will be even bigger year than 1978, focus continuing on Treasury, President's Special Trade Representative, House Trade Subcommittee, courts. TV import quotas' failure to ease pressure on domestic producers will be major issue as COMPACT decides to go directly to Congress. Complete color-set imports could drop by as much as 500,000 to 2.2 million, assuming shipments from Singapore &

Canada aren't hiked and Mexico doesn't get into act—but drop will be matched by rise in imports of incomplete sets, boosted by start-up of assembly in U.S. by Taiwan manufacturers.

Japanese TV importers will file legal challenges to Customs' dumping-duty assessment system, and Treasury will be forced to suspend collection while case drags through courts. Yet another full year will pass before Zenith-NUE \$1-billion antitrust suit against Japanese goes on trial in Philadelphia. No improvement is seen in yen-dollar relationship in 1979—yen rose 20% in comparison with dollar in 1978.

Technology & Innovation: Not too visible this year in TV—but we'll see increasing inroads of MPUs in tuning systems, replacing AFT. Improved in-line tubes, new filter systems (a la Magnavox's "Computer Color 330") will provide higher-resolution color pictures. MPUs will accelerate their push into audio equipment. Dual-picture TVs will lay biggest egg since Halo-Light.

Videocassette recorders: It will be VHS & Beta all year, but disclosures during 1979 will upset those who favor "standardization." First portable LVR recorders from BASF will be demonstrated, but company's Cal. factory won't be turning out production units this year. Everybody from Sony to Eastman Kodak will be working hard on portable VCR-camera combinations during year, and leaks & progress reports won't help VHS & Beta sales. Portables under development will utilize extremely small cassettes, and hardly any of the systems will be compatible with any other. First all-solid-state color cameras will go on market during year, but won't be cheap.

Videodisc: Magnavision optical-system sales will spread to more markets during year, but won't be anywhere near national. All of initial run of 20,000 players for 1979 will be snapped up, as will be most of MCA's discs. Before year's end, Magnavox will announce "Mark II" player, made mostly from U.S. components (including gas, not semiconductor, laser). Pioneer will demonstrate its compatible player in N.Y. Jan. 11, but its consumer model won't be on market in 1979.

RCA will announce decision to go ahead with videodisc manufacture & marketing, its system modified in compromise with leading Japanese makers—including JVC & Matsushita. Resulting standard will appear to have semi-official Japanese imprimatur as competitor to optical system. RCA will decide to produce players in U.S., put 1981 date on first large-scale marketing.

Projection TV: Sales will pass 100,000 for first time, up from the 60,000 for 1978 (which we correctly forecast a year ago). Japanese 3-tube units will lead increase, and it will become obvious that 3-tube is way to go as single-tube cats & dogs decline in market share. Two major developments will point toward under-\$2,000 3-tube systems: (1) U.S. Precision Lens's f1 lens system with Clinton Electronics' monochrome tubes for low cost in relatively small production runs. (2) License from Kloss Electronics to major offshore tube maker for large quantities of Schmidt tube-lens units for OEM sales here & abroad. Arthur Tucker's Big Picture Inc. will finally find producer for Aquabeam system. No more U.S. TV majors will enter market (after all, 100,000 units is equal to less than 3 days' TV production), but some may start thinking more seriously about it by year's end.

Audio: Profit squeeze will be even tighter on phono marketers, whose recovery attempts will be hampered by higher costs, increasing competition, declining demand. We see drop of about 10% for compacts to 5.5 million, 15% decline in consoles to 800,000. For components, it will be another record year, with sales strongest at high & low ends, latter cutting into compact business. Mini-components will be hot, but producers will learn to their dismay that consumers expect price tags in proportion to size, will shell out big bucks only for big, powerful units.

Highway hi-fi bandwagon will hit pothole: Too many suppliers with too much equipment equals shakeout. CB & mid-fi audio companies will be first to quit car stereo, and resulting dumps will make it difficult for surviving specialists to stay profitable. There'll be lots of talk, no definitive action, on AM stereo, FM quad & stereo sound for TV.

Video games: Programmables above \$150 will have tough time as home computer business

skims off high-end customers. Of 6 majors now offering programmables, at least 2 will drop out. Software could be big profit story in games. Game sales could approach 10 million as suppliers at last have enough chips to go around. Ball-&-paddle games will survive stubbornly as low-ticket toy items.

Computers: With big names now committed to home computer business, year of steady but unspectacular growth is in store. Central event will be introduction of TI's computer, now expected at June CES. Flexibility will be watchword: Products must be great video games first, computers 2nd. Prices will continue to scatter across \$300-\$1,200 spectrum, with \$550 emerging as solid point near year's end.

Handhelds: Area of most exciting growth & change in 1979 will be sophisticated handheld offspring of calculators & games. Field includes portable language translators, spelling & math learning games. Biggest 1979 addition will be hand-held computers in \$200-\$300 range. First such devices may be glorified memory-storage units, but refinements will come quickly. Many new units will be multi-purpose, upgradeable via program cartridges; some may even be consumer programmable. Manufacturers will try to avoid overcompetition & price erosion of calculator days, but will succeed only in postponing it until 1980. Handheld market will easily double to \$400 million in '79.

U.S. INNOVATION RESUMING—GRIFFITHS: Led by record RCA research spending, "American ability to innovate will evidence itself in consumer products in the years ahead." That's firm belief of RCA Pres. Edgar Griffiths. "We're pouring more money into research than we have ever expended in the past," he told us in interview. "Nobody's going to outspend us, we fully intend to get results and we fully intend to be competitive with anybody anywhere."

Griffiths minimizes decision to buy VCR from Japan. "We had the technical capability but decided not to go forward and instead to concentrate on the [video] disc. I have great respect for the Japanese but I don't have fear of the Japanese." Asked about frequently heard proposals to upgrade U.S. consumer electronics technology by modifying antitrust laws to permit companies here to merge R&D work, he said he didn't think it was necessary—"if you do that, they're no longer competitors," adding "I don't know that the Japanese truly do that either."

Decision on videodisc marketing hasn't yet been made, but "we're very encouraged now [and] taking a very searching look at some market research data." When disc system was sent back to lab, it had half-hour coated disc and couldn't be sold for under \$600—now it plays for one hour per side of uncoated disc and can go on market at less than \$400—"we consider this absolutely vital." He added: "We will not be motivated by anything that anyone else does or does not do." Griffiths conceded that he was "astounded" by RCA's long history of unfulfilled forecasts & commitments—including "Holotape Selectavision" of the '60s. "When we're going to do something or not do it you'll know it. What we say we're going to do we will do."

Other products of future on which RCA is working include flat-screen TV, combination TV camera & portable VCR, practical application of home computer. On last item, he elaborates: "We're working very hard on what really is the meaning of the home computer... and from a practical, viable standpoint what you can do with it." He sees it eventually mating with flat-panel screen in home communications system. As to projection TV, he doesn't consider it step toward flat-screen other than in size. "It has problems in focus, brightness and price—we haven't jumped into it because we feel it's not that satisfactory a product."

On potential quota of unfinished TV sets from Taiwan (see p. 10): "If it's something we can live with, that terminates the problem." He said that "our people" have been in touch with U.S. negotiators on subject.

As to 1979: "I am not at all convinced we're going to have a recession. If there is to be one, in my judgment it will be mild and I think it will be in the latter part of the year. For consumer electronics [and for RCA] it will be another good year." For Griffiths' views on NBC & broadcasting, see p. 1.

TAIWAN ON QUOTA HOOK, KOREA SQUIRMS: Final agreement to limit Taiwan color exports to U.S. was reached at week's end amid indications Koreans want some wording changes before they formalize similar deal.

Taiwan pact, expected to be announced by U.S. Special Trade Representative this week, puts 373,000 ceiling on complete-set color exports for full year starting July 1. Restraint program actually starts Feb. 1, with 25,400 monthly limit through June 30, although overall allowable total of 127,000 in that period will be reduced if Taiwan's exports to U.S. in 7 months to Jan. 31, 1979 exceed 368,000. Taiwan chassis exports are restricted to 270,000 (54,000 monthly) for 5 months to July 1. Chassis quota for next 12 months is due to be discussed next May.

"RCA Escape Clause" is how observers tag chassis agreement. Quantity should be sufficient for RCA, with some left over, if Sampo, Tatung and United want to start assembling color TV here this year—but not if former Admiral plant in Taiwan goes back into chassis production. Plant's new Hong Kong-based owners say they are looking for U.S. TV customers, plan to resume output in March or April. Presumably, they will concentrate on complete sets, but could export chassis as well. There's also question of how U.S. will reopen talks with Taiwan now that it's no longer recognized. Considering current political moods both in Washington & Taipei, it may take more than 5 months for needed unofficial channels to be set up & operational.

Quota deal with Korea is more restrictive than originally indicated, and Korea now wants looser arrangement. Korea had agreed to limit of 17,000 monthly for 17-month period ending July 1, 1980 (204,000 annual) for total (complete & incomplete) color exports. At week's end, after getting full details of U.S. arrangement with Taiwan, Koreans were insisting their pact be modified to exclude chassis. This, of course, would leave door open for Koreans to assemble here.

For Korea, quota arrangement means 50% cutback from estimated 410,000 color sets it shipped to U.S. in 1978. On annual basis, Taiwan's overall 1.02-million color quota also is down 50% from 1978, with complete sets off 39% from 608,000 to 373,000, incompletes down 55% to 648,000 from 1.4 million.

Major revisions in U.S. trade rules, designed to insure that wholesale turbulence which jarred relations with other countries in 1970s doesn't carry over into 1980s, are being studied by Administration. In keeping with tentative agreements reached at recent GATT talks, changes would be made in:

(1) Countervailing duties, to require evidence of injury to domestic industry before levies offsetting incentives given foreign exporters are imposed.

(2) Import relief, to permit protection of injured domestic industry by increasing duties or setting quotas on offending imports from specific countries. At present, choice is between raising barriers against imports from all countries or negotiating voluntary export agreements with individual nations—such as TV quotas with Japan, Taiwan & Korea.

(3) Valuation, to require that import duties be based on price actually paid by importer. While this is usual system, dutiable value of some products, including TVs & radio-phonos, is wholesale price in country of origin.

(4) Separately, Treasury is planning to amend antidumping rules to require importers to post estimated dumping duties, rather than bonds for merchandise entered prior to final assessment. New rules also will speed up time given importers to submit information, file protests, require faster administrative action by Customs and give Customs right to use "best information available" to compute dumping margins when data isn't supplied by importers or is deemed unreliable.

AM stereo system developed by Magnavox is being tested by WSM Nashville & WGAR Cleveland under special authority granted by FCC, which says it expects to approve tests by proponents of other systems as well.

Consumer Reports finds small-screen color sets "remarkably good performers" in Jan. issue, gives first-choice nod to 4 of 16 tested sets judged "virtually identical in quality"—GE & GE-made Penney, Panasonic, RCA.

MORE CES EQUIPMENT: At least one brand new projection TV system will make debut at Winter CES this week in Las Vegas. It's first 3-tube unit developed by PTV Network (formerly Magna-Vision). Super-bright system uses 3 monochrome tubes, U.S. Precision Lens's f1 lens system, will be shown in 2 versions—one-piece with 64" screen and 2-piece for audiovisual market designed for use with standard flat 6-x-6-ft. movie screen. Both are designed to sell for less than \$4,000, deliveries scheduled in mid-March. Also new from PTV will be one-tube system at \$1,795. PTV Chmn. Jesse Levine said tentative agreement has been reached for Osawa & Co. to market its projection systems, which will be displayed in Osawa booth.

Also at CES, Du Pont is expected to announce entry into consumer videocassette market with own-brand Beta & VHS tapes early this year. Du Pont says it eventually will have 3-hour Beta cassette. Meanwhile, 3M has begun marketing VHS cassettes in limited areas and is understood to be market-testing 3-hour Beta cassette in Midwest.

Another video highlight of CES just could be first semi-public U.S. demonstration of BASF's LVR portable 8-mm consumer VCR system. If it's shown—not definite by press time—it probably will be by invitation at suite and not at BASF display. These pages carried eyewitness report of first LVR showing in Berlin in Aug. 1977 (Vol. 17:35 p7). VCR is scheduled for production in Cal. late this year or 1980.

Even though Japan failed to standardize metal audio tape in time for CES (Vol. 18:50 p10), metal tape and decks to accommodate it will be among highlights of show, as already reported in these pages. BASF, TDK, 3M & others will show & demonstrate prototypes of their developmental tapes.

Entrants in metal-tape hardware race continue to crowd field at CES starting line: Nakamichi announced it will show 2 metal-tape decks at Las Vegas, and unpriced Onkyo deck scheduled for CES introduction has automatic biasing feature, March U.S. delivery date.

In audio, former Phase Linear Pres. Bob Carver will show \$300 low-heat magnetic-field amplifier (Vol. 18:33 p14) along with \$1,000 "sonic hologram" pre-amp & 2 new conventional amps. Onkyo is entering turntable & cartridge markets with 3 turntables at \$150-\$300 and \$200 moving-coil cartridge, Nikko will introduce completely revamped line of receivers & component separates.

Teal Industries is introducing small-business & home computer at CES, and new Atari Electronic Toy & Game Div. will show several upcoming handheld electronic games, first non-video game products from Atari.

Color TV sales to dealers for 1978 passed 10-million in year's 51st week, when record 199,680 sets were sold, up 13.4% from corresponding 1977 week but only some 300 sets above 1972 record. Total 51-week sales were about 10.03 million. If 52nd-week sales are same as last year, 1978 total will be 10.23 million.

CES conferences: Jan. 6, CB & personal communications (Vol. 18:50 p11); telephones—Tom Massey, GTE Telcom Systems; Peter Grant, Ford Industries; Dan Leever, Leever Bros.; Martin Schutz, Record A Call; retail workshop—Jules Steinberg, NARDA; David Morgenstern, D'Arcy Agency; Joe Sugarman, JS&A; Carroll Shelton, Advertising Checking Bureau; Neil Forney, Bryant Forney. Jan. 7, audio conferences—Components, Howard Ladd, Fisher; Bernie Mitchell, Pioneer; Don Palmquist, Kenwood; Joe Pershes, TEAC; Bud Barger, TDK. Auto audio, Jack Doyle, Pioneer America; Philip Christopher, Audiovox; Lauren Davies, Craig; Don Coleman, Clarion; Jerry Kalov, Jensen. Jan. 8, video conferences—TV, William Boss, RCA; Thomas Shepherd, Sylvania; Alex Stone, Quasar; Norman Schnell, GE. Video systems—Dick O'Brien, JVC; Ray Gates, Panasonic; Charles Dolk, Magnavox; Richard Kelly, Video Corp. of America. Jan. 9, computer, video game & calculator—Mike Markkula, Apple; Larry Castriotta, Team Central; Mal Kuhn, Mattel; Ron Mickwee, National Semiconductor.

TV fire data case was returned to Dist. Court by Appeals Court. Ruling overturned D.C. Dist. Court dismissal of FOI case on grounds that Dist. Court in Del. had already enjoined release by Consumer Product Safety Commission of manufacturer-supplied information (Vol. 17:51 p10). Case was brought by Consumers Union and Ralph Nader's Health Research Organization. Appeals Court didn't order data released, but said injunction wouldn't block case's proceeding in Dist. Court, said latter should "analyze closely the Del. court's reasoning."

Japanese TV makers were quick to discount last week's overblown reports of immediate halt of color exports to U.S. Sharp, Toshiba & Matsushita all said exports would continue. In past announcements, Sharp, Toshiba & Sanyo have revealed plan to transfer assembly of most, if not all, color sets for U.S. to plants here, and Matsushita said former Quasar plant (now Matsushita Industrial Co.) would be turning out models for Panasonic this year. Reports of export halt apparently resulted from misinterpretation of year-end restatement of those plans in Japan.

"Ultra Sound System," to enhance audio output of home VCRs, will be introduced at CES by Home Theatre Movies, L.A. System consists of 2-channel power amplifier, 20 watts per channel. Sound output of VCR is split and played through 2 separate speakers. HTM says unit, at \$189, is capable of stereo playback in anticipation of VCRs with stereo sound. HTM is maker of music videocassettes, including rock concerts, musical movies and especially produced how-to material (disco dance, belly dance).

Sony guardedly conceded in Japan last week that it probably will produce VHS videocassettes, but hastened to explain that this didn't mean it would make VHS decks. Sony Magnetic Products, which makes & markets all Sony tape, said that, like any tape maker, it was constantly seeking new business opportunities, and consequently it was "only natural to study the possibility of making VHS in addition to Beta."

Consumer Electronics Personals

Joseph Keenan advanced to Atari chmn., succeeding founder Nolan Bushnell, now in special post as creative consultant; Ray Kassir, formerly a consultant, appointed pres., succeeding Keenan; Dean Gavin named sales & mktg. dir. of new Electronic Toy & Game Div. . . George Ditomassi promoted at Milton Bradley to mktg. senior vp, replacing John O'Donnell, now Game & Educational Divs. senior vp-gen. mgr. . . Stan Lindenbaum resigns as Interact east region sales mgr.

Frank Leonardi advanced at Sony Industries Audio Products Div. from national mktg. mgr. to vp-gen. mgr., succeeding Gus Ishida, returning to parent in Japan. . . Jerry Roth resigns as Onkyo national sales mgr. Jan. 12. . . Stephen Davis, Acoustic Fiber pres., adds post of chmn. . . Jon Bart, ex-Deutsch Relays, joins TDK as national service mgr.; Robert Miller, ex-Equity Adv., appointed asst. ad mgr.

Jesse Levine advanced from pres. to chmn., PTV Network (projection TV). . . Vincent Donohoe, ex-managing dir. of Speywood Communications, London (projection TV), named to board of Big Picture Inc., Titusville, Fla., responsible for international marketing of new Aquabeam projection system (Vol. 18:35 p10). . . Burton Snider, ex-Morse, joins Gusdorf as midwest region sales mgr. . . Philip Roth advanced at RCA to staff vp, financial analysis, licensing.

Dan Seale promoted at Fairchild from special projects worldwide mktg. mgr. to mktg. dir. for new FIRE Microcomputer Group, responsible for MPU mktg. . . Klaus Jotten shifts from Siemens Europe to mktg. vp of U.S. Siemens Components Group. . . Steven Miller, ex-TI, named pres. of Sawtek, new Orlando, Fla. surface acoustic wave filter producer formed in venture with Piezo Technology; Ronald Rosenfeld, ex-Motorola, named vp. . . Ronald Whitt joins Raytheon Distributor Product Operation as product mgr. responsible for replacement semiconductors. . . James Iacono, ex-International Importers, joins Switchcraft as Chicago district sales mgr.

Second shipment of videodiscs went from MCA to Atlanta dealers last week in anticipation of new supplies of players from Magnavox. MCA Disco-vision Program Vp Norman Glenn said virtually entire first shipment of discs had been sold by the 3 retailers there. Increasing shipments of players are expected by mid-Jan. Add to growing store-house of videodisc-purchaser anecdotes (unverified): "I'm calling from Saudi Arabia," said caller to Rich's dept. store. "Send me a videodisc player by Jan. 25 or I'll buy Rich's."

Duty-free treatment may be ended for watches assembled in Virgin Islands and shipped to U.S. Customs is studying legality of assessing duty on at least foreign-made content of such watches. Assemblers in VI and other duty-free U.S. territories pay no duties on imported parts.

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Consumer Electronics . . .

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SONY NET DOWN: Sony closed fiscal 1978 (to Oct. 31) with net off 26% from 1977, despite rise in consolidated sales of 5.7% to a record of \$2.73 billion. Sony's 1978 results were hampered by sluggish 4th-quarter performance, as sales rose just 5% and net dropped 36.9%. Sony said rapid rise in value of yen resulted in sharp reduction in book value of sales, corresponding rise in cost ratios. Unit sales volume of major products, Sony pointed out, increased significantly.

For year, Sony said sales in Japan rose 10% to \$1.1 billion, to account for 40.1% of total, up from 38.7% in 1977, while overseas sales edged up 3% to \$1.63 billion. Full-year sales by products: TV \$858.1 million, up 0.8% for 31.4% of total (down from 33%); audio recorders & radios \$474 million, down 9.2% for 17.4% (down from 20.2%), VTRs \$458.1 million, up 25.6% for 16.8% (up from 14.1%); audio equipment \$318.5 million, up 8.2% for 11.7% (up from 11.4%); other products, including magnetic tape, \$620.5 million, up 13% for 22.7% (up from 13%).

Taiwan Govt. is receiving words of reassurance that U.S. manufacturers will keep assembly plants there despite loss of U.S. diplomatic recognition. Govt.-issued press release quotes RCA Taiwan Pres. L.R. Wolter saying that top company officials, including Pres. Edgar Griffiths, support continued operations in Taiwan. General Instrument Taiwan Pres. Robert Schieber is cited as pledging to go ahead with \$2.5-million relay plant there.

France will grant about \$42.3 million in aid to \$117.5-million joint IC production venture being established there by National Semiconductor & St. Gobain. Plant construction is slated to start next year, with completion in early 1980. Initial employment of 300 is to expand to 800 by 1985.

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NAB TO WITHHOLD POSITION on rewrite until Van Deerlin introduces new bill to avoid placing itself in inflexible position. Discussion in Maui to focus on 6-8 major issues, no new policies expected. Thurston promises 'radical change' in meetings. (P. 2)

COMMUNICATIONS FOCUS IN CONGRESS: New Congress may yield large-scale changes in Communications Act. Van Deerlin to go on stump. Momentum seen from Senate. (P. 3)

999th TV STATION STARTS: WQTV Boston, pay-TV UHF, leases time to Universal Subscription TV, which runs 7 p.m.-1 a.m. week days, 1 p.m.-1 a.m. week ends. (P. 3)

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Consumer Electronics

10 MILLION TVs IMPORTED through first 11 months, as both color & b&w shipments top past full-year records. Korea bows, signs color export quota pact. Tatung building U.S. color plant. (P. 7)

DOMESTIC TV INDUSTRY attitudes and govt. policies to blame for U.S. trade woes, shift of technology leadership to Japan, according to \$50,000 study prepared for Labor Dept. (P. 8)

TV STEREO SOUND gets endorsement of many set makers. GTE consumer test shows enthusiasm. Tuners, receivers, converters multiply in Japan. Industry task force starts. Major comprehensive study to be begun by industry task force. (P. 10)

NO COMPROMISE IN STORE on \$500 million in dumping duties owed by Japanese TV importers, Treasury tells House subcommittee. (P. 10)

FCC UHF IMPROVEMENT timetable calls for development of recommendations by Sept. 1980. Will spend \$750,000 on development projects, studies, surveys. (P. 11)

USUAL UNUSUALNESS abounds at CES in form of gimmick products. Lighter-calculator combo, electronic astrology, remote-control cassette deck, among exotica. (P. 11)

SCHMITT SEES BIPARTISAN BILL: Sen. Schmitt (R-N.M.), now working on his own revamping of Communications Act, wants to develop joint legislation with Communications Subcommittee Chmn. Hollings (D-S.C.), although Schmitt is leaning against spectrum fee backed by Hollings and favored on House side.

Schmitt told us that it's of utmost importance that there be joint approach, and that wheels already are turning in that direction. He said he plans meetings with Hollings and Sen. Goldwater (R-Ariz.), latter expected to become ranking communications minority member.

Joint effort, like one on House side for rewrite, would be of substantial help in assuring that Congress will act on redoing Communications Act this session. "I think we'll see something in the 96th Congress," Schmitt said. "I'm going to see that it happens."

On spectrum fee, Schmitt said: "I'm not happy with the context it's been proposed in. It's been proposed as a way to fund public broadcasting. There are better ways to handle the public broadcasting issue... I'm not one of those that says the spectrum is a finite resource... We're seeing technological advances. I tend to think we need a better mechanism, though I haven't closed my mind."

Schmitt has some news bound to make cable interests unhappy, particularly because they fought so hard to get House rewrite bill to recognize cable as national entity. Said Schmitt: "Right now, I view [cable] as a state regulatory problem with the exception of copyright."

And he had some good news for broadcasters: "[Broadcast licenses] ought to be lengthy, although not indefinite. Something on the order of 5 years makes more sense." On public interest standard: "People expect to have a public interest provision." On networks: "You can think of the obvious things a regulatory agency might not want networks to do--pornography and that sort of thing."

Schmitt said some major principles of his legislation include need to maintain basic voice phone service, importance of increasing areas for marketplace competition and with minimal amount of federal regulation. Schmitt, former astronaut well-versed in satellite and other technology, said Act needs to be revamped because "just about everybody feels the advance of technology and services based on that technology have pretty well outdated existing law."

NAB TO WITHHOLD REWRITE POSITION: Expectations of Rep. Van Deerlin (D-Cal.)—chief backer of Communications Act rewrite in new Congress (see p. 3)—that he'd have benefit of NAB position prior to introducing new bill next month aren't going to bear fruit. Reversing earlier stand, NAB Exec. Committee decided last week not to present proposed "statement of objectives" (Vol. 18:51 p2) to next week's board meeting in Maui, instead will call for wide-ranging discussion of 6-8 key issues without seeking firm positions.

"As an old poker player, I'm not sure it serves our best interests to expose all our cards at this time," Radio Chmn. Walter May told us. Added NAB Chmn. Donald Thurston: "We didn't want to go to the board members with something already written by some one else and try to jam it down their throats... There'll be no pre-determined positions presented... We'll let everybody have their say" within a time frame. "We want to see Van's new bill before going on the record." Thurston and other Exec. Committee members and NAB staffers expressed doubt that board would adopt any firm policy positions at Maui—will instead conclude that better course would be to await Van Deerlin's new bill.

NBC Washington Vp Peter Kenney, network rep on Exec. Committee, said "the worst position we could be in would be to develop inflexible positions from which we couldn't move." NAB staffers are known to be happy with new direction recommended by Exec. Committee, say it'll make their work much easier in Washington when serious negotiations start on possible swaps in rewrite. Added one: "For the first time, there was some thoughtful consideration by the Executive Committee on what we ought to try to do... or better still, why are we doing this."

Thurston promised "a radical change in the procedure and style of board meetings" for Maui. "There'll be no 'talking head' staff reports... It'll all be there in writing, and they'll be there to answer questions." First day's joint TV-radio board meeting (Jan. 16) will be devoted to discussing "substantive issues" on govt. matters and "until we do that, we're not in shape to come up with any objectives." Major issues will include all facets of cable, fees, clear channels, AM allocations, PSA's and mandatory program percentages, WESH-TV implications and license stability, quantitative renewal standards and WARC. "We'll provoke some solid, policy discussions... something we haven't done on the board," Thurston said. He expressed hope that one outcome will be NAB policy opposing any more daytime-only authorizations "because [daytimers] simply leave people underserved."

In other actions last week, Exec. Committee: (1) Approved \$100,000 capital expenditures for planned engineering lab. (2) Recommended board increase per diem expenses for dirs. from \$44 to \$60; air fare would remain at tourist class. (3) Approved budget for board action of \$6.19 million income, \$6.13 million expenses, effective starting April 1.

(4) OKed elimination of 6 fall conferences "as we've known them in the past," according to Thurston. Instead of fall meetings, which entailed heavy staff travel for 6 weeks and large expenses, board will be asked to approve plan concentrating on closer liaison with state meetings and stress on "specialty" meetings—such as radio program conference, legal clinics in states where renewals are due, etc. Major problem: NAB has made commitments to hotels in 6 cities next fall.

COMMUNICATIONS FOCUS IN 96TH CONGRESS: New Congress beginning this month may well be a communications Congress, concentrating more on subject than in many years. Both House & Senate are working on wide-ranging proposals for changing Communications Act.

Of greatest interest initially for broadcasters are events on House side, where Chmn. Van Deerlin (D-Cal.) of Communications Subcommittee, is gearing up for an all-out push of his re-write bill, now in final redrafting process. Since coming out with bill in spring, he's received truckloads of criticism, now knows where political pitfalls are, and new rewrite bill to be introduced in Feb. will reflect that.

Van Deerlin tells us he'll go on the stump for bill, promises to accept any invitation to speak from any state broadcasters' association in order to tell his story. His subcommittee may be smaller this Congress, one with different majority-minority make-up, which will have unknown effect on rewrite.

Factor to be weighed when discussing rewrite is speculation that this Congress may be Van Deerlin's last. He denies it, but Capitol Hill and industry officials say speculation could have impact. Broadcast representative wondered if those on House side might favor bill because it's seen as Van Deerlin's last major bill. Hill aide wondered, however, whether deadline would work against bill, reducing time for compromises.

Whatever Van Deerlin does, momentum on Senate side has started for big communication changes this Congress. Communications Subcommittee Chmn. Hollings (D-S.C.) is moving forward with plans to renovate rewrite, and Sen. Schmitt (R-N.M.) wants to work with Hollings on a joint bill (see p. 1). Hollings' announcement that he favors renovation gave big lift to rewrite and prospects for action this Congress. As House aide put it: "The Senate action gives credence to the rewrite. It provides a basis for a conference. They then would return to both houses with a comprehensive rewrite."

999th TV STATION STARTS: WQTV (Ch. 68) Boston, designed primarily for subscription-TV operation, went on air Jan. 2 as nation's 999th station. It leases time to Universal Subscription TV (Ron Brutoco). Weekday commercial operation is 7-9 a.m. PTL Club, 5-7 p.m. news, etc. Week ends, it's noon-1 p.m. Sat. & 9 a.m.-noon Sun. STV operation is 7 p.m.-1 a.m. week days, 1 p.m.-1 a.m. week ends.

STV Mgr. Fred Horowitz said "marketing in earnest began the last week and a half. It's not full blown yet. It's localized, so we don't spread out the installers." Alex Papagan is mktg. & programming dir.; Mark Welton commercial divs. mgr. Joseph Niccoli is gen. mgr., of station itself, Philip Martin chief engineer.

Start brings station total to 999 (725 commercial), of which 622 are VHF, 377 UHF.

Current issue of Fortune (on newsstands Jan. 9) features 6-page article on CBS titled "CBS Fights to Regain Its Title," concludes network is long way from regaining top spots in ratings, revenue & profit from ABC. Article also points to large exodus of key execs., says Chmn. William Paley is personally involved in search for new exec. talent. Other conclusions: Those who survive at CBS do so because they defer to Paley; Pres. John Backe is frustrated by inability to manage Best. Div.; broadcasting profits aren't as high as they should be. CBS refused to cooperate in preparation of story, and Backe wrote execs. telling them not to talk to reporter Peter Bernstein.

ABC-TV plans mini-affiliates' conferences in San Francisco Jan. 11, New Orleans Jan. 16, N.Y. Jan. 18.

Hill probe of SBA minority broadcast loans was asked by House Communications Subcommittee Chmn. Van Deerlin (D-Cal.) in letter to Rep. Neal Smith (D-Ia.), chmn. of House Small Business Committee. Van Deerlin complained that SBA help to minorities has so far been "merely window dressing." The White House pledge to expand minority ownership has "been observed mainly in the breach," he wrote. Chairman took especially dim view of SBA loan to NBC's Tom Brokaw (Vol. 18:51 p5). He said of first 32 grants made by SBA for broadcast purchases, only 7 were to minorities. "As a result, I am requesting that you initiate an inquiry into the SBA's loan policy in broadcast matters," Van Deerlin wrote. "I recognize SBA's liberalized loan policy is not intended to be the sole remedy to the minority ownership problem. However, every little bit helps."

No delays will develop in FCC inquiry into earth station deregulation, FCC Chmn. Ferris assured Rep. Van Deerlin (D-Cal.), chmn. of Communications Subcommittee. Latter had told Ferris he feared "your review of the need for regulation could drag on interminably." Ferris responded that Commission will hold to deadlines, implement changes immediately if they're indicated. Said Van Deerlin: "The total deregulation of these receive-only earth stations, without the delay imposed by lengthy formal proceedings, would be a good opportunity to test whether the marketplace is preferable to continued regulation, and the provision of optional licensing would afford adequate protection for those users who want it and are willing to pay for it."

Optical Systems is suing Oak Industries, claiming infringement of pay-TV patents.

FLEMING ACCEPTS OLIVE BRANCH: In first interview after taking over presidency of CPB, Robben Fleming hit "internal warfare" within public broadcasting community, said he agrees with PBS Chmn. Newton Minow that peace must be imposed on warring bureaucrats (Vol. 18:49 p5). But Fleming said he wasn't sure announcing peace would end conflicts: "I've never had great success in having people do what I tell them," he joked. "But I'm in complete agreement with Minow. We ought to bring this to an end."

Priorities seen by Fleming: (1) Quickly completing re-organization of top CPB management; (2) exploring "what it is that this organization ought to be and do." Fleming called latter "key mission," explaining that it's never been clear—to him or most others—exactly where CPB fits into the overall plan for public broadcasting.

Fleming quieted fears for jobs expressed by some at CPB, scared a purge may begin once new boss learns ropes. "I've no thoughts of bringing in any kind of Ann Arbor mafia," said former U. of Michigan pres. "There's always concern when a new person comes on the scene. People have the normal curiosity."

Style of new pres. (at least at first) will be low-key. "I don't want to spend a lot of time talking about things I don't know enough about. I'll be spending a good deal of time listening. I do not pretend to any great experience in this," he admitted.

After shake-down cruise lasting about a month, Fleming intends to make himself known on Capitol Hill, where Communications Act rewrite presents CPB with challenges, dangers. Fleming wouldn't reveal his strategy for the rewrite, said only that he intends to make his views known.

No time limit on CPB job is in mind, Fleming said. In farewell address to Mich. faculty Fleming, 63, said he hoped to return to Ann Arbor for retirement; he owns a house there. His move to Washington was scheduled for Jan. 6-7. To much-publicized reports that CPB is a snakepit, Fleming shrugs. "I don't get very excited about snakepits." Fleming said he hasn't read forthcoming Carnegie report, doesn't know what's in it. He is old friends with William McGill, Carnegie chmn., but said he's waiting along with everyone else for the details.

Panel on VHF drop-ins should be convened by FCC, MST urged, saying outside engineers could help staff make further study requested by Commission (Vol. 18:52 p4). At least, MST stated, comments on staff's proposed study should be sought. MST was particularly critical of measurements made in Johnstown area by drop-in proponents.

"The New Communicators: A Guide to Community Programming," by Dorothy Forbes & Sander Layng, published originally by Canadian Cable TV Assn., has been issued by Communications Press, 1346 Connecticut Ave. NW, Washington, D.C. 20036 (\$7 plus shipping, 117 pp.)

Two FCC advisory committees have been extended—on cable leakage, to Feb. 1981; Radio Technical Commission for Marine Services, to Oct. 1979.

ETV SALE OPPOSED: Angry members of KCPQ-TV Tacoma advisory group have asked Citizens Communications Center to challenge sale of Ch. 13 station for \$6.25 million to Kelly Bestg. (KCRA-TV-AM & KCTC(FM) Sacramento. Nolan Bowie, director of Ford Foundation-supported CCC, says proposed sale raises "unique issues."

Although station isn't on reserved ETV channel, it has operated as public TV station since it was purchased out of bankruptcy by Clover Park School Board in 1975 for \$378,000. School dist. intends to use profits from sale to retire bonds needed to repair condemned high school.

An FCC official said there would be no fundamental legal block to sale because channel isn't reserved for ETV. He said public interest questions could still be raised, though. There's a touch of irony to the proposed sale, the official said: When the station was bought by the school dist., some in Tacoma objected to allocating the channel to ETV. "Now, we'll have to go through it all over again," official said.

School officials say they sold station because under new state education formula no money would be available to meet \$500,000 annual operating cost. Sale would leave some viewers in southwest part of state without PTV service. Tacoma area is served by KTPS (Ch. 62) and many homes there also get KCTS-TV Seattle (Ch. 9).

One hang-up may be fact that federal money was used to upgrade station facilities. Bowie says his staff will look into that. PBS officials are upset at sale but say their hands are tied. If sold, it would be first loss of PBS affiliate to commercial operator.

Last month, John Blair & Co. bought KOKH-TV Oklahoma City from school board for \$3.5 million (Vol. 18:52 p5). Station, on commercial Ch. 25, also had been bought from a bankrupt commercial operator. KOKH-TV is not PBS member, mainly ran classroom programs. Unlike at KCPQ-TV, there is no public advisory group likely to object to sale, and Oklahoma City will continue to be served by PBS KETA (Ch. 13).

"NBC's Fred Silverman seems to be following through on his promise to make NBC a 'class' network," according to National Federation of Decency. NFD monitored 763 network prime-time hours Sept. 10-Dec. 2, rated NBC programming 6.6 (10 being tops) for "constructive contribution as entertainment and/or information"; CBS rated 5.6, ABC 5.5.

Israeli communications center, to be used mostly for TV, will be built in Jerusalem—first stage costing 10 million Israeli pounds. It also would be nucleus of commercial station, if govt. ever authorizes commercial operation. Center would be used by U.S. & other networks which must now use facility in Herzelia, some distance from capital.

Battle of color standards in Columbia has been won by U.S.—govt. picking NTSC system over PAL & SECAM. Transmission is to begin in Bogota at end of 1979.

NAB CABLE STUDY HIT: NCTA pres. Robert Schmidt said last week there was a major defect in the NAB filing in the FCC cable-broadcast economic inquiry: Filing was "so narrowly focused... it ignores key questions." Said he:

"The study [Vol. 18:50 p4] says nothing about the bottom line in the economic inquiry: Cable's impact on a local station's ability to continue to serve the public." At worst, he asserted, in "heavily penetrated" markets, VHF stations might experience "small" audience losses—but UHF stations "benefit from the carriage."

"The study does not, as NAB would have the FCC believe, 'provide a solid foundation for regulation of cable signal carriage,' but simply confirms that there is a relationship between station audience and revenue," Schmidt said.

To add juice to his claim, Schmidt released letter from Jay Sadow, pres. of WRIP-TV-AM & WOVE(FM) Chattanooga, stating: "The greatest blessing I have enjoyed as the licensee of my independent TV station... was the construction of [a local] cable system. We are now heard and seen in far more homes and businesses than ever before. We now can get in behind hills and mountains whereas previously this was an impossibility because of the personality of our UHF station."

Schmidt said he saw no reason to amend copyright law in squabble with broadcasters over low-level of royalty payments: "The level of fees can best be answered at the copyright tribunal... That's the beauty of the copyright system."

Other thoughts of Pres. Schmidt: 1979 will be a "fabulous year" for cable, providing economy doesn't sour—"always a big if." A public TV service to cable via satellite would be welcome but the industry shouldn't have to pay for it "because we're already paying for [PTV] as taxpayers."

Cable enemy No. 1 for year: Telephone company. Schmidt said he expects new House communications bill to contain provision allowing AT&T back into CATV. Such a move would be a disaster for cable, he said, because AT&T would "monopolize" industry—"AT&T was asked to leave the dance because it didn't behave." He said AT&T can't be trusted not to behave in a predatory manner, and FCC can't be trusted to regulate it effectively, such exercises in the past having proved "futile."

Other danger for cable this year: Possibility FCC will raise 5% franchise fee ceiling. Schmidt said he'd seek legislation to protect industry because "too many cities—like Cleveland—will reach out for any source." Proposition 13 financial squeeze in Cal. would make cable there especially vulnerable, said Schmidt. He said Rep. Russo (D-Ill.) has promised to introduce a bill if needed to retain 5% ceiling.

Stations in Oklahoma City began one-year experiment of permitting cameras in courtroom with videotaping Jan. 5 of sentencing of convicted slayer. Experiment was authorized by state Supreme Court. KWTV videotaped session, provided feed to KTVY & KOCO-TV.

PTV SUPER STATION BACKED: Proposal to form PTV "super station" using satellite advocated by FCC Comr. Quello (Vol. 18:51 p5)—is called "inherently valid" by WNET Pres. John Iselin. But Frederick Breitenfeld, Md. Center for Public Bcstg. exec. dir., warns that super station could drain funds from local stations and warns that proposal might attract "super hustlers."

Breitenfeld, head of PBS Transponder Allocation Committee, says PTV super station is inevitable. "Asking if you believe in it is like asking if you believe in the Atlantic Ocean," he said. He warned, though, that concept flaunts the "localism" called for in 1934 Communications Act, and suggested that PTV station that becomes a super station first won't necessarily achieve that status through excellence in programming so much as through fact that "one of our development directors is smarter than the rest."

Funding, structure are seen as biggest obstacles. Lloyd Kaiser, WQED Pittsburgh pres., sees higher priorities, worries that support for a super station could cut into local station viability. "The purpose escapes me—it's kind of crazy." But Kaiser says Quello's idea for FCC-sponsored PTV advisory group is "excellent"—says more understanding of public broadcasting is needed.

Iselin, most enthusiastic of PTV execs polled on Quello proposal, says best way to implement super station is to create a new "super entity" to run it, suggests EEN could handle the job. Iselin is particularly keen to get public station output on cable: "It's a natural partnership in the offing."

Iselin said he was speaking "conjecturally" and has no firm plans for getting a PTV super station on the air. "We're all obviously intrigued."

In Chicago, Quello proposal is old hat. WTTW Pres. William McCarter says his station has been monitoring super station development all along and has even been "approached" by an operator eager to put station into national distribution.

McCarter says he's reluctant to rush into a deal—especially because of negative impact it could have on sister stations in PBS system. WTTW is already carried by cable systems in 5 states, will take proposal to become super station under advisement. In meantime, McCarter says he won't disclose identity of group seeking to distribute station over bird—instead will seek to answer the question: As a public station, how can it be helpful?

UA-Columbia has obtained 7-year \$24-million financing from 10 banks—with Chase Manhattan & Pittsburgh National lead banks. Financing comprises 3-year revolving credit convertible to 4-year term loan. Interest is at prime rate for 2 years, 1/4% above prime 3rd year. Term loan rate is 1/2% above prime.

Tax certificates for sale of 3 stations to minority groups were issued by FCC to: Suburbanaire, for sale of WAWA W. Allis, Wis. & WAWA-FM Milwaukee to APB Enterprises, and Malrite Bcstg. for sale of WBRB-FM Mt. Clemens, Mich., to Inner City Bcstg.

Personals

NTIA Dir. Henry Geller speaks Jan. 17 at IRTS lunch, Waldorf-Astoria, N. Y. . . **Thomas Houser**, ex-FCC member and former OTP dir., recently in private practice, named gen. counsel, National Assn. of Mfrs. . . **Ex-Sen. Robert Griffin** (R-Mich.), former ranking minority member of Communications Subcommittee, named senior fellow, American Enterprise Institute.

Jeff Gralnick promoted to vp, exec. producer & dir. of special events unit, ABC News; **Pamela Hill** to vp, exec. producer-documentary unit; **Jane Gibbons** rejoins ABC as mgr.-business information, West Coast; **Polin Cohan**, ex-Marine, appointed programs attorney. . . **Art Briggs**, KHOU-TV Houston chief engineer, promoted to engineering vp, parent **Corinthian Bcstg.** . . **Harold Thompson** advanced to dir. of engineering development, WDTN Dayton; **Steve Barry** to sales mgr. . . **Henry Osburne**, ex-WRAU-TV Peoria and one-time FCC, appointed mgr. of bcst. standards, WRC-TV Washington. . . **Gannett Pres. Allen Neuharth** also elected chmn.

NBC appointments: **Sallie Forman** promoted to dir.-govt. relations, Washington; **William Covington** to senior administrator, news talent contract negotiations; **Eric Wessman** to commercial policy mgr.-bcst. standards; **Robert Landman** to dir.-TV stations systems; **Susan Beckett**, ex-Justice Dept., appointed senior attorney; **Barry Cook**, ex-Hunter College sociology prof., named dir.-news research.

Anthony Kelsey, ex-N. Y. Telephone Co., appointed Arbitron gen. counsel. . . **Ben Avery** promoted to AP gen. bcst. exec., western states, Dallas hq, succeeding **Gene Foster**, retired. . . **John Dussling**, ex-press aide to Rep. Cornell (D-Wis.), named regional mgr. trainee, NAB, is expected to become mgr. in April.

Richard Stein, ex-Bcst. Marketing Co., appointed RAB vp-retail marketing. . . Appointed regional mgrs., WTCG Atlanta cable relations: **Judy McClenaghan**, West; **Nory LeBrun**, Northeast; **Douglas McGinnis**, Midwest. . . **Robert Doudell** promoted to vp-production, Metromedia Producers. . . **Lawrence Frymire**, exec. dir. of N. J. Public Bcstg. Authority, and **Assoc. Exec. Dir. Douglas Leonard** resign over "differences of opinion" with state commissioners, effective April 30.

Allbritton Communications has extended program through Jan. to help minorities finance purchase of TV-radio stations. National Black Network has contracted to acquire **WDAS-AM-FM** Philadelphia through program and Allbritton Bcst. Div. Pres. **Thomas Cookerly** expects "3 or 4 more purchases will be consummated in the near future."

HUT levels for all day parts in Oct. were "consistent with" Oct 1977 viewing levels, according to Arbitron, which found only "minor differences" and no changes in 10 day parts of over plus or minus one point.

WGY(AM) Schenectady receives 17th Mike Award from Bcst. Pioneers Feb. 6. Hotel Pierre, N. Y. . . after several years' lapse in the awards.

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with

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"Every sector of NBC. . . from news to entertainment to sports" will be involved in "a major new programming commitment" for children, according to NBC-TV pres. **Robert Mulholland**. At dedication of new facilities for KMTV Omaha, he said push is timed for "International Year of the Child," called it "a timely and important idea, because the way a nation treats its young tells much about the condition of that society and where it is headed." He hit critics of children's programs, saying: (1) "There is no reputable evidence to show that commercials in any way harm youngsters." (2) Charges of too much violence on TV "is way behind the times." (3) It's unrealistic to expect all children's shows to be clearly educational because "unless a program is entertaining and fun to watch, children simply will not watch it. That's why NBC tries to slip educational content unobtrusively into an entertainment framework."

Storer Bcstg. has set prices it hopes to get for 4 radios on market (Vol. 18:50 p3): **WHN(AM)** N. Y. \$17 million (Storer paid \$11.8 million in 1962, at that time highest price ever for radio station); **WGBS(AM)-WLYS(FM)** Miami \$14 million; **WSPD(AM)** Toledo \$4 million. Storer can't sell **WLAK(AM)** Chicago because of FCC's 3-year rule; last year, **KTNQ(AM)** L.A. was sold to K-Love Inc. for \$8 million, **KHTZ(FM)** there to Greater Media for \$4 million.

EEO shortcomings were charged by FCC to 19 stations, including one TV, and it granted conditional renewals, requiring periodic reports on EEO progress. TV station was **WTRF-TV** Wheeling.

FCC has extended deadline for comments in fee refunds and future fee schedules from Jan. 8 to Feb. 1—at request of GE, NAB and Land-Mobile Communications Council.

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STATE OF THE INDUSTRY

Sales to dealers (total market), from EIA, for week ended Dec. 22 (51st week of 1978):

	Dec. 16-22	1977 week	% change	Dec. 9-15	1978 to date	1977 to date	% change
Total TV	324,055	278,461	+16.4	368,036	15,954,264	14,458,976	+10.3
color	199,680*	176,097	+13.4	222,625	10,030,200**	8,904,777	+12.6
monochrome ...	124,375	102,364	+21.5	145,411	5,924,064	5,554,199	+ 6.7
Home VCR	8,524	—	—	9,454	389,236	—	—
Total radio	568,819	1,021,019	-44.3	658,941	44,576,264	54,158,582	-17.7
home, portable .	340,723	749,304	-54.5	447,739	32,066,243	41,540,427	-22.8
AM-only	169,435	240,989	-29.7	167,009	7,787,131	10,709,385	-27.3
FM & FM-AM.	171,288	508,315	-66.3	280,730	24,279,112	30,831,042	-21.3
auto	228,096	271,715	-16.1	211,202	12,510,021	12,618,155	- 0.9

Color TV 5-week moving average: 1978—230,411*; 1977—211,611 (up 8.9%).

*Record for week. **Record year.

TV IMPORTS THROUGH NOV. TOP 10 MILLION: Steep Nov. rise in imports of complete & incomplete TVs pushed 11-month total past historic 10-million mark, as shipments of both color & b&w for period topped past full-year records, Commerce figures show. In related developments last week, Korea agreed to quota on color exports to U.S. and Tatung revealed plan to become first Taiwan maker with U.S. color assembly plant.

Nov. total TV imports of 1.03 million were up 50.9% from same 1977 month, with color up 58.7% to 483,000, b&w up 44.6% to 543,000. For 11-months, total imports were up 25.6% to 10.06 million, with color up 30.1% to 4.52 million, b&w up 22.2% to 5.53 million. Previous full-year records were 8.8 million total TV, 3.78 million color, both set in 1977; 5.06 million b&w, set in 1972.

Color totals include 252,500 complete sets for month, up 22.2%, 230,200 incompletes, up 135.7%. For 11-months, completes totaled 2.53 million, up 7.1%, incompletes just under 2 million, up 78.7%. Month also saw import of 39,000 home & commercial VCRs, up 22%, raising 11-month total to 454,300, up 187.9%.

TV imports for month by country, with 11-month results in parentheses: Japan total 258,000, down 1% (2.92 million, down 17.6%); color 128,300, down 21.2% (1.57 million, down 25.7%); b&w 129,800, up 32.7% (1.35 million, up 6.1%). Taiwan total 413,200, up 62.5% (4.41 million, up 58.5%); color 123,700 up 133.5% (1.34 million, up 243.3%); b&w 289,600, up 43.9% (3.07 million, up 28.3%). Korea total 178,900, up 92% (1.39 million, up 87.5%); color 58,100, up 192.6% (355,600, up 344.2%); b&w 120,800, up 64.8% (1.04 million, up 56.5%). Canada color 21,500, up 56.1% (196,000, up 259.7%). Singapore color 11,600, up 725.8% (53,500, up 345.3%). U.K. was source for 2,000 under-11" b&w in Nov. (up 152.8%), 19,500 for 11-months (up 10-fold), all presumably Sinclair mini's.

For full period, color imports from Japan included 1.36 million completes (down 29.1%), 208,100 incompletes (up 8.5%), while completes from Taiwan rose 89.4% to 566,500 and incompletes leaped 748.9% to 773,100. Mexico, where RCA, Sylvania & Zenith have chassis assembly plants, supplied 138,900 incomplete color sets in month (up 164.5%), 995,600 for full period (up 21.3%), indicating 1978 was first million-chassis year.

Korea bowed to U.S. demands for color TV export restraint last week, signed agreement limiting shipments to U.S. to average of 17,000 monthly during Feb. 1, 1979-July 1, 1980 period, as detailed here last week (Vol. 19:1 p10). Pact follows similar deal putting 373,000 ceiling on Taiwan complete color exports for year starting July 1. Taiwan is limited to 127,000 complete, 270,000 incomplete, for Feb. 1-June 30 period, is expected to maintain same 54,000 monthly average quota for incompletes over following 12 months.

Including quota negotiated last year with Japan, U.S. has put limit of 2,975,000 on annual color imports from 3 major suppliers, with ceiling of 2,137,000 on complete sets, 838,000 on incompletes. Japan gets 1.75 million total (1.56 million complete, 190,000 incomplete), Taiwan 1,021,000 (373,000 complete, 648,000 incomplete), Korea 204,000 overall.

Adding to that conservative estimates of 120,000 sets from Singapore, 200,000 from Canada and 1.1 million chassis from Mexico, total quota-year imports will be about 4.3 million. That's 1 million more than were brought in in calendar 1976, year it was decided to clamp down on Japan, 500,000 more than 1977, and only 12% below estimated imports for 1978. If Mexico & Singapore ship at currently projected rates, actual color imports could easily top 5 million, set new record high and probably trigger demand for even broader quota protection for what's left of traditional domestic industry.

Borrowing page from Japan's book, Tatung plans to start assembling color TVs here this year in 82,000-sq.-ft. plant it's building in L. A. Tatung will mate imported chassis with U.S. -made picture tubes & cabinets, produce about 60,000 in 1979. Company also intends to continue expanding distribution here. Taiwan's Sampo is also known to be looking into U.S. assembly.

STUDY BLAMES U.S. FOR TV TRADE WOES: Inadequate industry response to import competition and poorly structured U.S. trade, tax & antitrust policies—rather than any unfair trade practices by Japanese manufacturers—are at heart of import problems plaguing domestic TV industry, according to report prepared for Labor Dept.

Sweeping indictment of all aspects of industry-govt. handling of import situation is contained in "Sources of Competitiveness in the Japanese Color TV & VTR Industry," 159-page document compiled by D.C.-based research firm Developing World Industry & Technology under \$50,000 contract issued in 1977 (Vol. 17:49 p10).

Key to Japan's success is ability to design & engineer new products that reach worldwide market success, study says, crediting Japanese govt. with creating encouraging atmosphere. Japan permits, sometimes even pays for, cooperative market development efforts which would violate antitrust laws in U.S., also provides tax & financing incentives for plant-expansion, market-development and R&D.

Major response of U.S. TV makers to import competition has been to shift production to low-wage foreign plants. This, study says, served to freeze U.S. technology levels at time when proper move would have been investment in R&D. Other typical, non-productive responses cited: (1) File legal suits. (2) Affiliate with foreign manufacturers. (3) Drop out. Those R&D advances which have been made are for most part "essentially cosmetic alterations," and most of more meaningful attempts have been "flawed by technical indecision and an aversion to aggressive risk-taking." No U.S. set maker ever made "any serious efforts to penetrate" Japanese or other foreign market, which could have provided extra profits needed to support cost of upgrading sets & plants in U.S., study states.

Result is that U.S. domestic producers have slipped behind Japan technologically—as evidenced by need for U.S. companies to buy home VCRs from Japan—and U.S. factories have turned into low-skill assembly operations. Japanese TV plant investments in U.S. only serve to reinforce situation, at same time enabling Japanese set makers "to more effectively bypass import quotas" while they continue to produce necessary sophisticated components in Japan.

Study says major changes are needed to revive domestic TV industry. Among recommendations: (1) Increased tax incentives for R&D and technology & plant modernization investments. (2) Antitrust law revision to put U.S. companies on even footing with foreign competition. (3) Quotas on product rather than country basis, to insure new foreign suppliers

don't enter market. Quotas should be accompanied by comprehensive program for rehabilitation of domestic industry. (4) Establishment of mechanism to help U.S. companies meet import competition through production rationalization or modernization rather than moving off-shore or erecting trade barriers.

In related areas, study also recommends U.S. insist Japan really open door for more imports, and provide marketing help for U.S. manufacturers who want to sell there. It also says U.S. manufacturers should do some corporate soul-searching to determine "extent to which corporate attitudes and philosophy are as much at fault for inadequate response to foreign competition as are deficiencies in the economic environment."

Separately, GAO issued report highly critical of import adjustment assistance program of impacted businesses administered by Commerce. GAO says program is under-utilized, under-publicized and generally unattractive to companies because of tough eligibility criteria and high (10.125%) interest rate on loans. In addition, GAO says, program generally hasn't met goal of improving strength or competitiveness of import-injured companies.

New software packages for VCR acquired by Magnetic Video Corp. include 21 features from Faberge subsidiary Brut Productions, including "Nasty Habits" (Glenda Jackson), "Night Watch" (Elizabeth Taylor), "Touch of Class" (George Segal), "Hugo the Hippo" (animated). Pact provides for exclusive worldwide distribution, including all Brut releases for next 5 years, in pattern set by MVC pact with Avco Embassy. MVC also plans to add more non-movie programs, following successful experiment with sports selections. Company has signed deal with Bill Burrud Productions ("Animal World" TV show) for series of wildlife programs and has bought rights to Pathe News, oldest source of film footage, dating back to 1895. MVC will offer about 20 one-hour packages derived from Burrud & Pathe, will exhibit special disco dance-lesson programming at CES for dealer reaction—its first show produced especially for home video. First Brut features go into distribution next April.

Home video developments will get heavy coverage at 9th annual ITA seminar April 1-4 at Hilton Head, S.C. April 2, first day of workshop sessions, will start with speakers on marketing pre-recorded software. Afternoon has panel discussions on VCRs, prerecorded tape & blank tape, followed by copyright session. April 3 morning workshop includes videodisc marketing report from Magnavox Vp Ken Ingram, talk on stereo audio for TV by GTE's William Enders. Following day will include full afternoon of talks on European home video market. Program details, registration information from ITA, 10 W. 66th St., N.Y. 10023 (212-787-0910).

Bally is leaving unprofitable home pinball business. Market never materialized for market leader Bally, estimated to have sold only 4,000-8,000 in first-half 1978 (Vol. 18:40 p13). In most recent statements, company has reaffirmed commitment to video games (Vol. 18:49 p11) but pinball action raises doubts about Bally involvement in consumer products. Other video game big name which may be contemplating pullout is Coleco. Coleco \$100 programmable was discounted in N.Y. in Dec. at \$30, \$50 dedicated at \$20. Coleco officials were unavailable for comment at press time.

TDK settled on site near Atlanta for integrated videocassette plant. While full details on investment won't be announced until this week at CES, TDK last May said plans called for million-a-month capacity, with production starting in 1981 (Vol. 18:21 p9). Plant will be TDK's 2nd in U.S. Irvine, Cal. facility assembles audio cassettes, and capacity is being doubled to 3 million monthly. Sony currently produces both video & audio cassettes in Dothan, Ala. . . . Japan's Murata is building 25,000-sq.-ft. plant in Douglasville, Ga. for production of axial-lead, radial-lead & chip monolithic ceramic capacitors, plans expansion to include piezoelectric filters & resonators. Firm is continuing output of ceramic disc capacitors in Rockmart, Ga. facility. . . . Texas Instruments is adding 146,000 sq. ft. to present 77,000-sq.-ft. semiconductor plant in Japan, acquiring 2 sites near Tokyo for new facilities.

Next videodisc market or markets may be announced this week by Magnavox. Meanwhile, company made 2nd Magnavision player shipment to Atlanta dealers, is expected to ship fairly steadily now as production steps up. Latest videodisc anecdote: Rich's dept. store in Atlanta has adopted special security measures to safeguard Magnavision display after being offered \$10,000 for a player. Company decided that if they're really worth that much, players might be worth stealing.

Automatic Radio results for year to Sept. 30 (see financial table) show company had \$12.4-million loss from discontinued car stereo business, including \$7.7 million writeoff following sale of operation to Altus for \$12.5 million last June (Vol. 18:25 p10). Restatement of finances for fiscal 1977 shows \$4.5-million loss from car stereo on sales of \$44.8 million.

Instant factory rebates are feature of Magnavox annual sale running Jan. 21-March 5. Company will supply dealers with checks in \$20-\$50 range to be given to consumers buying one of fourteen 19" & 15" color TVs or 11 audio units included in event. Sale pricing of models will be up to dealers, who also have option of keeping checks themselves and, presumably, passing saving on in form of price cut.

STEREO SOUND FOR TV: Many TV set makers cautiously are beginning to endorse concept of improved sound, or stereo sound and to indicate they feel public will pay for it—representing something of a reversal of previous experience. Japanese manufacturers in U.S. market are particularly strong on subject, undoubtedly influenced by fact that they're already making stereophonic TV equipment for home market.

TV stations in Tokyo & Osaka are now broadcasting with multiplexed 2-channel sound (stereo or dual-language) and virtually all manufacturers there are offering stereo models, to be sold to set makers (plus Pioneer and some other hi-fi manufacturers) are making stereo converters & adaptors for existing sets. These include stereo TV tuners for hi-fi systems and set-top adaptors (receivers) with external or built-in speakers. Stereo TVs include everything from large-screen color consoles to mini-combo small-screen b&w sets with stereo FM-AM, cassette & TV sound.

Our own survey of all major TV set makers produced some surprising results. Except for very largest manufacturers, there seemed to be strong feeling better sound could be sold to public. Here are excerpts from written comments: (1) "[Improved sound] is needed! Will be available at minimal increase." (2) "Definite need and if priced reasonably consumer will purchase." (3) "Consumer will be looking for more sound-oriented product. Color TV will require improved audio capability along with stereo sound in the near future." (4) "After improved audio is provided by transmitters, all TV makers will improve audio quality in their sets." (5) "Improved audio performance on color TV plus greater availability of pre-recorded materials will represent a very desirable consumer feature and be supportive of the tremendous audio market in the younger age brackets." (6) "High priority for consoles." (7) "Need will grow with projection & VCR use." (8) "There definitely is a requirement for improved audio capability." (9) "[Sound] needs improvement, including stereo capability."

Negative or non-committal comments: (1) "Marginal." (2) "While there is perhaps a growing interest in improved audio, it remains to be seen how much the consumer is willing to pay for this additional feature." (3) "Most consumers don't want to pay for improvement."

GTE Consumer Electronics recently conducted consumer tests, showing excerpts from musical programs recorded in stereo sound. Highlights of responses released to us by Pres. Thomas Shepherd shows younger people generally more enthusiastic. Typical comments: "...It is really great." "Good high-quality sound for TV is very important." "Would definitely buy stereo sound capability before videotape recording." "Sound should be good like it is in movies." "Can't stand the distorted unintelligible sound from our present TV..." "When there is a good music program, you really become aware of the poor sound quality on TV." "The time for stereo sound has come."

Older groups were less certain: "Not so sure till I hear it, don't like the sound to be too overbearing because it may compete and distract from the picture." "Music is all right in stereo; I'm not so sure about sports." "Listened to a music show on simulcast and liked it very much, feels like you're right there." "Has to be on the market for people to see and make up their minds." "Stereo may lead to better & more musical programming." "Would like to have a switch to turn off stereo when I don't want it."

Survey results were summarized: "Whatever the initial attitudes toward stereo sound for TV were, both younger & older panelists became much more positively impressed with the idea and were actually surprised at the dramatic difference between the mono and stereo sound demonstrations... The general feeling was that once stereo sound was offered as a new feature, it would rapidly become standard on all TV sets... The older groups viewed stereo sound as loud, demanding their full attention and often too much for their liking. To the younger groups everything about stereo sound was good and viewed simply as better quality."

EIA's Bcast. TV Systems (BTS) Committee has started major study of multi-channel TV sound through ad hoc committee headed by Tom Keller of WGBH-TV Boston (Vol. 18:51 p7), is expected eventually to turn results over to FCC.

TV DUMPING OUTLOOK: Japanese TV importers who are expecting informal govt.-to-govt. talks to save them from some \$500 million in dumping duties are just chasing rainbows, according to Treasury response to queries by House Trade Subcommittee. Agency's answers to Subcommittee questionnaire are part of just-published record of Sept. 21 hearing on administration of Antidumping Act (Vol. 18:39 p9).

Such informal negotiations with foreign govts. or importers are used only when Customs is assessing penalties (for fraud, underpayment of duties, misclassification, etc.). "There is no analogous procedure under the Antidumping Act," Treasury says. Act only permits individual importers to file protests or lawsuits or to offer settlements, agency states.

Q-&A's also reveal existence of "side letter" to TV export quota agreement with Japan in which U.S. promises that Treasury will handle TV dumping case "in strict conformity with the International Antidumping Code." While Japanese apparently think U.S. is breaking that pledge, Treasury's position is that its handling of case is consistent with both domestic & international law, but that even if there "were a conflict between the mandates of the Act and the Code, we would apply the Act."

Subcommittee staffer told us the settlement possibility mentioned refers to virtually unused portion of Trade Act that gives Treasury almost unlimited authority to compromise claims. Such a settlement might be acceptable when alternative is bankrupting importer and getting no payment.

FCC'S UHF TIMETABLE: FCC spelled out plans for inquiry into TV sets and related matters (Vol. 18:40 p9) in report to Senate Appropriations Subcommittee on how it will spend \$750,000 appropriated to "devise a plan for UHF to reach comparability with VHF in as short a time as possible." Report elaborates on recent announcement of establishment of special UHF Comparability Task Force (Vol. 18:52 p10).

Task force will have full-time program mgr. who will be an engineer, a 2nd engineer, an economist, consumer specialist & secy. Philip Gieseler of Commission's Office of Plans & Policy is serving as temporary program mgr., with Virginia Armstrong (formerly of Bicentennial Commission) as temporary consumer specialist. Timetable calls for "determination of the problem" by Aug. 1979, "evaluation of improvements" by Feb. 1980, "formulation of alternatives for improved UHF reception" by Sept. 1980.

FCC outlined its various projects and how it will spend the \$750,000, some \$610,000 of which will be used for contract research. Breakdown: (1) Development work for improved receiver performance and reduced costs, building on TI's high-performance TV prototype, \$80,000-\$120,000 in fiscal 1979. (2) Study of tradeoffs between receiver noise figure & selectivity, \$40,000-\$60,000. (3) Study of receiving antennas as possible prelude to antenna standards or ratings, \$20,000. (4) Evaluation of lead-in line, matching transformers, etc., \$15,000-\$25,000. (5) Technical survey of entire receiving system from antenna to set, \$50,000-\$80,000. (6) Study of comparability of various tuning systems, including evaluation of viewer behavior, \$50,000-\$80,000. (7) Consumer survey to determine viewer attitude toward UHF handicap, degree of interest in UHF reception, how much consumers would pay for better reception, etc., \$120,000-\$150,000.

Commission released details of some of its task force-related TV set inquiries, showing them to be sweeping indeed. Among subjects to be explored: (1) Advantages & alternatives to mandating TI "ideal receiver" design. (2) Minimum audio performance standards for receivers. (3) Permitting manufacture of sets which don't receive Ch. 70-83. (4) Requiring electronic tuning MPU channel-pre-setting systems. (5) Cost of mandating "off-air cable-compatible" receivers. (6) Requiring test terminals on TV sets for certification programs. (7) Mandating VIR signals for all stations and automatic VIR adjustments for all TV sets. (8) Requiring video & audio jacks in TV sets to accommodate VCRs, games, etc.

IHF comment on AM stereo suggests FCC set starting date only for broadcasting and not manufacture or sale of equipment to public. IHF also asks that effective date be set 6 months after rule is published.

Illegal CB linear amplifiers worth \$200,000 were seized in Dec. 15 raid by U.S. marshals on Brewer Labs, Porter, Okla. Raid netted 440 amps and sales records.

GIMMICKS AT CES: Winter CES has usual crop of unusual new products. Most far-out gimmicks are in calculator & handheld field, new products ranging from calculator-cigarette lighters to handheld astrology games. Casio lighter-alarm clock-calculator weighing 3.7 oz. is \$90. Credit card-sized calculator surge continues with APF, National Semiconductor, Sanyo & TI introducing units at \$20-\$50. Pocket calculator-printer from Unisonic is \$130. Coleco handheld astrology computer plots planetary positions, uses birthdate to calculate personality traits & horoscopes, \$50. Olympus adds micro-cassette-LCD alarm clock-timer combo to Pearl-corder line, \$350.

Audio exotica include Fujitsu Ten car stereo time delay device with graphic display, \$180; Fisher remote-control cassette decks, \$450, \$550 & \$650 (combination cassette-8-track unit). Allied Telecommunications, which introduced first all-electronic phone last June, unveils "Superman" telephone. Solar Sound Systems offers 5" b&w TV-alarm clock-radio mini-console, \$200. New Mura 49MHz wireless microphone system is \$70.

Sony beefs up audio line, adding 6 direct-drive turntables, 2 receivers, 5 headphones, 2 speakers, and esoteric pre-amp & power amp which can operate in Class A, B, & mono modes. Sony will also show 3-hour metal-tape microcassette at CES; metal tape formulation for microcassette has only half the coercivity of 3M Metafine standard cassette, allowing recording & erasure on existing hardware. English speaker manufacturer Celestion enters U.S. market with 3 new high-end models, \$420, \$450 & \$750.

Sony underscored commitment to 3/4" U-Matic VCR for audiovisual market last week by introducing 3 new models, including first U-Matic player with random-access MPU remote frame-location system which was added to Betamax line in 1977 (Vol. 17:32 p8). Sony Video officials said they expected new player to be used by existing U-Matic networks. They estimated 350,000-375,000 3/4" VCRs are in use in U.S., 200,000-250,000 of them Sony-made, said total U-Matic sales had suffered "no significant decline" as result of introduction of industrial Betamax, whose sales now match those of U-Matics in units. To avoid competition with consumer units, Sony Video now is stressing full-service & network sales of industrial Betamax, rather than strict hardware deals, has installed more than 75 Beta systems, 30 of which have at least 50 machines, biggest being Chrysler's 4,000-machine net, newest being 560 machines for Fiat. Company announced rebate program of \$150 on SLO-260 and \$125 on SLP-100 industrial machines (now \$1,135 & \$850 respectively). Other industrial Beta machines have been increased to \$1,295, \$1,595 & \$1,750. Random-access U-Matic is \$2,000 plus \$340 for remote keyboard.

MGA may beat Sharp onto market with programmable microwave oven. MGA's is scheduled for May U.S. distribution while Sharp has set fall date (Vol. 18:52 p11). Both use magnetic cards programmed with recipe instructions. Both will be priced around \$650.

Consumer Electronics Personals

Edward Duggan, Superscope senior vp, promoted from chief financial officer to chief operating officer, assuming corporate duties of Exec. Vp Fred Tushinsky, who moves to new post as pres.-chief exec. of subsidiary Marantz... Robert Greenberg, one-time Harman-Kardon pres., joins Lafayette as pres.-chief exec., succeeding Arthur Blackburn, resigned over policy differences with board... Charles Grill advanced at Sharp Consumer Electronics from mgr. to gen. mgr., mktg. communications, new post.

John Kay, ex-Sankyo, joins Altus (car stereo) as mktg. vp, succeeding William Cox, resigned... Edward Hart, ex-Fedders, appointed JBL mktg. exec. vp, assuming some duties of Irv Stern, who continues as JBL exec. vp & mktg. exec. vp of parent Harman International... Albert Tortorella, former GE Housewares & Audio Business Div. PR mgr., now Burson-Marsteller media placement vp... Bruno Hochstrasser promoted at Studer to pres. of U.S. sales arm Studer Revox; Rob Robinson appointed Revox sales mgr.

Hiroe Osafune, Nippon Electric overseas operations vp, adds post as chmn. of new U.S. IC subsidiary Electronic Arrays; S. Nakanuma, NEC IC production technology dir., named EA technology vp; S. Yawata, NEC MPU Systems Dept. mgr., appointed EA technology transfer mgr... Donald Neubauer advanced at Centralab from special programs mgr. to Electronic Controls Group mktg. mgr... Michael Ayers, ex-Ampex, joins National Semiconductor as Computer Products Group PR mgr.

Kenneth Lawrence, ex-Hertz, named RCA Service administration & business analysis dir... Do Pyong Chang named acting dir., Korea Electronics Industry Promotion, N.Y., succeeding In Kyun Lah, returning to Korea... Donald Kingsboro, former independent sales rep, joins Atari as sales & mktg. dir., replacing Don Thompson (ex-sales dir.) & Michael Shea (ex-mktg. dir.), who left company in wake of recent top management change that saw founder Nolan Bushnell shifted from chmn. to engineering consultant (Vol. 19:1 p12)... Mel Kirsch advanced at Zenith N.Y. from vp-gen. sales mgr. to N.J. branch exec. vp.

Mergers & acquisitions: Commodore offers to acquire Lafayette in exchange for 10-year debentures having \$10.9-million face value. It's 3rd takeover bid in last year for financially-troubled retailer. Others, from investment banking group & Harrison Radio, fell through. If latest bid goes through, it will give Commodore national distribution for personal computers, put it into direct competition with Radio Shack. Lafayette, meanwhile, says it's in default to banks, is trying to renegotiate credit agreements... BSR has agreed to acquire hi-fi equipment producer DBX for \$8 million... Pitney-Bowes has acquired 2 million of Dictaphone's 4.3 million outstanding shares through \$28-per-share tender offer, says it will propose merger... Cornell-Dubilier bought assets of bankrupt Electro-Motive for undisclosed sum.

Financial Reports of TV-Electronics Companies

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

Company & Period	Revenues	Net Earnings	Per Share
Automatic Radio			
1978-year to Sept. 30 ^b	21,312,000	(11,728,000) ^a	--
1977-year to Sept. 30 ^b	24,719,000	(2,255,000)	--
1978-qtr. to Sept. 30 ^b	4,262,000	(1,068,000)	--
1977-qtr. to Sept. 30 ^b	3,308,000	(4,160,000)	--
Chris-Craft Industries			
1978-qtr. to Nov. 30	27,229,000	2,288,000	.52
1977-qtr. to Nov. 30	22,275,000	1,154,000	.20
Filmways			
1978-9 mo. to Nov. 30	115,726,000	6,538,000	1.47
1977-9 mo. to Nov. 30	103,291,000	2,576,000	1.02 ^c
1978-qtr. to Nov. 30	41,144,000	2,889,000	.60
1977-qtr. to Nov. 30	36,663,000	1,320,000	.53 ^c
Kansas State Network			
1978-qtr. to Nov. 30	5,137,000	617,000	.34
1977-qtr. to Nov. 30	4,271,000	478,000	.28
MGM			
1978-qtr. to Nov. 30	143,395,000	26,016,000	1.70
1977-qtr. to Nov. 30	74,522,000	8,215,000	.53
A. C. Nielsen			
1978-qtr. to Nov. 30 ^b	90,770,000	5,142,000	.47
1977-qtr. to Nov. 30 ^b	74,577,000	5,440,000	.50
SBE			
1978-year to Oct. 31	6,562,500	309,530	.26
1977-year to Oct. 31	15,037,410	(4,027,968)	--

Notes: ^aAfter special charge. ^bRestated. ^cAdjusted.

Sony has put prices & delivery dates (early Jan.) on portable Betamax VCR and companion color camera first demonstrated last April (Vol. 18:17 p7, 18:19 p8). HVC-1000 camera has single Trinitron tube, reflex optical viewfinder, 3X zoom lens, automatic aperture control, weighs 4.8 lb., lists at \$1,400 (AC adaptor \$110). VCR weighs 18.75 lb., records in X2 mode, plays back in X1 or X2, lists at \$1,300 (AC adaptor \$140). Optional tuner-timer also contains AC adaptor. Sony's one-piece, 3-tube, 2-lens projection systems, now being delivered, are first Sony products using VIR color adjustment; as reported here, they're priced at \$3,500 for 50" model, \$4,000 for 72" (Vol. 18:43 p9). Sony has received contract from All Nippon Airways to install 50" projection systems, VCRs & color cameras in 32 planes, including 21 wide-body L-1011s & 747s, each of former to use 2 projection systems, latter 4. First order, replacing movie systems, will be complete by end of 1979.

More than 440 linear CB amplifiers were seized from Brewer Labs, Porter, Okla. last month by U.S. marshals. Seizure followed probe by FCC Dallas office. Commission banned sale of linear CB amplifiers in April 1978.

Columbia Pictures Videocassette Service, Chicago, now has 124 duplicators after installation of 2 Panasonic VHS systems.

WEEKLY

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JANUARY 15, 1979

SUMMARY-INDEX OF WEEK'S NEWS

VOL. 19, NO. 3

Broadcast

COURT REMOVES STING IN WESH, giving Commission discretion to consider diversification & past programming in comparative renewals, saying licensees' only fear should be 'substandard performance.' FCC expected to develop new policy. (P. 1)

REWRITE'S RELAXED OWNERSHIP RULE? Prospects for less stringent group ownership rules seen in new rewrite. Van Deerlin sees 'change in direction,' wants at least part left to antitrust action! (P. 2)

PBS'S UNIFIED PRIME TIME: PBS proposes 2 hours of prime time simulcasting to increase prestige, use programming most efficiently. Public programmers at New Orleans like idea, but station mgrs. must be sold. (P. 3)

ARRIES IS ONLY INCUMBENT as 12 candidates seek 6 seats on NAB TV board; 8 incumbents among those seeking 13 radio spots. (P. 4)

UPCOMING NAB MOVES ON CABLE: Oral argument to be sought before 'further relaxation of rules' by FCC; rulemaking on super station 'problem.' Breakdown of NAB income, expenses. (P. 4)

HOUSE TV START-UP MARCH 1: \$1.6 million House-run system starts experimental period mid-Feb. Release to C-SPAN and broadcasters 2 weeks later. (P. 5)

NEW CABLE NET ANNOUNCED: Southern Satellite plans off-peak service free to CATV. Start-up planned this month. (P. 6)

COURT REMOVES STING IN WESH-TV: "The only legitimate fear which should move licensees is the fear of their own substandard performance, and that would be all to the public good." With that, unanimous D.C. Appeals Court refused en banc reconsideration of Sept. remand of WESH-TV Daytona Beach renewal (Vol. 18:40 p1). (In Sept., Court blasted FCC for renewing WESH-TV over competing applicant, ordered Commission to take another look.)

At same time, however, Court removed much of sting from earlier decision by telling FCC it didn't mean to foreclose agency consideration of diversification or that it couldn't give credit to incumbent for past "meritorious record" in comparative renewal hearings. Court said it objected "to the manner in which the Commission analyzed the concededly relevant factor [of diversification], not intending to prescribe the weight which the Commission should accord media concentration in the context of comparative renewal hearings." Of past programming by in-

Consumer Electronics

1978 SALES TO DEALERS—10,236,300 color sets, 6,064,400 b&w, 401,930 VCRs—highlight consumer electronics' record year. Color inventories up only 2.3% at end of year which produced a 12.4% sales increase. (P. 7)

RCA VIDEODISC operation will be separate operating entity. Pollack, Sauter, Brandinger in new posts. Sales seen starting on late 1980 or early '81. Seattle-Tacoma 2nd Magnavision market. (P. 7)

NO RECESSION BLUES evident at record-setting WCES in Las Vegas. Dealers' attitude removes fear of first-quarter slump. Lavish exhibits, computer-games, record attendance highlight show. (P. 9)

KOREAN TV EXPORTERS find big U.S. color sales expansion plans crushed by export quota pact, plan sharp cutback instead. Most now looking to b&w for salvation. (P. 10)

3-HOUR LVR PORTABLE scheduled for premiere this summer in Berlin. Other CES VCR highlights. (P. 11) Computers score as games as Bally & Mattel show modular combinations. (P. 12) Even with new mini combos—both b&w & color—TV at CES rates 'ho hum.' (P. 13) Mini components, metal tape, far-out products highlight CES audio. (P. 13)

VCR 'COMPATIBILITY' PROBLEMS caused by anti-piracy encoding on software, new 'trick-effect' recorders serious enough to cause convening of special EIA committee. (P. 12)

cumbent, Court said consideration "would, in fact, seem inescapable." Time & place for FCC to explain its rationale in both areas is in remand, Court said.

Court's action was released late Jan. 12 and few in Washington had time to study it by press time. However, several commissioners and FCC lawyers were elated with Court clarification of earlier decision, felt it gives agency clear mandate—as well as freedom—to develop new & comprehensive comparative renewal policy.

Trade assns., newspaper & group-owned stations rallied behind FCC in seeking reconsideration of WESH-TV remand, claiming Court's decision usurped Commission's jurisdiction and removed all expectancy of renewal by incumbent licensees (Vol. 18:43 p4). And, generally speaking, broadcasters and their lawyers were happy with Court's clarification last week. "We're in a lot better position now than we were Sept. 25" (date of remand), we were told. Added lawyer: "The Court is saying that 'we're not saying that we approve but we're also not saying that we don't'. . . Under original decision, we all interpreted the Court as saying that it definitely disapproved of WESH's renewal." Also, it was generally felt, Court made "tacit admission" that it had overstepped its jurisdiction in original language used.

In denying reconsideration, Court rejected FCC & broadcaster arguments that WESH-TV remand would lead to lack of stability in licenses, said principal reason for setting aside renewal "was that the Commission's manner of 'balancing' its findings was wholly unintelligible" and that "it is plain" FCC violated its own rules. "The place for a new rationale in this case, if one is to be logically developed, is on remand. [If] the Commission decides to accord weight to such non-comparative values as industry stability, it will have to do so in a manner that is susceptible of judicial review. . .

"This would seem to require that the Commission describe with at least rough clarity how it takes into account past performance and how that factor is balanced alongside its findings under the comparative criteria. . . Something more than the Commission's customary recitals, 'completely opaque to judicial review,' must be provided. . . We doubt that any realistic appraisal of the remand in this single case, calling upon the Commission to perform its duty in accord with its own expressed standards, could reasonably create the nervous apprehension among licensees claimed by the Commission."

Broadcasters, however, definitely aren't in agreement with Court's assessment of WESH-TV decision impact on renewals. Committee of ANPA members who also own stations meets Jan. 17 in Dallas, and WESH-TV is expected to seek Supreme Court review of Appeals Court decision. It's doubtful whether FCC will go along this time. In Maui, WESH-TV and license stability still will play major role in deliberations of NAB board this week (see p. 4).

REWRITE'S RELAXED OWNERSHIP RULE? When House Communications Subcommittee Chmn. Van Deerlin (D-Cal.) introduces new rewrite next month, possibility exists for considerable relaxation of station ownership ceilings in first rewrite (5 TV and 5 radio only) introduced in June.

Asked about new ownership provisions, Van Deerlin told us: "There will be change in the direction that recognizes we have the kind of diversity that doesn't cry out for limitation. I don't see Hearst empires in broadcasting yet." Asked if he might lift restriction altogether, he said: "I don't know as it has to be limited as we were talking about in the June bill. It might better be something left to antitrust action. I'm leaning towards relaxation."

Van Deerlin also defended his plans for using spectrum fee to fund public broadcasting (Sen. Schmitt [R-N.M.] has stated he doesn't like idea [Vol. 19:1 p1]). "They're doing things the commercial stations couldn't do. Every one of those commercial stations that operates with public broadcasting there is benefiting from the fact there's no commercial competition from those channels. . . If anybody looks upon [public broadcasting] as competitive, they don't look upon it the way I do. I don't think they'll be subsidizing a competitor. Why should they care what [spectrum fee] is used for? Government is going to be funding public broadcasting anyway. Why should they object? What they object to is paying a fee. This is just something to hang their hat on to. Would they prefer it go into a fund to pay for retired sea captains?"

On other rewrite questions, Van Deerlin said he does indeed wish network news would cover rewrite, as Ralph Nader stated should happen in recent newspaper column. "I think it's an important topic and they should cover important topics. They do in general." But Van Deerlin noted: "It's a very complicated topic and doesn't lend itself to 90-second treatment." Asked if he ever considered asking for coverage, he said he had not. "It might be misinterpreted."

Van Deerlin's nemesis, Rep. Murphy (D-N. Y.), recently announced desire to become chmn. of Oversight Subcommittee, which would mean he'd have to give up Communications. Asked about his feelings on that prospect, Van Deerlin would only say he doubts it will come about.

PBS PROPOSES UNIFIED PRIME TIME: Proposal to have all PBS stations run same programming during 2 primetime hours has been presented to PBS system, and—in contrast to similar proposal 2 years ago—has received generally favorable response.

PBS Programming Vp Chloe Aaron presented plan at PBS's New Orleans programming conference last week, called for using PBS programming "jewels" during that 2 hours to increase PBS national prestige and to use top programming most efficiently.

Aaron made similar—but more extensive—proposal 2 years ago. It was criticized strongly at the time and died a quick death. Aaron told several hundred program managers & others that new "core scheduling" proposal could be in works by fall, if there's positive agreement before then.

In her speech, Aaron said several factors make her proposal needed. She said "combination of increased production costs, loss of underwriting and transponder shopping could represent a fatal trend for the system. A schedule stretched too thin and splattered all over the place, and this is the trend, will severely reduce any attractiveness we have for underwriters, and there goes one major source of support. A schedule that varies unpredictably... will undermine any significant impact that can be achieved by national promotion..."

Interviews with program managers found general support for idea. "It's promotable. It's useful," Ron Hull, program mgr. for Neb. ETV Network told us in New Orleans, but he wants PBS to stick with 2 hours, not stretch to 3. But program managers don't make all decisions, and whether their general managers will back system was seen by many in New Orleans as big problem, given past history of centralism vs. localism fights. One top station official in New Orleans, Ward Chamberlin, pres., WETA-TV Washington, likes idea: "I think she made a compelling case. I think there's support for it."

Backing up Aaron concept on more philosophical grounds was PBS Pres. Lawrence Grossman, who defended PBS against congressional charges of "creeping networkism" but called for more power for PBS. "The time has come," he said, "to place more trust in those of us who are responsible for shaping our nationwide program service knowing that there is the guarantee of diversity and competition, thanks to our multi-transponder satellite system... We need PBS to function as a strong programming center, not a producing center, that should be clear."

Those at New Orleans meeting also received first few official tidbits of soon-to-be-released Carnegie Commission Report (Vol. 18:52 p1). They heard title will be "A Public Trust," were told by Staff Dir. Sheila Mahony that one passage from report reads: "Throughout this report, we have returned to a central message: Public broadcasting is a national treasure, unlike any other... What the TV system had tried and failed to invent is a truly radical idea: An instrument of the mass media that simultaneously respects the individuals responsible for creativity, their audiences, and the forces of control. All this with government money, and too little of it." (For further details of New Orleans meeting, PBS's programming proposal and other public broadcasting developments, see Television Digest's biweekly Public Broadcasting Report [Vol. 1:7].)

"Stringent" requirements on PSAs, as recommended to FCC by FTC (Vol. 19:1 p5), would constitute "a radical intrusion into broadcasters' First Amendment rights," according to NRBA Exec. Vp Abe Voron. He said that FTC proposals "go far

beyond any regulation which the FCC has ever adopted" and that Trade Commission didn't provide "one iota of factual information that would support the actual existence of the ills which the rules would supposedly cure."

NAB BOARD RACES SET: Mail balloting begins next month for 19 seats on NAB board (13 radio, 6 TV) with unusual situation of only one TV dir. (Leslie Arries, WIVB-TV Buffalo) eligible for re-election. Board members are limited to 2 consecutive 2-year terms, then must sit out year before running again. Ballots will be mailed Jan. 30, must be returned by March 2.

Other TV candidates: Eugene Bohi, WGHP-TV High Point, N.C.; William Brazzill, Wometco; Kathryn Broman, Springfield TV; Reid Chapman, Corinthian; Donald Curran, Field Communications; Jerry Holley, Stauffer Communications; Michael McCormick, WTMJ-TV Milwaukee; Michael McKinnon, Texas Telecasting; Daniel Pecaro, WGN Continental; Gert Schmidt, Harte-Hanks; Paul Wischmeyer, Chronicle Bestg. Broman (past TV chmn.) and Pecaro left board last spring.

Radio candidates (*incumbent): Dist. 1—*Arnold Lerner, WLLH-WSSH Lowell, Mass.; Enzo De-Dominicis, WRCQ-WRCH New Britain. Dist. 3—*Jerry Lee, WDVR(FM) Philadelphia; Rhody Bosley, WITH-AM-FM Baltimore; Dist. 5—Clyde Price, WACT-AM-FM Tuscaloosa; William Stakelin, WHOO-AM-FM Orlando. Dist. 7—Charles Murdock, WLW (AM) Cincinnati; Robert Pricer, WLCT-AM-FM Newark, O. Dist. 9—*Charles Wright, WBYS-AM-FM Canton, Ill.; Edward Jacker, WCRW(AM) Chicago. Dist. 11—*John Lemme, KLTF(AM) Little Falls, Minn.; Lois Lange, KDLR-KDVL Devil's Lake, N.D.; Perry Galvin, KNUJ-AM-FM New Ulm, Minn.

Dist. 13—*Stanley McKenzie, KWED-AM-FM Seguin, Tex.; Richard Oppenheimer, KIXL(AM) Austin. Dist. 15—Harry Barker, KQMS(AM) Redding, Cal.; Oliver Hayden, KTIM-AM-FM San Rafael, Cal. Dist. 17—*Ted Smith, KUMA-AM-FM Pendleton, Ore.; Don Bennett, KREW-AM-FM Sunnyside, Wash. Class A—George Duncan, WNEW-AM-FM N.Y.; Len Hensel, WSM-AM-FM Nashville. Class B—*Daniel Kops, WAVZ-WKCI New Haven; Bruce Johnson, KXLR(AM) Little Rock. Class C—Richard Painter, KYSM-AM-FM Mankato, Minn.; Philip Spencer, WCSS-AM-FM Amsterdam, N.Y. Class D—*Edward Fritts, WNLA-AM-FM Indianola, Miss.; Edward Allen Jr., WDOR(AM) Sturgeon Bay, Wis.

Hensel is immediate past radio chmn., Painter vice chmn.; other ex-radio dirs. running include Price & Spencer.

Rand chief scientist Stephen Lukasik will join FCC in late April as head of FCC Chief Engineer's Office with title of Commission's "chief scientist. He'll replace retiring Raymond Spence. Lukasik has doctorate in physics from MIT, formerly was head scientist at Xerox and ran Defense Dept.'s ARPA network; he'll reportedly take substantial pay cut to join FCC. Chief Engineer's Office has 142 employees and title will be changed to Office of Science & Technology.

"Opportunities in Broadcasting" is new book by WSB(AM) Atlanta Gen. Mgr. Elmo Ellis. Published by National Textbook, it traces evolution of industry, provides list of job opportunities.

NAB PREVIEWS 1979: NAB staff has prepared analysis for board members of what's in store for upcoming year in Washington. Entitled "Broadcasting and Government: Review of 1978 and preview of 1979," report finds, according to an introductory letter, that: "(1) There has been an escalation in attempts by all branches of the government to control the programming, advertising and employment policies of radio and television stations; (2) like the hydra-headed monster of Greek mythology, the threats to broadcasting regenerate themselves and, despite seemingly final 'victories,' seem to have lives of their own; (3) on any given topic, it is quite likely that the issues are under active consideration by at least one government agency, the Congress and the courts; and (4) it may be dangerous to downplay any one of the 100-odd topics discussed in the report since a loss in one area potentially has a domino-like effect."

Report states that Congress, FCC & courts are "sending several mixed messages." It states new Congress is expected to be more conservative, particularly in Senate, but notes that doesn't necessarily mean it will be pro-broadcasting. At FCC, "the chairman and some other commissioners also seem to be radiating conflicting signals—on the one hand, there is much talk of less government involvement, elimination of paperwork and the importance of the First Amendment, and, on the other hand, the FCC is resurrecting numerous rulemaking proceedings..."

Perhaps most unpredictable, report says, are courts: "In the U.S. Court of Appeals... for example, cases usually hinge not on the arguments made in the briefs but rather on the judges selected for the panels. It is increasingly difficult to reconcile the decisions of the courts in a number of important areas (e.g., the ex parte rules, comparative renewal standards)."

Circular polarization found "disappointing, to say the least," in comparison test of CP for KBYU (Ch. 11) and horizontal polarization on KUED (Ch. 7) Salt Lake City. Tests conducted by Bonneville, Salt Lake, were to evaluate CP for KIRO-TV Seattle. Findings: (1) In good reception areas, CP delivered expected double power signal. (2) At poor reception sites where ghosts and multipath are visible, CP didn't reduce reflections. (3) Conventional HP demonstrated least ghosting on all antenna combinations, including rabbit ears. "Standard HP is therefore recommended over CP as the preferred mode of TV transmission," report concluded.

City of Paterson, N.J. will build own cable system, is accepting bids to lease it to operators; bids will be accepted until Feb. 12, and award is expected in April. Unique aspect: City has \$1 million Federal Highway grant to build traffic-signal system using coaxial cable; part of capacity will be used for TV. Balance of funds for building system will come from \$2.45 million in self-liquidating bonds. City has 50,000 households.

PRISM pay-TV venture, Philadelphia area, announced it's now received in 50,000 homes. PRISM is joint venture of 20th-Century Fox, United Artists and Spectator Co.

UPCOMING NAB MOVES ON CABLE: After having lost repeated battles at FCC on regulation of CATV, NAB Exec. Committee has re-evaluated position and decided to ask Commission to hold oral argument before FCC proposes "further relaxation of the rules." In other cable moves, NAB will:

(1) Seek FCC rulemaking "to fully explore the super station problem in conjunction with the [cable] economic inquiry." (2) Prepare NAB "white paper" supporting NAB's position on need for continued regulation of cable. It will be distributed to commissioners & staff. (3) Coordinate broadcasters' visits with commissioners "with our allies—MPAA, sports interests, INTV, etc."

Exec. Committee also approved—subject to affirmation by full board in Maui this week—budget of \$6.19 million (with \$57,687 surplus) for year starting April 1 (Vol. 19:2 p2). Major sources of income: TV dues \$2.4 million; radio dues \$2.3 million; projected 1979 convention income \$917,000; associate member dues \$258,000; rental income \$170,000; interest income \$100,000. Major expenses, totaling \$6.13 million, are divided thus: General administrative \$2 million; station services (adding 3 field men for total of 10) \$1.34 million; TV Code \$738,712; govt. relations \$561,290; legal \$407,813; public affairs \$397,112; research \$283,107.

In other actions, Committee: (1) Eliminated \$22 monthly parking fee (commercial rate is 3-4 times that) charged employees, causing considerable grumbling among those who don't drive. (2) Increased employee benefits, at annual cost of \$49,620. (3) Decided not to install solar panels on front (west side) of hq because they "would seriously degrade its architectural beauty." (4) Decided not to participate in CBS News trespass litigation in N. Y. or file early comments in NTIA petition at FCC seeking comparative renewal criteria. (5) Approved research on music performers' royalties to "begin shortly." (6) Set future Exec. meetings for Feb. 14-15, April 16-17, May 29-30. CBS Washington Vp William Small will replace NBC Washington Vp Peter Kenney on Committee in Feb.

Cut of AM channel width from 10 to 9 kHz was urged by NTIA in rulemaking petition to FCC; previously, Daytime Bcstrs. Assn. filed similar request. Many U.S. AMs oppose reduction. NTIA noted that rest of world (Regions I & III)—outside N. & S. America (Region II)—has adopted 9 kHz, said these are advantages: (1) Create 12-14 more channels, producing "several hundred" more stations. (2) Produce more full-time stations. (3) Reduce possibility of heterodyne interference with Region I & III signals. (4) Lower cost of receivers because of "worldwide compatibility."

FCC blanking rules have been eased temporarily, Commission said, because of industry cooperation and extent of problem. Meanwhile, it will start inquiry into both short-and long-term aspects. Until July 1, it said, it "will not issue Advisory Notices or Notices of Violation for vertical and horizontal blanking in excess of 21 lines and 11.44 microseconds, respectively." Pending applications for waiver are moot, dismissed.

HOUSE TV START-UP MARCH 1: Experimental start-up for televising House begins mid-Feb., and news outlets plug in 2 weeks later. House-run \$1.6-million system will use 6 RCA TK-46 color cameras, 3 Ampex 1" recorders, Grass Valley switcher; it will have staff of 12.

Feeds will be available to Radio & TV Gallery and Rayburn Bldg. House 36-channel cable system will distribute pictures to offices of all 435 members. Brian Lamb, head of Cable Satellite Public Affairs Network (C-SPAN), plans March 1 to start feed of House proceedings to cable from C-SPAN's Springfield, Va. uplink. Signal will get to uplink via terrestrial microwave from top of Capitol power plant via Artec head end in Arlington, Va. C-SPAN will operate on SATCOM I TR-9, leased to Madison Sq. Garden.

House proceedings will be carried full-time except when MSG is using transponder, Lamb said. C-SPAN affiliation agreement requires cable operators to allow broadcasters up to 3 min. per day of use, providing C-SPAN gets credit.

Quality of TV programs—in terms of "enjoyment & importance"—has been subject of pilot test by NCCB, which hopes to try it nationally. According to NCCB magazine "Access," 200 adults used diary for one week in Nov. 1977 to show reaction. System was developed by NCCB's Andre de Verneil, tested by Joseph Philport of U. of Md. Examples of results: "Happy Days" had 3rd largest audience rating, 27th place in "Quality Index." "I, Claudius" ranked 46th in ratings, first in Quality Index. NCCB said financing for national test is "uncertain" but "NCCB is not adverse to working with industry in implementing its Quality Index."

Among mass of comments filed in FCC inquiry into low-power stations & translators: (1) NTIA urges expansion, rural & urban, easing of restrictions, use of originations, satellites, etc. (2) NAB is for expanding translators, restraining low-power stations. (3) NCTA and other cable operators stressed dangers of interference from translators, urged spectrum conservation. (4) Blonder-Tongue wants to use translators for STV. (5) MST is all for translators, dead set against short-spaced low-powered stations. (6) Spanish International urged relaxation of rules, prompt experimental authorization.

TV leads to aggression. says Jerome Singer of Yale. He said year-long study of 141 children aged 3-4 indicates aggressive behavior at nursery school "can in some way be attributed to the amount of TV a child watches." He said TV may account for up to 20% of aggression found in study, one of first to deal with children so young.

Cal. Bcstrs. Assn. will oppose—on principle—any form of spectrum use fee in Communications Act rewrite. Any such fee, even if only \$100, would be unfair, according to CAB Chmn. Frank McLaurin—who also is member of NAB radio board, which meets this week in Maui.

Magnavox reports receipt of ATC "multi-million-dollar" contract for "4 to 6" unidentified cable systems.

Personals

FCC Chmn. **Charles Ferris** speaks & answers questions before National Black Conference of Lawyers luncheon Jan. 16, George Washington U. Faculty Club, Washington. . . **William Ray**, ex-chief, FCC Complaints & Compliance Div. speaks at FCBA luncheon Jan. 24, Capital Hilton, Washington.

NBC Exec. Vp-Bcstg. **Irwin Segelstein** also takes over direct supervision of NBC TV Stations Div., Stations Pres. **Theodore Walworth** reporting to him; **Daniel Federman**, ex-McGraw-Hill, joins NBC as vp-corp. planning; **Joyce Burditt** promoted to vp-comedy program development, is succeeded as dir.-comedy program development by **Stuart Sheslow**; **Barbara Johnson** advanced to mgr.-sales planning, development & merchandising for participating programs.

Stanley Rudick, ex-WTTG Washington program dir., moves to WJZ-TV Baltimore in same post. . . **Stan Cohen**, ex-WNAC-TV Boston, appointed news dir., WCBS-TV N. Y. . . **Joseph Ondrick**, ex-WKYC-TV Cleveland, joins WNBC-TV N. Y. as dir.-advertising, promotion & publicity, succeeding **Gerald Hackett**, now with BBDO. . . **Robert Cleveland** promoted to vp-engineering, WDRB-TV Louisville.

Free-lance writer **Jonathan Miller**, ex-reporter for Dayton Daily News, appointed asst. editor, Television Digest and Public Broadcasting Report. . . **Neil Wasserstein**, ex-WABC-TV N. Y., moves to WXYZ-TV Detroit as dir.-research & sales development. . . **Donald West**, ex-CBET(TV) Windsor program dir., appointed CBRT(TV) Calgary mgr.

Gordon Kubiak & **David Albaugh** elected vps, Nielsen subsidiary Marketing Research Services. . . **Robert Mitchell**, ex-WCKY(AM) Cincinnati and several other stations, appointed NAB vp-membership, succeeding **Wayne Cornils**, now vp-radio. . . **Robert Warner**, ex-Redbook magazine, appointed BMI dir.-licensing operations & administration, new post.

Jeffrey Benson, ex-Filmways, named program development vp, Paramount TV. . . **Robert Doudell** promoted to vp-production, Metromedia Producers. . . **Evelyn Meyers**, ex-KGO-AM San Francisco, appointed northwestern sales mgr., Arbitron TV station sales, San Francisco hq. . . **Miriam Lewis** advanced to vp-management & accounting, Katz Agency; **Earl Reilly** to mgr. of Seattle office and **Dennis Mahoney** to Portland, Ore. mgr.

Consultant **John Leay** appointed vp-engineering, Reeves Teletape. . . **Peter Newman**, ex-QUBE, joins Viacom Communications as mgr.-franchise development, new post. . . **James West** advanced to pres., TV Data Inc. (computerized media listings). . . **Samuel La Conte**, ex-RCA, appointed Ikegami sales coordinator, new post.

Raymond Crowell, ex-FCC Common Carrier Bureau, joins Office of Technology Assessment as head of systems project. . . **James Blaszk**, ex-chief, FCC international satellite branch, joins Washington law firm McKenna, Wilkinson & Kittner.

"Now, for the first time since the inception of federal regulation, radio appears on the brink of being allowed to prove that the public can best be served in the atmosphere of the free and open marketplace. And, in a relatively short time, it will become evident to the FCC that the marketplace is the ultimate regulator and the same deregulatory treatment will be accorded TV"—NAB Pres. **Wasilewski**, speaking to Cal. Bcstrs. Assn. NRBA Pres. **James Gabbert** told Utah Bcstrs. Assn. that "we must look to Congress for true liberation. . . As long as it is the FCC—and not the marketplace forces—that must deter some type of yardstick to measure performance is needed. . . Radio broadcasters owe it to themselves and to the public to actively support legislation that will totally and unequivocally deregulate radio."

Southern Satellite Systems will inaugurate Satellite Program Network (SPN) in off-peak 7 a.m.-10 a.m. EST slot using TR-1 on Satcom I. Service starts Jan. 22, free to CATV operators. Initial programs being supplied by advertisers on barter basis. Commercials will be sold later. **Edward Taylor**, SSS pres., says that SPN will narrow gap in use of TR-1 between sign-off of late night movie from KPIX and sign-on of daytime schedule of KTVU. Positions will be available for sale to local advertisers. Program content is non-broadcast, so users won't have to pay copyright fee, count signal against import quota. Some of shows scheduled: **Celebrity** (Satori Productions); **Bass Fishin' America** (Phipps & Co.); **Heartbeat** (John Esau), and **Family Matters** (Blue Hill Communications).

NAB, NRBA and other groups have pledged to "completely bury all philosophical differences for the good of all broadcasters" for Feb. 28 "march on Washington" seeking total deregulation of radio. Rally will be tied into NAB's state presidents' conference, starts with breakfast, followed by trips to Congress and closing lunch with FCC officials. Mass mailings are being sent seeking participation by broadcasters, but organizers said "we have no way of estimating how many will turn out." Coordinators are **Abe Voron** for NRBA, **William Carlisle** for NAB.

Utility pays producer \$475,000 to settle libel action: Former KNBC producer **Donald Widener** sued Pacific Gas & Electric in 1971, charging PG&E falsely accused him of secretly taping an interview for controversial film about nuclear power. Utility settled out of court. Earlier jury verdict, overturned on appeal, had awarded Widener \$7.8 million.

CBS News was ordered Jan. 4 to turn over outtakes of "60 Minutes" report on drug PCP to defense attorneys in San Jose criminal case. Judge **Peter Anello** said defendants' rights to fair trial outweighed free press rights. He gave CBS 15 days to appeal.

House Communications Subcommittee may be home for another former broadcast journalist, this one from KVO5-TV Bellingham, Wash. He's **Allan Swift**, Democrat, who has expressed interest in Subcommittee. Chmn. **Van Deerlin** (D-Cal.) worked at stations in Cal. & Mexico.

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STATE OF THE INDUSTRY

EIA's final figures on 1978 consumer electronics sales to dealers are scheduled for official release next week. For preview, see below.

1978 SALES—10,236,300 COLOR, 402,000 VCR: Color TV sales to dealers busted all records in 1978 at some 10,236,300 sets; b&w sales at 6,064,400 were best since 1973; total TV sales of 16,300,700 were 2nd highest in history. VCR sales came in at some 401,930.

That's story of major video products in consumer electronics' record year. Cyphers will be filled in when EIA releases figures officially this week. Year's color sales were up 12.4% from 9,106,826 sold in 1977 and 5% over previous record set in 1973. B&w sales topped 1978 by 7.1%. Dec. sales, at more than 1.1 million, marked 10th monthly record in 1978—only Jan. & Oct. failed to set new marks for month.

Year-end color inventories were in good shape, judging by going sales pace—up only 2.3% at factory-plus-distributor levels over end of 1977, in year when sales ran 12.4% ahead, with Dec. sales & 5-week moving average both up 7.1% from year earlier. We'll fill in details next week.

RCA REORGANIZES AROUND VIDEODISC: Underscoring its significance as major new product, RCA has staked out videodisc business as separate operating entity with its own structure & management separate from Consumer Electronics Div. Its decision to proceed with disc production & marketing — forecast in these pages just 2 weeks ago (Vol. 19:1 p8) — won't result in product before late 1980 or early 1981. It appears to bypass further standardization discussions with Japanese, challenging them instead to come along with RCA (or Philips/MCA) standard or risk stigma of launching "non-standard" system.

RCA's creation last week of Selectavision Videodisc Operation (SVO) provided opportunity both to reward and make new use of team which brought its TV set operation out of dismal slough into leadership (and profitable) position. Roy Pollack, Consumer Electronics Div. (CED) vp-gen. mgr., will be elected corporate group vp Feb. 7 with responsibility for SVO & Solid State Div. in addition to CED. Former Div. Mktg. Vp Jack Sauter takes over from Pollack as head of CED. Jay Brandinger, ex-CED engineering vp, takes command at new SVO as div. vp. Bernard Vonderschmitt continues as vp-gen. mgr., Solid State Div. Richard Sonnenfeldt, who led videodisc development under corporate banner, becomes special corporate products vp, reporting to Pres. Edgar Griffiths. Exec. Vp Herbert Schlosser continues to head disc software development. J. Peter Bingham succeeds Brandinger as CED engineering vp.

Autonomy of disc operation contrasts with position of videocassette recorder as product subsidiary to TV within CED. SVO is charged with tooling, production & marketing of videodisc system. One of its first decisions will be where to produce player. Tentative plans had been to build it in same Rockville Rd. (Indianapolis) plant where discs are being made experimentally in large quantities, but there's room now in big Bloomington, Ind. TV plant. Marketing details are yet to be determined—including question of whether player will be sold through expanded CED organization or new sales group.

Green light for disc was announced Jan. 9 by Pres. Griffiths, who noted RCA had achieved its 3 goals—selling price \$400 or less, uncoated 2-hour disc, program availability. He called videodisc "greatest opportunity since the introduction of color TV" to launch new consumer product, forecast it would be "multi-billion-dollar business in the 1980s." Latest version of capacitance player, described here last May (Vol. 18:20 p10), has "live scan" & automatic-repeat features, accommodates disc mounted in plastic caddy, has only 4 controls, is extremely com-

pack, weighs 20 lbs., contains 620 parts, vast majority of them available off shelf (vs. 2,145 parts in earlier model, 4,200 in VCR).

RCA has previously indicated it would take 18 months to 2 years to bring system to market after go-ahead, is expected to generate large backlog of players & discs before launching product. In view of company's past record of broken promises, is it really serious this time? We can only refer to promise by Griffiths in Television Digest interview last month: "What we say we're going to do we will do" (Vol. 19:1 p9).

Unspecified number of companies, mostly in Japan & Europe, have taken out RCA videodisc patent licenses. RCA declines to list them because some have requested anonymity, but they're known to include Japan's Clarion, General, NEC, Pioneer, Sharp & Toshiba, U.K.'s Plessey. License incurs no obligation, needn't cost anything until production is undertaken.

Go-ahead for videodisc presumably means basic design is pretty well frozen—no more changes for sake of "standardization." Company is known to have been talking with JVC, whose VHD system is similar except for its use of ungrooved disc (RCA's is grooved), but any compromise to achieve standard system now presumably will be up to Japanese. As one insider put it: "We've been trying to get [the Japanese] to move. If we were to adopt the changes they want us to make, we'd be back to Square One. Griffiths wouldn't have given the go-ahead if we had a lot of redesign work to do. He held it up 2 years for redesign, and wouldn't hesitate to hold it up longer if he felt it was worthwhile. We're locked in."

RCA thus has thrown down gauntlet to Japanese manufacturers, who have consistently indicated they'll stay out of videodisc race until there's "standard." Of course, Japanese have had no strong incentive to act quickly on disc because of their involvement with VCR as current & growing project. RCA's strategy presumably is to go ahead now and establish de facto standard for non-optical disc and let Japanese come along if they wish—in apparent quick fulfillment of Griffiths' recent prophecy that America will re-assert leadership in consumer electronics innovation (Vol. 19:1 p9).

"We welcome other companies into the business," was North American Philips' only comment, "because it will take more than one company to develop what we feel will become a very large segment of the consumer electronics industry."

Matsushita held first public U.S. demonstration of its mechanical Visc videodisc system last week at CES (shown privately at last June's CES). Senior Managing Dir. Arthur Harada seemed to concur with others that Visc had little chance of going to market when he said "one standard worldwide" was required "because we simply cannot confuse our industry or the public."

Perhaps to capitalize on excitement over optical disc's debut, U.S. Pioneer last week demonstrated to N.Y. area dealers & press the industrial-institutional version which its joint (with MCA) Japanese subsidiary Universal-Pioneer is producing for MCA to sell. Pres. Bernie Mitchell declined to answer any questions about consumer version, which will be compatible with Magnavox entry, deferring all announcements until next Oct. (sales are expected to start in 1980). "We see it as a high-fidelity product, adding another dimension [and bringing] a new flow of customers into hi-fi stores," he said. Asked about Pioneer's RCA videodisc license, he said it merely meant "we want to keep our options open." Demonstration seemed only to dramatize that Universal-Pioneer has yet to develop prototype of consumer player.

Meanwhile, Magnavox revealed that Seattle-Tacoma would be 2nd market for optical system, sales to start in 60-90 days at Bon Marche (Allied Stores), Frederick & Nelson (Marshall Field) & Doches Home Furniture Store. Marketing in Atlanta will spread to additional outlets beyond the current 3 retail stores Feb. 2. Back orders there now exceed 1,000. Player supply should ease in few weeks when Magnavox starts assembling in Greeneville, Tenn. from parts kits shipped from parent Philips in Eindhoven. Units currently are imported completely assembled.

Consumer Electronics Show ended on note of triumph for videodisc. For most of show, attendees searched in vain for any sign of Magnavision player—Magnavox didn't exhibit, had suite only for business meetings. On Mon. afternoon, Advent brought into its booth a player

its regional manager had bought in Atlanta on Dec. 15 opening day, hastily put up signs, "Magnavox Videodisc Demonstrations Here." Quality of picture on TV projection screen in this unauthorized demonstration of product actually purchased at retail was so good that it left little doubt videodisc could easily displace VCR as purveyor of recorded software.

WCES THEME: 'WHAT, ME WORRY?' Recession? What recession? It looked as if entire consumer electronics industry had adopted Mad Magazine's grinning Alfred E. Neuman as symbol at last week's upbeat & record-breaking Winter CES in Las Vegas. Notwithstanding national press reports, which must have been written at crap tables by reporters who never made show floor, there was nothing but optimism & smiles from throngs which packed exhibit areas from Jan. 6 opening right through Jan. 9 shutdown.

Official attendance of 53,498 made it not only biggest Winter CES, but 2nd-largest consumer electronics industry conclave ever held, topped only by 55,343 who made Summer CES in Chicago last June. For record, total was up 25% from 1978, first year WCES was switched from Chicago to Las Vegas.

It wasn't big buying event. Dumps were nowhere to be found, and closeouts were minimal. But importers & manufacturers who arrived in Las Vegas fearing their strong 4th-quarter sales meant dealers were loading up to beat Jan. 1 price hikes learned to their relief that action had been just as strong at retail. Dealers were on hand with plenty of buying cash, but didn't throw it around. Instead, they sought reasonable quantities of mid-to-high-priced full-featured goods. Only ones to feel pinch appeared to be no-name importers who count on high volume.

Mid-priced stereo is still main feature of CES, but biggest crowd-catchers were video & TV game displays. Panasonic's products-of-future exhibit was prime attraction and game-cum-computer showings by Bally, and particularly Mattel, were constantly packed. Virtually all major hi-fi houses were on hand, and growth of high-end market segment was spotlighted by need for 2 separate display sites, one off main Convention Center floor, other in Jockey Club a bus hop away. Jockey Club wasn't enthusiastically reviewed, many finding rooms unsuitable for audio, difficulty in locating exhibits.

In TV, major emphasis was, as expected, on mini-combo b&w (Vol. 18:51 p9) shown by all exhibiting TV majors and host of small importers. VCRs, particularly new crop portables & programmables, drew full share of attention and buying interest, as did displays of software suppliers, several of which had screened-off porno-flick viewing areas. Color got short shrift. No U.S.-brand producers exhibited, and Japanese, Taiwanese & Koreans, whose volume is limited by quota, weren't looking for new customers.

Biggest questionmark at show was future of mini audio components. Floor teemed with mock-ups, prototypes & pre-production samples in all conceivable price classes. Show closed with industry still left worrying whether minis should be pushed as high-priced luxury item, low-end substitute for compacts or both. Conventional console business showed signs of fading—"they're just audio coffins" quipped one rep—and producers are continuing shift to musical furniture, complete with flashing disco lights. Electronic look has come to mid-fi, and sample compact & component systems being shown by such pace-setters as Lloyds, Yorx & Soundesign indicate that LED clocks, digital frequency displays & meters will be common at Summer CES in Chicago next June.

There were games, gadgets & gimmicks galore, but buyers weren't falling over each other to stock up. Dealers seem to be learning that not all electronic products are suitable for all stores. Suppliers of multi-function calculators & watches appeared to be doing well, and CB showed signs of stability. Action in car stereo was selective, and while telephone accessories apparently were selling, phones themselves were relatively dead issue. Consumers appear to be in no hurry to buy replacements for instruments supplied by Ma Bell.

Overall atmosphere of WCES was best summed up by Ray Gates, Panasonic exec. vp, who told Video Conference audience: "I find more dealers feel confident about 1979 than manufacturers and govt. spokesmen." Gates, known for his cautious outlook, reminded listeners of widespread predictions of 2nd-half economic slowdown and warned dealers to "be careful in the

operation of your business."

CES TV News, 24-hour daily videotape of show news & interviews fed via cable to major hotels was unqualified success, despite fact it couldn't be received in all individual rooms. Exhibits themselves appeared taller, more elaborate than ever, prompted show sponsor EIA Consumer Electronics Group to start considering new display rules to keep exhibitors from blocking out other booths.

COLOR TV QUOTA VEXES KOREANS: Color TV export quota pact, signed by Korean govt. on eve of Winter CES (Vol. 19:2 p8), took edge off of what was to have been major selling event for leading Korean importers. Koreans turned on sales steam here in closing months of 1978, were geared up for Las Vegas push to double color TV volume, but will be cutting back by half instead. One result may be 1979 b&w glut.

"We had been warning our buyers this might happen, but they thought it was just a joke," we were told by Jerry Wood, exec. vp of Bohsei, supplier of own & private-brand Korean-made promotional 13" & 19" color models to major chains & discounters. Bohsei has started scouring world for new supply sources. Company has contacted Valona Ltd., Hong Kong financial group which acquired Admiral's Taiwan plant last year, "but they don't seem sure about their plans." Also on Bohsei's talk list is Grupo Industrial Alfa, parent of Philco de Mexico and recent purchaser of Admiral's TV operation there (Vol. 18:52 p9). (Alpha this week announced acquisition of Magnavox operation in Mexico.) Producers in Singapore have been contacted too. Bohsei hasn't made any deals yet, "We may have to start thinking about producing here," Woods said.

Situation was no better, perhaps even worse, at Gold Star. Asst. Vp N. K. Woo said GS shipped some 200,000 color sets to U.S. last year, about half of Korea's total. Company target for 1979 was 400,000, but now, says Woo, "we can hope for as much as 50% of the quota allocation," or 100,000-125,000. Because of the quota, GS is moving to change U.S. image and maximize dollar volume by dropping promotional models in favor of sets with electronic tuning & remote control.

Importers are nervously awaiting word on allocation. Total of 400,000 color sets imported from there last year was divided about evenly between Gold Star & Samsung, and quota probably will be apportioned along same lines, leaving little for newcomers. Situation is particularly serious for Taiwan, which is understood to have imported only about 10,000 13" & 19" sets last year. Plans for 1979 called for broadening line from present 1 to 3 models in each size, imports of about 200,000, with 2nd-half shipments at 30,000-monthly rate, or nearly double the 17,000-monthly limit established for all Korean color exports.

Basic Korean game plan now is to switch much of export production to b&w, which should mean flood of sets in 2nd quarter. At same time, they'll start exploring color sales opportunities in Canada & Latin America, press Korean govt. to launch color telecasting there by midyear. They feel home market could absorb 600,000 to 1 million color sets in first year, which would allow them to keep color output & R&D at profitable level until July 1980 when U.S. quota agreement expires.

Mirco & Fairchild settled 1977 video game suit & countersuit (Vol. 17:46 p10), terms undisclosed. In \$8-million antitrust action, Mirco charged Fairchild tried to keep it out of game business by withholding ICs. Fairchild filed \$3 million breach-of-contract counterclaim alleging Mirco refused to accept delivery of chips and had placed orders even though it knew game couldn't pass FCC type-approval tests. Mirco has since abandoned video game production plan.

RCA denied report issued by Taiwan's Chinese Information Service that it plans to invest \$80 million in new LSI production facility there, saying no such major project is in works.

Japanese transformer maker Tabuchi Electric is following customers to U.S., investing \$1 million to build plant in Tenn. for production of transformers for color TV & microwave ovens. Facility will be near Memphis, where Sharp is building color TV & MW oven plant, just across Mississippi River from Sanyo's Forrest City, Ark. color plant. Output is slated to begin in Sept.

Overseas production shift is planned by U.S. resistor producer Dale Electronics. Company says it plans to make about 8% of U.S. market requirements in unspecified foreign low-wage area by end of this year, 20% in 1980. Move won't result in layoffs here, company stated.

VCR—PRESENT & FUTURE: New VCRs shown at Winter CES were evolutionary models—most of them expected and already reported in these pages (Vol. 18:52 p11)—but major new generations of products were foreshadowed in some exhibits and hospitality suites.

Only completely new VCR known to be scheduled for production is BASF Systems' LVR, for Longitudinal Video Recorder (Vol. 18:25 p7), which we previewed in Berlin in 1977 (Vol. 17:35 p7). Portable system will be built in new Fountain Valley, Cal. plant, and first production-model recorder is scheduled for showing in European PAL color format late next summer at Berlin Funkausstellung (TV-radio show), to be followed by U.S. model at next Winter CES, BASF officials said. They said it probably would be accompanied by lightweight CCD camera.

LVR uses small one-reel cassette about 1/2 size of Beta cassette, containing 8-mm tape (about 0.31") which moves past fixed head, then reverses itself until all longitudinal tracks are recorded or played. Production model probably will have 72 video tracks and 144 stereo audio tracks running length of tape which moves at 4 meters per sec. (about 160 ips), holding 3 hours of recording. There's 100 millisecond blackout every 2.5 min. as tape reverses. This is said to be unnoticeable in action scenes, perceived as slight flicker in others. Sales are scheduled to start in early 1980. Companion tuner-timer will be available for portable recorder. Claimed advantages are portability & simplicity of recorder, high-speed replication of pre-recorded cassettes (all 72 tracks can be recorded at once).

BASF is adding 3rd floor to its Bedford, Mass. plant to make videocassettes—Beta & VHS first (now made in Germany), LVR later.

Among "products of the future," Matsushita showed low-light color camera weighing only 2.2 lb., using color version of 2/3" Newvicon surveillance pickup tube and capable of functioning in light as low as 25 ft.-lamberts, requiring only 7.5 watts. Camera could be introduced next year at target price of about 30% over vidicon camera.

U.S.-made home color camera at \$500 is goal of GBC Chmn. Harry Lefkowitz, who says he plans to set up own tube & lens plant to become only U.S. maker of low-cost color cameras. Meanwhile, he says he's looking at new Hitachi pickup tube which could make \$500 color camera possible this year. Lefkowitz, who attracted attention at June CES by selling Toshiba-made color cameras at \$750 (Vol. 18:25 p11), continued liquidating them in Las Vegas—this time at \$495 each in lots of 12 or more, sold over 300.

Possibility of 4-hour Beta cassette was raised by comments made by Pres. Keizaburo Tozawa of Sony Magnetic Products (Japan), who introduced metal-tape audio microcassette which extends playing time of existing micro recorders by 50% to 1-1/2 hours because of extremely thin coating of metal tape. If time can be extended in audio by switching to special metal-tape formulation, why not video? Sony spokesman said this was possible, but would

depend on ultimate cost of metal-alloy coating, currently very expensive. In answer to question, Tozawa conceded Sony is also exploring smaller-format videocassettes and will be "ready for any possibility in the near future," but said major attention is being devoted to expanding 1/2" market.

Sony's 3-hour I-750 cassettes are still being produced exclusively in Japan, he said, but could be shifted to Dothan, Ala. plant some time this year. Dothan plant is now producing 250,000-350,000 Beta-max & 120,000 U-Matic cassettes monthly, will double capacity at midyear when 2 additional plants there go on stream. Sony's total Beta cassette capacity, he said, is now close to 1.5 million monthly.

Quasar increased VCR activities sharply, introducing 2 new models—portable at \$1,150 (operating for 30 min. on built-in rechargeable battery), with companion varactor tuner-timer-AC adaptor at \$375, mechanically tuned model at \$300. Quasar's new programmable recorder has 2 features claimed to be exclusive—wired remote channel-change, "cue-&-review" switch for location of start of any program either in fast-forward or reverse; it's \$1,375.

Meanwhile, Sharp announced in Japan it will begin producing VHS recorders in Aug. or Sept., turning out 3,000-5,000 annually at first, stepping up to 7,000-10,000. It was silent on U.S. plans.

RCA chose CES to announce \$2-million promotion in year's first 8 weeks for VCRs, including giveaway of three 4-hour and one 2-hour cassettes (worth \$99.80) with each VCR, accompanied by national TV & magazine advertising, local "Selecta-vision Demonstration Week" campaign. Consumer Electronics Vp-Gen. Mgr. Jack Sauter forecast 1979 sales of 600,000 VCRs, said about one camera is now being sold for every 4 decks.

Upbeat outlook for video in 1979 was reflected in prognostications of speakers at CES Video Conference. GTE Consumer Electronics Pres. Thomas Shepherd said color TV sales would be in 9.4-10.4-million range, settled on 10-million estimate, predicted sales in 1979-1983 would average 10.3 million annually. He saw portable-table models accounting for 76% market share, up from 74% last year, remotes rising to 18% of market from 15%. As evidence of continued strong demand, he cited results of EIA's Nov. survey of retailers showing color sales up 17%, inventories up just 6.5%. He forecast higher prices in 1979, industry following 1978 pattern of small increases 2 or 3 times during year. In b&w, Quasar Pres. Alex Stone said market would hit about 6 million in 1979, mini-combos accounting for 15% of units, 20% of \$750-million total retail dollars. In future, Stone stated, minis will rise to 25% of units, 30% of dollars. Rise of 15% in VCR sales to 550,000-600,000 was prediction of Panasonic Exec. Vp Ray Gates, who said portables and full-featured home units would set growth pace. Outlook for pre-recorded video software is 100% increase to \$40-\$50 million at retail in 1979, according to Richard Kelly, Video Corp. of America. He predicted emergence of videotape exchange clubs, said suppliers who now are releasing material only for discs will soon make it available on tape. This, he said, will be self-protective measure to discourage pirates.

VCR 'COMPATIBILITY' WOES: Problems of incompatibility of some VCRs & recorded cassettes with some TV sets have become serious enough for EIA to take a look. Manufacturers' association is picking special engineering subcommittee to try to prevent them from worsening into crisis. The areas of concern: (1) "Trick" effects on new step-up machines—freeze-frame, slow motion, visible fast-forward—don't work properly on some TV sets. (2) Anti-piracy encoding used by some software manufacturers throws some sets out of sync.

In both cases, VCR is generating non-standard signal which can't be accepted by some sets. Software encoding problem, first reported in these pages last Nov. (Vol. 18:46 p10), is considered more critical, although estimates of its extent vary. One major dealer, New England Video Center Pres. John Zeisler, told us "about 50% of the Magnetic Video cassettes we sell are returned" because of set compatibility problems. On other hand, Magnetic Video Corp. (MVC) Pres. Andre Blay said: "We have a hotline for consumer complaints and we certainly haven't been bombarded."

Cited by set makers & dealers as cause of problem are encoding systems used by MVC, Allied Artists and some other software sources. These can be defeated easily by professional pirates using time-base correctors, but prevent casual copying by consumers and less-well-equipped dealers. But anti-piracy systems, which change frequency & amplitude of vertical sync pulse during blanking interval, can cause some sets to go out of sync—and with new sets which use automatic digital sync systems (with no manual adjustment) there's no way consumer can get picture to stop rolling.

Quasar VCR Mgr. Anthony Mirabelli summed up dismay of some set makers when he said: "As an industry, we have no right to fool with the FCC's signal-transmission standard... Set manufacturers can't plan future receiver designs if they're expected to accept all kinds of non-standard signals."

MVC Pres. Andre Blay said encoding wasn't specified by owners of programs it distributes but that he felt it "desirable feature" to prevent some piracy. "At what point does the tradeoff become worth it? We're concerned, but we're not going to throw in the towel at the first complaint. When it's evident that a set won't accept the [encoded] tape, we'll exchange it for one without MV-Gard [MVC's encoding process]." If it's evident problem is widespread, Blay told us, "we're not going to protest till hell freezes over."

Allied Artists Consumer Products Group Vp Jay Feldman said his company's contracts with other movie producers, which will be announced soon, provide for some form of piracy prevention. "Piracy is always in their minds and we must reassure them. [Encoding] prevents casual duplication. The distributor & dealer must understand that if they want the business to continue in 1985 they must make sure it's still there. 'Wild Geese' made its theatrical debut in Nov. We're already releasing it on cassette. If it's ripped off, there'll be nothing left by 1985."

RCA officials told us last Nov. they hadn't heard of any problem with encoded cassettes. Last week, in answer to our question, Product Planning Vp David Daly said: "It's a problem large enough for EIA." EIA's Eb Tingley said subcommittee is now being assembled, will hold first meeting on subject within month. ITA will also take look at problem, says Exec. Dir. Larry Finley.

COMPUTERS SCORE AS GAMES: Judging from events at CES, computers are up, video games are down, but combination of both is really where it's at. Surprise introduction by Bally of computer add-on to \$300 video game paralleled expected debut of Mattel game-computer. Coleco officially left programmable video game business. Conference talks centered on bright possibilities in computer business rather than uncertain ones in game industry.

Arthur D. Little consultant Bill Meserve outlined study showing that consumers made up only 5% of \$170-million personal computer market in 1978. Meserve predicted consumer share would grow to 20% by 1982—\$234-million chunk of \$1.1-billion business. But he warned that successful companies would be those which could identify specific applications within consumer market and produce hardware & software to satisfy specific demands. He cited TI, Atari, & Mattel as fitting description. Other speakers also urged industry to seek new applications, but didn't have many suggestions.

Bally computer add-on "docks" with video game, has own computer language (English-language "Grafix"), will be \$650 when (or if) it's on market by fall. Bally move is unusual in light of possibility Bally may be leaving video game business (Vol. 18:48 p11). Bally Pres. William O'Donnell said company sold only 28,000 video games last year and made no profit from business and "jury is still out."

Mattel video game-computer uses same "docking" format as Bally unit, but similarities end there. Dealer cost for Mattel unit, due for sale in Sept.: \$165 for game, \$165 for computer add-on. Excitement over Bally & Mattel units—both among top CES attractions—obscured other computer happenings: 3 home computers made debuts at CES. Hong Kong firm EACA's "Video Genie" is compatible with Radio Shack TRS-80 software and due here in May for \$1,000. Termbray's "Samson I" has 2K RAM for \$250. Cybervision 4001, at \$500, is due at Montgomery Ward by late summer. Interact up-graded computer to 16K RAM. Exidy plans to add COBOL & ALGOL language capability to "Sorcerer" computer; company has acquired 48,000-sq.-ft. plant in Sunnyvale, Cal. But biggest news in home computer industry for 1979 didn't emerge from Winter CES: Texas Instruments has yet to announce its personal computer.

Voice synthesis may be next big feature of home computers & games. Ohio Scientific computer (Vol. 18:45 p10) has \$525 voice-synthesis option. Mattel unit has microphone & audio track on cassette storage for audio input and voice interaction. Fidelity Chess Challenger game (June delivery) announces moves to human opponent, \$325.

TV HO-HUM IN VEGAS: Winter CES isn't a TV show—and that was particularly true this year. New products actually shown could largely be classed as novelties—from giant projection to such teeny-weeny-minis as JVC's 2" Twinch (Vol. 18:52 p11). Sharp featured its picture-in-picture "Dualvision" with 17" color picture and 4" b&w superimposed, to be available in March at around \$1,000. Hitachi displayed 25" picture-in-picture console, promised for U.S. sale within 2 years.

Alternative to picture-in-picture is Sampo's 3-screen set with 19" color picture and two 5" separate monochrome tubes, already on sale in Taiwan, due here in 4th quarter at about \$750. There were plenty of not-quite-here products, including world's most expensive 4" color TV by Lloyd's, at about \$1,200, due late in 2nd half. Lloyd's first TV entry actually is high-performance mini-combo with 25-watt output, AM-FM-cassette-8-track Dolby unit with digital clock, digital radio readout. Another version consisted of separate components (including color TV) which could be hung on wall.

Unisonic premiered line of mini-combo TVs, promising 5" color model with multi-band radio at \$720. Unisonic b&w: 5" at \$200, with multiband radio \$270; 4" multiband with cassette \$350, with LCD clock \$380; 5" multiband with cassette \$360, stereo version \$430. Chelco showed 3" b&w FM-AM-digital clock combo at \$150, Solar had similar unit with 5" TV at \$200.

There was little new in projection TV at CES exhibits, although some new units were being demonstrated in hotel rooms. Osawa & Co. displayed new PTV Network 3-tube projector in suite (Vol. 18:1 p11), even put out press release on it, but Pres. Yoshiyuki Okamoto indicated disagreement with PTV Chmn. Jesse Levine convinced him he'd made "mistake" and Osawa decided against distributing unit. As displayed, PTV projector used Admiral chassis. MGA showed new version of its 3-tube one-piece projector, using 3 monochrome tubes with external lenses in place of Schmidt optics. New low-priced 2-piece one-tube projectors—by Vidimax by Transvision Corp., Corte Madera, Cal.—use 12" Quasar sets, are priced at \$895-\$1,495 with 40% dealer markup.

Panasonic showed its first 19" color set made by Matsushita Industrial Corp., formerly Quasar's manufacturing arm (Vol. 18:51 p10) for spring delivery at \$440. Panasonic price increases: Remote electronic-tuned 25" consoles up \$25 to \$800 & \$820; 12" color at \$330 (up \$30) & \$350 (up \$20). In b&w, Panasonic introduced new 5" pop-up with FM-AM at \$200, same price as predecessor, and 5" with FM-AM-cassette at \$300; 7" set was increased \$5 to \$180.

Sampo switched to 2-step distribution, instituted new series of dealer programs which spokesman said offset increases reflected in latest price sheet. Sampo's color line with new list prices: 9" AC-DC, fall delivery, \$350; 13" at \$300, & \$330, varactor remote \$400; 19" at \$380, \$390 & \$400, varactor remote \$500. B&w line: 3" AM-FM multiband with cassette in 2 versions (public service-weather-CB

or shortwave) \$250; 5" AM-FM multiband with LED clock \$235; 9" AC-DC \$110; 12" at \$85 & \$95, AC-DC \$100 & \$110; 19" at \$150.

Despite proliferation of autosound equipment with various features, only one system was on display with TV band—by Roadstar, including AM-FM & cassette.

AUDIO AT CES: Mini components, metal tape, proliferation of new product lines and far-out products shown at far-out Jockey Club highlighted active audio scene at CES. Mini component systems appeared in large numbers at Las Vegas show. Prices ranged from \$225 for 2-1/2-watt Lloyd's amp & tuner with changer & speakers (scheduled to reach market by summer) to \$2,000 for 70-watt Mitsubishi amp, pre-amp & tuner. Sony mini components, shown privately (to be introduced to dealers in June), will be marketed through Consumer Products—not hi-fi operation—despite over-\$1,000 price.

Randix added \$200 TEAC-built miniature cassette deck (Vol. 18:52 p11) to line of vertical bookshelf minis. But mini component optimism was restrained; neither dealers nor manufacturers thought American public would go for minis as enthusiastically as space-conscious Japanese have.

Metal tape was making transition from controversy to product at Las Vegas. One count had 16 hardware manufacturers showing metal tape-compatible decks. Japanese approval of standards close to Metafine formulation was expected by end of month (Vol. 18:50 p10). Fuji joined 3M in showing production metal tape. TDX had plenty of samples and companies which didn't have tape said they'd be along as soon as there were standards. Industry consensus was that high metal tape deck prices (examples: JVC \$750, BIC \$850) would drop by fall. Eumig & TEAC offered programs to retrofit high-end decks for metal tape. Other tape developments: Memorex entered premium tape market with new High Bias tape.

Sony, which claims No. 1 tape sales position in Japan, introduced new premium tape and announced sales reorganization.

In esoteric field, former Phase Linear Pres. Robert Carver's magnetic-field amplifier and sonic hologram pre-amp (Vol. 18:33 p14) were most innovative products on display at Jockey Club. Amp, 6" cube, runs cool while generating 200 watts per channel and will retail for around \$300; \$850 hologram pre-amp gives sense of spatial depth to 2-channel sound. Carver Corp. hopes to have production quantities by April. First Bose hi-fi receiver is tri-amped, designed to give spatial effect when used with Bose speakers. Technics will begin marketing digital PCM recorder-decoder for use with VHS video decks by fall at \$5,000.

Number of new component lines reflected generally upbeat audio mood. Hitachi, Kenwood, Nikko, Pioneer, Sansui, Sony & Technics showed partially or totally revamped lines. New Pioneer equipment included 3 non-switching amps, 2 tuners. Surprise item from Pioneer was Bodysonic, \$70 car stereo pad which lets listener feel music as well as hear it.

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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
Telecor			
1978-6 mo. to Nov. 30	76,927,000	4,001,000	.93
1977-6 mo. to Nov. 30	66,753,000	3,257,000	.77
1978-qtr. to Nov. 30	41,900,000	2,233,000	.52
1977-qtr. to Nov. 30	37,799,000	1,831,000	.43
United Cable TV			
1978-6 mo. to Nov. 30	13,283,000	1,652,000	.81
1977-6 mo. to Nov. 30	10,118,000	867,000	.45
1978-qtr. to Nov. 30	6,856,000	887,000	.44
1977-qtr. to Nov. 30	5,211,000	485,000	.25
Walt Disney Productions			
1978-qtr. to Dec. 31	154,672,000	18,007,000	.56
1977-qtr. to Dec. 31 ^a	137,106,000	13,353,000	.41 ^b

Notes: ^aRestated. ^bAdjusted.**Consumer Electronics Personals**

William Finnegan appointed Quasar mktg. dir. in initial structuring of sales & mktg. unit of Matsushita Electric Corp. of America by new Pres. Alex Stone (Vol. 18:51, p10); Al Tate, former San Francisco branch mgr., named sales dir., succeeding Finnegan; Victor Croft promoted from East Div. sales dir. to national sales mgr.; John Fortino, ex-West Div. mgr., appointed national mdsg. & sales promotion mgr.; James Moore, former sales & mktg. group controller, named national branch mgr.; William Schultz, ex-customer order service mgr., now national physical distribution mgr.; John Richert, former controller, named finance dir.; Sei Otsuka, shifts from treas. to sales & mktg. administration vp. . . David Arganbright advanced at RCA Sales to VCR products mdsg. mgr.; James Gatman promoted to b&w mdsg. mgr.

Robert McFadden advanced at Midland from pres. & chief operating officer to chmn.-chief exec., succeeding John Lane, retired. . . Norm Skolnik, Superscope-Marantz autostand audio national sales mgr., assumes same responsibility for all Marantz audio products. . . Matt Alessi, ex-Lloyd's, joins Unisonic as national sales mgr. . . Al Gross, ex-True Temper, forms new CB antenna firm, Ohio Electronic Mfg.

Don Fostle, ex-Boeing, joins Interact as mktg. vp. . . Rich Melmon resigns as Videobrain mktg. dir. . . Bernard Appel advanced at Radio Shack from mdsg. vp to mdsg. & advtg. senior vp. . . Bruce Donaldson promoted at Mattel from west coast district sales mgr. to field sales mgr. . . A.N. Laslo, ex-Gamble-Skogmo, joins Schaak Electronics as retail planning vp, assuming some former duties of Towru Nagano, who continues as corp. development vp. . . Mike

Villott, ex-Intel, joins Motorola MPU Group as worldwide tactical mktg. mgr.; John Beyer advanced to business administration mgr. . . Richard Camner, ex-Raytheon, appointed Hughes Solid State Products MOS mktg. mgr. . . James Nord, ex-Motorola, appointed national sales mgr. of EMM Semi Inc. unit.

Joseph Pershes joins Allied Artists Video in unspecified mktg. post; Barry Goldman, ex-Sony & Cerwin-Vega, succeeds Pershes as TEAC national sales mgr. Also at TEAC, Gary Beckerman, ex-Arthur Andersen, joins as gen. mgr., new post. . . Elliot Schwartz, former AR sales dir., appointed KLH sales dir. . . Steve Levine named Maxell mid-west region sales mgr.

Jack Wayman, EIA Consumer Electronics Group senior vp, named NARDA man of year.

Joseph Di Figlio advanced at Sampo from mktg. dir. to sales & mktg. vp. . . Peter Walsh promoted from mktg. service dir. to services dir., EIA Parts, Tube & Distributor Products Divs. . . Owen Jackson, ex-Bell & Howell, joins GC Electronics as mkt. development mgr.; James Heighway advanced to national sales mgr.; J. F. Zukauskas, ex-Robert Bosch Corp., joins as field sales supervisor & national accounts mgr.

Ad notes: Sony names Rowland Co. for corporate & Consumer Electronics PR, replacing Dunwoodie Communications. . . Sony assignment of consumer electronics account to McCann-Erickson (Vol. 18:52 p9), has Hitachi looking for new agency. ME's west coast office handles Hitachi, so there's no direct conflict, but Sony insists on exclusivity. It was unhappiness over Doyle Dane Bernbach handling of Sylvania TV campaign that prompted Sony to drop DDB in favor of ME last year. . . Integrated Sound Systems appoints Wordworks Inc., replacing Frank Barth Adv. . . Motorola Communications Div. moves account from Marsteller to Jack Levy & Assoc., Chicago, Jan. 1. . . Electrolert picks Grey-North, Chicago, to run \$3-\$4 million 1979 campaign for Fuzzbuster radar detector; previous agency was Kircher, Helton & Collett, Dayton. . . Interact appoints J. B. Stanton agency.

WEEKLY

Television Digest®

with
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The authoritative service for broadcasting, consumer electronics & allied fields

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SUMMARY-INDEX OF WEEK'S NEWS

Broadcast

ABC REDUCES KID AD TIME: Will cut weekend commercials in 2 stages. FTC hearings not main reason, FCC's Washburn contends. Hollings praises, Charren unimpressed. (P. 1)

MAJOR SURGERY SEEN FOR CPB: Carnegie II calls for major structural changes in public broadcasting institutions, rejects idea for National Telecommunications Agency to provide facilities and operating grants. (P. 2)

NO NCTA ELECTION CONTESTS YET as board prepares for Feb. 22-23 meeting. Budget, legislation & regulation among major items. Will consider 'Strange Proposal' for board expansion. FCC weighing abolishing 3-5% franchise fee ceiling. (P. 2)

'PUT ASIDE OUR BICKERING' for good of public & TV, Backe urges Hollywood creative community. CBS network costs double to \$600 million in 4 years. (P. 4)

NAB TAKES 'STICK TOGETHER' stance for radio-TV on deregulation as radio board sees similar 'problems, responsibilities & opportunities.' No policy decisions on rewrite. Harris to get DSA. UHF committee authorized. Radio seeks all full-time stations. (P. 5)

ABC CUTS KID AD TIMES: One of most dramatic effects of FTC proposal to restrict children's TV advertising was felt last week when ABC announced plans to reduce network commercial time on weekend mornings, turning free time over to health messages, PSAs and "general program information."

Present 8-1/2 min. of network ad time per hour on weekends will drop to 7-1/2 in Jan. 1980 and 6-1/2 year later. Local advertising will remain one min. per hour. ABC-TV Pres. James Duffy made announcement at network affiliates session in N. Y., saying he believes "this important step should be adopted as an industry standard."

Announcement came while FTC was conducting hearing on children's advertising in San Francisco, but one of first officials to react to announcement, FCC Comr. Washburn, questioned whether govt. actions were main factor in reduction: "They've reduced it all the way down from 16 minutes to where they are now at 9-1/2. This is a further reduction, so while the government investigations by the 2 agencies [FCC & FTC] certainly are a factor, you've got to realize the industry has been on a reduction course for some years."

Consumer Electronics

COLOR'S RECORD YEAR—37 of 52 weeks set record in 1978, but going rate tailed off to 9.87-million speed in 4th quarter. Year-end inventories at satisfactory level. Figures for record Dec. (P. 7) 1978 monthly data at-a-glance. (P. 11)

JAPANESE URGE TREASURY to drop TV dumping assessment formula, warn of court action. Justice seen ready to move on illegal TV import rebates. STR threatens hike in duty on electronics and other items from Japan. (P. 8)

U. S. TAPE PLANT planned by Maxell, seeking SE site. TDK acquires Ala. property for videocassette production facility. (P. 9)

'COMPATIBLE' 3D TV system, manufactured in U. S., to get premiere on Australian station. Method uses standard TV receiver, may be viewed with or without special glasses. Optical & electronic effects involved. (P. 10)

IMPORT ADJUSTMENT AID approved for former Admiral & Sylvania TV workers. Labor Dept. opens eligibility probe on behalf of former Sanyo Mfg. employees. (P. 11)

RCA REPORTS RECORD sales & net in 1978, 4th quarter, cites color TV profit squeeze. Advent calls projection TV market soft. (P. 12)

Also happy was Sen. Hollings (D-S. C.), Communications Subcommittee chmn., who has proposed ad hearings. Said Hollings: "I am pleased to see this sort of constructive action being taken. I hope that we will begin to see more initiatives by broadcasters and advertisers which demonstrate a willingness to address the issues involved in children's programming and advertising."

ACT Pres. Peggy Charren, leader of cut-commercial campaign, was skeptical: "If it means more promos, then they haven't done anything at all. If it's promos, those are commercial minutes."

She said that if time freed up will be used extensively for other messages, then ABC is taking a "step in the right direction." But she complained that it "doesn't go far enough, [won't happen] fast enough and doesn't apply to children's programs on 5 days out of the week." Charren said action "proves once again that broadcasters will not consider rules for children until FTC and FCC consider rules for broadcasters."

Meanwhile, there were discussions at FTC of compromise over its proposed restrictions. Washington Star said FTC attorneys are now hoping for strong public hearing record to support restrictions far below an outright ban.

Hearings began in San Francisco last week with pro and con witnesses giving testimony that generally could be predicted. Kellogg's representative Frederick Furth, for instance, argued FTC has no jurisdiction, is attempting to be a "national nanny." On other side, Clive Davis, Syracuse U. psychology prof., said he's concerned about "vulnerability" of children to TV ads.

MAJOR SURGERY SEEN FOR CPB: Carnegie II, due Jan. 30, calls for major structural changes in public broadcasting institutions, especially CPB. Report also rejects proposal of Rep. Van Deerlin (D-Cal.) for a National Telecommunications Agency (NTA) to provide facilities and operating grants.

Four-hundred page, 10-chapter report, titled "A Public Trust," focuses on structure & funding. Carnegie deals harshly with CPB, includes strong negative judgment on its role during Nixon Administration. "There's no doubt that some kind of leadership & accountability organization will be in the future of public broadcasting," we're told. "It's absurd to contemplate no organization of CPB's nature." But source went on to say Carnegie goes beyond advocating simple redefinition of CPB role. Structural recommendations of Carnegie, source said, are "major" and "very significant."

Reason for rejecting Van Deerlin's NTA: "The commission didn't view it as wise to have operating monies dispensed directly from a government agency to the system."

On funding, Carnegie suggests public broadcasting will need more than \$1 billion per year by the mid-80s, says funds must come from multiple sources, including spectrum fees, direct appropriations, non-federal government sources, private sector. Report will contain separate chapters on public radio (original Carnegie report ignored radio) and telecommunications technology, including satellites, advanced cable TV, and instructional broadcasting.

Carnegie's influence on the Van Deerlin rewrite may be considerable. Congressman says his staff won't rewrite section of bill dealing with public broadcasting until Carnegie is published. "I trust they have found some formula for leading us out of the duplication of services. We don't have anything in place beyond what we already put in and a few rude notes. We're looking for guidance," he said.

NCTA GEARS FOR BOARD MEETING, ELECTIONS: No contests have appeared for NCTA elections during Feb. 22-23 board meeting in Woodlands, Tex. (near Houston). Candidates: Douglas Dittrick, Douglas Communications, chmn.; William Bresnan, Teleprompter, vice chmn.; Richard Loftus, Amvideo, secy.; Monroe Rifkin, ATC, treas.

Principal issues of meeting seem to be traditional—budget, legislation, regulation—but with growing emphasis on state & local regulation as FCC tends to slough off rules. Novel idea on board composition will be debated. It's called "The Strange Proposal," after author William

Strange, Sammons, who broached concept at last meeting in Anaheim. Most unusual angle: Major dues payers would automatically place 12 directors on 38-member board (expanded from 28). Members paying \$60,000-\$120,000 yearly would place 2 each, those paying \$30,000-\$60,000 one each. Proposal is now before Blue Ribbon Committee, headed by Gene Schneider, United Cable.

As stress is placed on legislation & regulation, it's being eased somewhat on public relations. PR Vp Lucille Larkin resigns as of Feb. 1, and Philip Clapp moves up to PR dir.; no new vp will be named. Said Exec. Vp Thomas Wheeler: "It's a question of priorities. We no longer need to sell cable to people who never heard of it. We need to reach the people who legislate & regulate." Larkin plans to remain in cable industry.

Meanwhile, there's growing fear among cablemen that FCC may abolish 3-5% ceiling on franchise fees. Subject has been up for reconsideration even since Commission considered broadening base but retaining ceiling, some months ago. Comr. Fogarty has been pressing for abolition of ceiling, and Chmn. Ferris appears to be going along. One commissioner, Quello, thinks move unwise, says: "It's inappropriate to talk about the ceiling without considering the total issue of cable deregulation. It's a very serious move. Untimely. Something we ought to consider, I think, is to get cable operators' performance to meet their promises. How can we encourage them to put their profits where they promise? That may be more productive than raising franchise fees. Maybe we could do it only through jawboning."

GELLER AT LARGE: One-time drafter of some of most intricate and restrictive regulations in history of FCC, introduced as "a man not afraid to change his mind," NTIA chief Henry Geller addressed IRTS in N. Y. last week—and received considerable favorable reaction to his call for virtual gutting of radio regulation.

Geller repeated what he's told Congress and others—that there are enough radio stations, particularly in large cities, to warrant elimination of "public trustee" concept: "The change urged by NTIA would substitute a reasonable payment in lieu of the public trustee concept, with licenses then continuing indefinitely." Removed would be renewals; petitions to deny; fairness doctrine; programming rules. Kept would be multiple-ownership rules; sponsor identification, EEO requirements, equal-time rules, bans on lotteries, obscenity, etc.

TV is different, Geller said, because there are still too few stations. Said he: "There is no way to avoid looking at programming under the public trustee concept. . . I suggest that the only way out is to specify the meritorious percentage figure in local and informational programming—for example, in the large markets, some figure along the lines of 15% local and 15% informational, including in prime time. . . I also recognize the legitimate worry that the Commission might then extend the percentage concept to a series of categories—religious, agricultural, minorities, and so on. This would be a clear mistake. . . Programming cannot and should not be run from Washington, D. C." Throughout his speech ran constant theme: Most matters are best resolved in marketplace.

In Q-&-A period, Geller had a position on virtually every issue. Among his responses: (1) There's plenty of room for more FM stations, and NTIA will soon file expansion proposal with FCC. (2) What if AT&T wires the nation? "I hope it

comes. It will bring added diversity." (3) AM stereo is fine—"we've researched it." (4) "It's economics that's holding back cable in the big cities. Also, the copyright holder must be treated fairly. In the marketplace. I don't believe that compulsory license does that."

(5) "NTIA has no position on VHF drop-ins. OTP had. I haven't looked at the engineering. Would it hurt UHF? Maybe deintermixture was the way to go—but there may be other ways to get diversity than rehashing the past. You can't repair it now. We could have repaired it in the 50's by moving all TV to UHF." (6) Should govt. do something about "single-issue broadcasting, such as Christian broadcasting?" Answer: "No." (7) Should govt. get into the video disc standards argument? Answer: "No govt. intervention. The 33 vs. 78 resolved itself in the marketplace."

CPB REORGANIZATION RESISTED: New CPB Pres. Robben Fleming received substantial opposition to plans to reorganize CPB board during his first meeting as pres., but reorganization was approved 8-4 anyway, ceding considerable power to chmn. and administration.

Strongest opposition to Fleming proposal eliminating almost all committees came from Donald Santarelli, who had been chmn. of important Programming Committee. Board now will operate as committee-of-the-whole, and Santarelli complained there will be reduction of expertise in all areas. Other main complaint from those opposing shake-up was that board members are giving up too much power. Fleming proposal reorganizing CPB structure was approved unanimously.

Board also gave go-ahead to NPR to begin constructing its satellite system. Planning for construction of 189 ground terminals has been underway for some time, and board said work can begin as soon as several FCC and contractor approvals are given out.

BACKE—'PUT ASIDE OUR BICKERING': "We need each other. It is more than a marriage of convenience. It is a marriage of necessity... So, let's put aside our bickering and spend more of our energies doing what we're supposed to—and that is lighting up that TV screen with the best entertainment and informational programming our imaginations and our resources are capable of delivering," CBS Pres. John Backe told Hollywood creative community last week.

Speaking to Academy of TV Arts & Sciences, he chastised those who urge that TV be restructured "by government fiat for some alleged higher social good. Those voices are being listened to by many, including some in Washington whose fingers flutter across the buttons of broadcast regulation. The buzz word in Washington today is diversity. As applied by some, it means 'less is more'—a rationale for proposed changes in broadcasting that would change our system drastically."

Backe noted that CBS-TV network operating & programming expenses have doubled since 1974—from \$300 million to \$600 million in 1978—predicted 3 networks combined news budgets will be over \$333 million in 1980. And, he said, networks have "the desire and money to challenge... the courts [which] seem determined to weaken news reporting by persisting in the pursuit of reporters' notes, film outtakes and the revealing of sources."

AMPEX'S DIGITAL VTR: Ampex will demonstrate working engineering prototype of digital broadcast VTR at SMPTE TV Conference Feb. 2-3 in San Francisco. Ampex Audio-Video Vp-Gen. Mgr. Donald Kleffman confirmed that there would be demonstration in conjunction with paper on status of digital video recording. "This is just a report on what's going on in the labs," he told us. "It's another benchmark in video recording. There's been plenty of talk about digital recording, and we think now it's time to show what we're doing, in addition to making statements."

Ampex had held back on any demonstrations while Britain's IBA & Germany's Fernseh demonstrated digital VTRs at London's International Bestg. Convention (Vol. 18:40 p6). Kleffman would give no details, but we've learned that unit demonstrated will be speeded-up digitalized quad machine. Session will include papers by Ampex's Charles Ginsburg for SMPTE Digital TV Study Groups, of which he is chmn.; Ampex's Joachim Diermann & Maurice Lemoine; BBC's Peter Rainger; Dominique Nasse, CCET, France; KTLA's Edward Herlihy. Other sessions: Operating experience with 1" VTRs, microprocessors in video editing & machine control systems, digital video effects & computer animation.

NRBA board will consider adopting "code of public service" and forming council of broadcast industry associations during Jan. 26-27 meeting at La Costa, Cal. Also on agenda: Radio deregulation, rewrite, reduction of AM band to 9 kHz.

CBS hosts TV affiliate mini-conference Jan. 25-27, Biltmore Hotel, Phoenix; 2 others will follow.

JONES, CPB NAMES TO SENATE: White House again has sent nomination of Anne Jones to Senate as member of FCC to replace Margita White. However, her confirmation hearing is awaiting appointment of new Communications Subcommittee, expected shortly. Also re-nominated by Carter were Kathleen Nolan, Geoffrey Cowan, Paul Friedlander & Howard White for CPB board.

Same names were offered at end of last Congress, had to be resubmitted. Nomination of White, who is black, to CPB is for remainder of term of W. Allen Wallis and has raised concerns among blacks as to why White isn't being nominated for full term. White House says he'll be nominated for full term after Wallis term expires.

Senate Commerce Committee and its Communications Subcommittee are getting new members. Named to parent Committee were Sens. Larry Pressler (R-S.D.), Nancy Kassebaum (R-Kan.), John Warner (R-Va.), Howell Heflin (D-Ala.) & James Exon (D-Neb.). Going off are former Sens. Pearson (R-Kan.), Griffin (R-Mich.) and Sens. Stevens (R-Alaska), Durkin (D-N.H.) & Zorinsky (D-Neb.).

Subcommittee assignments still are to be decided, but Pressler has expressed interest in communications, proposing to break up media conglomerates. And Kassebaum holds some broadcast interests, which could mean she'll be on Subcommittee. Sen. Hollings (D-S.C.) will remain Subcommittee chmn., and Sen. Goldwater (R-Ariz.) is expected to be ranking minority member.

On House side, new Commerce Committee members are Mickey Leland (D-Tex.), Phil Gramm (D-Tex.), Al Swift (D-Wash.), Ronald Mottl (D-O.), Richard Shelby (D-Ala.), Tom Corcoran (R-Ill.), William Dannemeyer (R-Cal.), Gary Lee (R-N.Y.), Tom Loeffler (R-Tex.). They'll replace former Reps. Moss (D-Cal.), Rooney (D-Pa.), Carney (D-O.) Metcalf (D-Ill.), Krueger (D-Tex.), Frey (R-Fla.), Skubitz (R-Kan.). Rep. Moore (R-La.) moves from Commerce to Ways & Means.

Expected to be named to Communications Subcommittee are, Leland, a black, Swift & Broyhill (R-N.C.). Aside from Frey & Carney, who left Congress, Reps. Mikulski (D-Md.) and Moore are to leave Subcommittee. Rep. Van Deerlin (D-Cal.) again will chair Subcommittee, and Broyhill is expected to be ranking minority member.

Appearing on Qube Jan. 18, Ralph Nadar quizzed audience on telecasting and cable 4:30-5:30 p.m., found, among other things: (1) 76% of audience watches TV more than 6 hours daily. (2) On commercial TV, audience would like more of following: Cultural & educational material, 39% of audience; consumer information, 31%; entertainment & sports, 14%; local & news, 12%; kid shows, 3%. (3) What improvement is needed in cable? More program choices, 63%; access, 13%; information on govt. & company policies, 13%; nothing, 7%. (4) How often should stations be renewed? One year, 44%; 2-3 years, 37%; 4-5 years, 9%; forever, 3%; don't know, 8%.

NAB's 'STICK TOGETHER' STANCE: Radio & TV members of NAB board developed new cohesiveness at joint & separate meetings last week in Hawaii—after months of talk that radio was about to go its separate way in seeking renewal bill from Congress and deregulation from FCC. TV board took first step, adopting resolution recognizing "differences which exist between radio & TV," urging NAB to put "particular emphasis on the present opportunities for radio deregulation."

Radio board responded with a "thanks," added radio wants to stick with TV through NAB "as the one effective national association whose primary mission is to defend and enhance the American system of free and independent broadcasting—TV as well as radio, network and independent, small stations and large." Radio board also noted that radio & TV "have many similar problems, responsibilities and opportunities." Response of radio-only NAB Chmn. Donald Thurston: "I sensed a nice feeling."

It was Thurston who last fall accused House Communications Subcommittee Chmn. Van Deerlin (D-Cal.)—principal architect of Communications Act rewrite—of attempting to drive wedge between TV & radio (Vol. 18:39 p1). And historically, radio has complained that it gets short shrift—in comparison with TV—from NAB. But much of that was put to rest, at least for a while, by Radio board last week which took TV's resolution as "yet another timely indication that NAB will not hesitate to seek every advantage for its radio members."

Also, as expected, NAB board took no policy positions on any provisions of new rewrite bill (Vol. 19:2 p2). Members spent several hours Jan. 16 discussing major subjects: Whether radio & TV should be treated differently; fees (and there's still total opposition to any kind of spectrum charge); implications of WESH-TV Orlando decision (Vol. 19:3 p1); FCC's proposal to set mandatory percentages for certain types of programs ("strong protest" will be filed by NAB with FCC). Thurston said new format for opening session—relying on policy discussions rather than staff reports—"was very successful."

NAB's Distinguished Service Award will go to Jack Harris, KPRC-TV-AM Houston pres. and exec. vp of parent Houston Post Co. After Thurston withdrew from consideration, Harris won on 6th ballot over runner-up Stanley E. Hubbard (KSTP-TV-AM St. Paul-Minneapolis). Harris was founding father of AMST and its pres. for many years. Award will be presented March 25 at opening session of NAB convention in Dallas. DSA goes to person making "a significant and lasting contribution to the American system of broadcasting by virtue of a single achievement or continuing service."

Other TV board actions: (1) Authorized formation of UHF TV Committee "to study the special needs of UHF TV stations." (2) Reaffirmed Nov. telephone approval of changes in TV Code designed to reduce clutter—and opposed vigorously by ANA & AAAA (Vol. 18:41 p1). (3) Approved public affairs TV programming conference to be held in Washington in June; TV Dir. Mike Shapiro, WFAA-TV Dallas, is chmn. (4) Decided to hold another child-

ren's TV conference in 1980 (first such NAB conference last year received very favorable publicity). (5) As expected, accepted staff proposal to replace traditional 6 fall conferences (for both TV & radio) with 3 TV-only meetings "designed to address specific subjects." (6) Adopted policy seeking divorcement of cable system owners from programming.

Radio board also adopted philosophy—pushed by Thurston (Vol. 19:2 p2)—"that as a matter of national radio allocations policy, all broadcast stations (present and future) be authorized to provide fulltime service [and] the conversion of existing daytime AM stations into unlimited time facilities and that this national allocations goal be accomplished without significantly diminishing service by other classes of stations." Position was adopted after 3-hour debate on 9 kHz AM channels (vs. present 10) and clear-channel situation, was adopted on compromise motion presented by NBC's Marion Stephenson. ABC's Harold Neal was only "no" vote; CBS's Peter Lund abstained. NAB staff was directed to "confer with all appropriate [govt.] departments with the objective of achieving this goal at the earliest possible time." NAB also urged FCC to adopt "overall radio allocations policy" effecting above position prior to 1979 WARC in Geneva.

"It's a massive undertaking... We want to move on it as quickly as possible," Thurston added. He said staff will ask FCC to form joint industry-govt. committee to conduct "in-depth studies" to accomplish NAB's radio allocations goals.

Joint Board: (1) Told Exec. Committee to explore concept of "a multi-media First Amendment Congress" to protect press freedoms. (2) Agreed to continue NAB "town meetings" with public (2 were held in 1978, in Charlotte & Duluth). (3) Approved \$100,000 engineering lab at NAB. (4) Heard that 80% of NAB radio members now are Code subscribers. (5) Approved 287 new NAB members, raising total to record 5,757—including 4,615 radio stations (up 175 over Jan. 1, 1978), 562 TVs (up 11), 580 associates (up 101) and TV-radio networks.

FCC has refused to issue declaratory ruling sought by MPAA stating that networks are violating "financial interest" rule on programming. However, Commission said MPAA petition raises "serious questions" which will be considered in network inquiry. Rule, effective in 1972, prohibits networks from acquiring financial interests in programs produced by others after their showing on network. Comr. Lee said he would deny petition on grounds network practices—such as seeking options after first year—don't violate rule. Staff convinced others that it can't now say there's no violation involved.

"Golden Bow Tie" awards will be given to FCC Comrs. Lee & Quello—jointly by NAB & CUB—for their promotion of UHF, March 27 at NAB convention in Dallas.

Warner's Star Channel pay-cable service on March 1 adds 22 Warner systems to 17 previously hooked up. New group has 142,000 basic subscribers.

Personals

Terry Banks, ex-EEOC, formerly with Washington law firm Hogan & Hartson, appointed FCC deputy gen. counsel, succeeding Clay Smith, now an EEOC commissioner; Patricia Russell, ex-FCC Gen. Counsel's Office, promoted to chief of Complaints Branch, Best. Bureau; ex-FTC economist Charles Goldfarb joins FCC Office of Plans & Policy.

Cox Bestg. Chmn. J. Leonard Reinsch receives Southern Baptist Radio-TV Commission's Wasilewski Award March 1 for helping to raise "the image of the industry in the eyes of the public"... Roy Meyer, ex-McHugh & Hoffman (news consultant), appointed vp-news, NBC TV Stations Div... Raymond Schnelder promoted to dir.-engineering & development, CBS TV... Carol Fisher, ex-Doyle Dane Bernbach, joins ABC Entertainment as mgr.-comedy development; Anthony Sproule promoted to personnel dir.-hq facilities, ABC.

Jay Giesa advanced to vp-asst. gen. mgr., Fisher Bestg. (KOMO-TV-AM Seattle & KATU Portland, Ore.), new post; Phelps Fisher to vp-dir. of marketing; Ed Lackner to KOMO-TV station mgr.; Patrick Scott to KOMO-TV program mgr... Mike Dunlop, ex-Field Spots Sales, appointed WFLD Chicago sales mgr... Eleanor Brown, ex-WJLA-TV Washington, joins Group W as dir., management development... Jack Fitzgerald promoted to WNAC-TV Boston news dir., succeeding Stephen Cohen, now in similar post at WCBS-TV N.Y... Gary Cummings promoted to exec. asst. to vp-gen. mgr. of WBBM-TV Chicago and dir. of editorials & station services.

FTC actions: Christian White, ex-asst. to Chmn. Michael Pertschuk, promoted to exec. dir., succeeding Margery Smith, now gen. counsel of newly formed Office of Personnel Management; William Dixon retires as chief of Bureau of Consumer Protection rulemaking unit; Linda Blumkin, asst. dir. of Bureau of Competition, leaves Jan. 26 to join N.Y. law firm Fried, Frank, Harris & Shriver; James Sneed, ex-asst. to Pertschuk, moves to Bureau of Competition as asst. dir.

Daniel Manelli, ex-Proprietary Drug Assn. and onetime chief counsel of House Investigations Subcommittee, joins Washington Office of Detroit law firm Bushnell, Gage, Reizen & Byington; partner John Byington is ex-chmn. of Consumer Product Safety Commission... Kenneth Gorman, Viacom International chief financial & administrative officer, promoted to senior vp; Arnold Messer, ex-Columbia TV, named vp-business affairs, West Coast; Susan Perchonock promoted to sales exec.-licensing & merchandising; Stephen Hofflich joins Viacom as dir.-management information systems, East Coast.

Alan Bennett promoted to div. vp-programming, Katz TV; Carol Rosen to vp-administrative services, Katz Agency... Marc Grayson (L.A.), Paul Hoffman (Chicago) & Andy Lee (Dallas) promoted to MCA TV sales vps... Willa Hoffner, ex-Program Syndication Service, joins Paramount as cable pay TV sales & marketing dir.

WEEKLY Television Digest

with

Consumer Electronics...

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McGraw-Hill Bestg. has asked FCC to intervene in parent company attempt to fight off takeover bid by American Express. McGraw-Hill Bestg. says takeover without notice to FCC is illegal, would subject 4 TV stations to revocation or denial of renewal. American Express said it plans to make cash tender offer for parent company shares at \$34 per share, total of \$830 million. American Express said it planned to ask FCC not to block tender offer, asserted it would comply with law on transfer of licenses, but McGraw-Hill's TV stations were seen as an important stumbling block in takeover bid.

Regulation & legislation are major topics as National Religious Bcstrs. convene at Washington Hilton Jan. 21-24. Main goal: Recognition of unique status of 400 religious stations. Among invitees: Sen. Hollings (D-S.C.), Rep. Van Deerlin (D-Cal.), Sen. Schmitt (R-N.M.), former Rep. Frey (R-Fla.). NRB hasn't taken position on rewrite, Exec. Dir. Ben Armstrong stating: "We want to be flexible, depending on how it goes." Among other topics: Satellites, programming, missionary radio.

N. Y. Times has purchased KFSM-TV (Ch. 5) Ft. Smith, Ark. from Buford TV for about \$17 million cash. Station is only VHF in market, primary affiliate of NBC. In first sale of station by black to black, singer Stevie Wonder is buying KLJH(FM) Compton, Cal. for \$2.2 million from John Hill.

Jerrold receives \$4.3 million contract for converters and distribution gear for 1,000-mile addition to northern N.J. cable systems of Suburban Cablevision (subsidiary of Maclean-Hunter, Canada).

"Compatible" 3D TV system, which produces depth effect optically & electronically, is scheduled to go into use in Australia next April (see p. 10).

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OFFICIAL 1978 SALES FIGURES

Here are EIA's final & official statistics on consumer electronics total-market sales to dealers for 1978, with 1977 & 1976 comparisons, and for year's final week. (For Dec. break-out, see p. 8):

	Full Year 1978	Full Year 1977	% change	Full Year 1976	Dec. 22-29	1977 week	% change
Total TV	16,300,723	14,771,017	+10.4	12,896,127	346,459	312,041	+11.0
color	10,236,319*	9,106,826	+12.4	7,700,193	206,119	202,049	+2.0
monochrome . .	6,064,404	5,664,191	+7.1	5,195,934	140,340	109,992	+27.6
Home VCR	401,930*	—	—	—	12,694	—	—
Total radio	45,146,245	54,694,701	-17.5	40,735,148	569,981	536,119	+6.3
home, portable	32,477,755	41,804,859	-22.3	28,290,085	411,512	264,432	+55.6
AM-only	7,933,034	10,848,424	-26.9	9,309,301	145,903	139,039	+4.9
FM & FM-AM	24,544,721	30,956,435	-20.7	18,980,784	265,609	125,393	+111.8
auto	12,668,490	12,889,842	-1.7	12,445,063	158,469	271,687	-41.7

Color TV 5-week moving average: 1978—220,070**; 1977—205,552 (up 7.1%)

*Record year. **Record for week.

COLOR '78—DIMENSIONS OF A RECORD YEAR: Color TV's first 10-million-plus year, 2nd best year in history for total TV unit sales, TV's biggest dollar-volume year (about \$4.15 billion factory value of color plus monochrome) and first big year for consumer VCR sales are detailed above in EIA's final figures for 1978.

Review of color TV's year shows new sales marks were set for 10 of the 12 months—all except Jan. & Oct.—and for 37 of the 52 weeks. In terms of sales pace, 2nd quarter was best, sets selling at annualized rate of 10.86 million, up from 10.17 in first quarter; 3rd quarter saw rate decline to 10.22 million, with definite tailing-off to 9.87 million in final quarter. On monthly basis, April & May were by far the best at 11.5 & 11.2 million rate annually. Worst were the non-record months of Jan. & Oct., both coming in at 9.3 million. Year went out with 10.1-million pace in Dec., which beat July (9.8 million) as well as Jan. & Oct., but no others.

Color TV inventories at year's end totaled about 2,135,000 at factory plus distributor levels, up only 2.3% during year. As interest rates grew during year, distributors worked from lower inventories, keeping stocks below 1977 levels for last 8 months of year, ending Dec. at year's low of less than 886,000 sets, decline of 10.9% during year. Larger percentage of inventories remained at factories—just under 1.25 million sets, up 16.4% over year-earlier, but with manufacturers keeping close reins on production, still 2nd-lowest end-of-month figure (to Jan.) for entire year. During Dec., factory-plus-distributor inventories dropped 8.1%, distributor stocks dipping 9.4%, factory inventories declining 7.1%.

VCR sales for 1978—first year tallied by EIA—came to 401,930—not as high as most start-of-year forecasts but still nearly double 1977 estimate. Surprise of year was extremely seasonal nature of home VCR sales and manufacturers are trying to change this with stepped-up first-quarter ad & marketing drives.

EIA radio sales figures are best taken with grain of salt. Sales totaled over 45 million, a figure which looks low only in comparison with nearly 55 million reported by EIA for 1977. Im-

port figures show no such decline in radio shipments, and best guess is that this year's drop represents statistical adjustment or change in tallying method from system which produced too-high figures for 1977. Here are EIA's sales-to-dealer figures for Dec.:

Product	Dec. 1978	Dec. 1977	% change	Dec. 1976
Total TV	1,835,504	1,659,874	+10.6	1,492,701
color	1,100,349	1,027,758	+7.1	909,057
monochrome	735,155	632,116	+16.3	583,644
Home VCR	52,816	—	—	—
Total radio	3,503,575	5,476,715	-36.0	3,038,125
home, portable	2,326,062	4,054,302	-42.6	1,965,577
AM-only	823,378	1,243,850	-33.8	1,805,467
FM & FM-AM	1,502,684	2,810,452	-46.5	880,110
auto	1,177,513	1,422,413	-17.2	1,072,548

JAPANESE DECRY TV DUMPING ASSESSMENTS: Japanese TV exporters last week made final submission to Customs of data on sets shipped to U.S. before June 1973, and at same time issued statement through EIA-J that proper consideration of new information would cut dumping duty on those sets from already-billed \$46 million to virtually nothing, and called on Treasury to suspend dumping proceedings until all disputes over levies and application of commodity-tax assessment formula are resolved.

In other developments: (1) Special Trade Representative (STR) warned that new restrictions on electronic & other products may be imposed if Japan doesn't drop discriminatory import policy. (2) Reports circulating in industry indicate Justice Dept. may be ready to file criminal charges against independent U.S. TV importers who failed to tell Customs of rebates received from Japanese suppliers. (3) STR formally announced completion of TV export quota agreements with Taiwan & Korea.

Japanese will get one more 30-day extension of deadline for payment of initial dumping-duty assessments to give Customs time to digest new data, it's understood. If postponement comes through on schedule this week, it will be 3rd issued by Treasury and move date to Feb. 26; Nov. 27 was original due date.

Japanese pledge court fight "with all the resources at our command" if Treasury doesn't return to traditional dumping-duty calculation methods, according to statement from EIA-J Exec. Vp Toshio Takai. "If Customs gives careful & proper consideration to the various [price] adjustments to which the Japanese manufacturers are lawfully entitled," actual dumping duties "will be reduced to an extremely small amount." However, Takai complains, "Customs has not yet indicated that it will consider differences of sales circumstances."

Treasury & Customs position is that no adjustments will be made to TV valuation determined by using commodity-tax calculation system. They say they will employ traditional valuation methods—which provide allowances for higher production & marketing costs on sets sold in Japan—only if Japanese set makers provide accurate & verifiable cost data. Customs claims that submissions by Japanese (except those from Sony which is excluded from dumping proceeding) have been unreliable. Use of new calculation system, which resulted in heavy dumping-duty assessments, is intended to help it clean up 8-year liquidation backlog.

Justice spokesman declined comment on reports indictments may be issued soon against Japanese TV importers who received undisclosed rebates. Justice has been presenting evidence in case to grand juries in Norfolk, Chicago & L.A. since mid-1978. It's understood that major private-brand retailers, such as Sears, Montgomery Ward & Penney, are among those involved. In past, Gamble-Skogmo & Midland acknowledged receiving kickbacks. While receiving rebates isn't in itself necessarily illegal, concealing them with intent to evade payment of TV dumping duties would be.

STR's official announcement confirms our earlier reports that Taiwan's color export-to-U.S. quota is at annual rate of 373,000 complete receivers & incompletes with picture tube, plus 648,000 other incompletes, while Korean quota is at 204,000 rate, covering both complete

& incomplete. Both quota arrangements start Feb. 1, end June 30, 1980, same expiration date as quota pact with Japan. STR said that while portion of quota pact as it applies to incompletes without tubes from Taiwan & Korea expires June 30, 1979, it's anticipated it will be extended without change for next 12 months.

Calculators, car radios, dry batteries, telephones & switchgear, office copying machines, teleprinters & teletypewriters are on long list of Japanese products that will be subject to import quotas or high duties if Japan doesn't open its market for imports of tanned leather hides from U.S., STR said last week. STR said it notified GATT of planned action, scheduled public hearing for Feb. 27-28. Japan is major U.S. customer for untanned hides.

Problem is social one. Hide-tanning is one of few occupations open in Japan to "untouchable" Eta class there. Import-caused job losses among this otherwise unemployable group, Japanese fear, could cause serious disruption to class system.

NEW U.S. TAPE PLANTS: U.S. will have 2 new Japanese-owned magnetic tape plants under construction this year. One is previously announced TDK videocassette facility (Vol. 19:2 p9), other is integrated facility to be built in stages by Hitachi Maxell.

Maxell U.S. Pres. T. Okada told us Japanese parent is looking at sites in Ga. and Carolinas for its first U.S. production facility. Plans call for start-up of audio cassette assembly by end of year, gradual expansion into computer discs & video-cassettes. Over several years, facility will be expanded to have total magnetic materials manufacturing capability.

TDK said it acquired 45-acre site in Peach Tree City, Ga., near Atlanta, where it plans to build 350,000-sq.-ft. plant. To be operational in 1981, facility will be fully integrated operation, have million-a-month videocassette capacity. TDK currently assembles audio cassettes in Irvine, Cal. As previously reported, Sony is doubling video-cassette production capacity at Dothan, Ala. facility to 500,000 monthly, and Germany's BASF is expanding Bedford, Mass. plant for videocassettes (Vol. 19:3 p11).

New U.S. joint audio cassette marketing operation, Swire InterMagnetics, has been formed on 50-50 basis by InterMagnetics & John Swire & Sons of Hong Kong. Firms are partners in H.K.-based Swire Magnetics, which turns out claimed 80 million cassettes per year. SI will offer tapes produced by Swire, tape & other products made by InterMagnetics licensees in various countries.

To Our N. Y. C. Subscribers

Guaranteed first-thing-Monday-morning delivery of Television Digest is now available to subscribers in Manhattan. The extra charge for hand delivery before 9 a.m. is \$5 per location per week, regardless of the number of copies involved. All of your company's subscriptions can be delivered to your mailroom, in individual envelopes as usual, for the single charge. For information, call our N. Y. office at (212) 355-5611.

Substantial interest exists in FM quad broadcasting, FCC said in issuing further notice of inquiry. Agency said it received 2,000 comments favoring launch of FM quad standards, and technical responses indicate 4-4-4 & 4-3-4 system standards could be adopted now without degrading present FM mono or stereo service; no new standard would be needed for matrix 4-2-4 system. FCC seeks comments on effect of possible reduction in FM channel spacing from present 200 kHz to 150 or 100 kHz, problem of multipath distortion. FCC said it would consider permitting more on-air tests for data-gathering, provided public is warned that any special reception equipment purchased may be useless later. FCC said it was interested in patent-licensing proposals, was considering requiring type acceptance for FM quad generators. Comments are due April 16, replies May 16.

Japan's General is expanding agreement under which Wells-Gardner assembles Teknika-brand color TV for sales in U.S. Spokesman for Teknika Electronics, General's U.S. sales arm, termed "somewhat exaggerated" reports that W-G assembled 100,000 19" & 25" Teknika color sets last year, is slated to turn out about 160,000 in 1979. By midyear, he said, General will halt all exports of complete color from Japan to U.S. and Teknika will get all its requirements from W-G. All color models assembled by W-G, including those for its other private-label customers, use subassemblies supplied by General.

Videotape rights suit, believed to be industry's first, was filed in N. Y. Dist. Court by RCA Records against Magnetic Video Corp. RCA is asking court to halt distribution of 6 Elvis Presley films MVC is offering under license from Viacom (Vol. 18:45 p8). Action is based on unique personal services contract RCA had with Presley which, RCA claims, gives it exclusive rights to all his home-use performances. Rights don't include theater, TV or CATV. Viacom, not named as defendant in suit, has agreed to indemnify MVC against RCA action.

Projection TV will get 2 more Japanese manufacturers this year—Hitachi & NEC, both of which plan to field models in Japan by early summer. Other Japanese TV majors in projection TV include Sony, Matsushita, Sharp & Mitsubishi. Mitsubishi exported 2,500 units last year, mostly to U.S., plans step-up in 1979, according to reports in Japan.

'COMPATIBLE' 3D TV: First regular stereoscopic TV broadcasts using new optical & electronic techniques are scheduled to begin in April on commercial station in Sydney, Australia, and its network affiliates. System to be used is "compatible" 3D method, which, unlike other techniques used to date, can be viewed as conventional "flat" picture or, with special glasses, in 3D. Sydney's TV-9, owned by Consolidated Press Holdings (Carey Packer group), plans to start with sitcom in 3D, later expand to stereoscopic live sports coverage.

System is being manufactured in Cal., is owned by Digital Optical Technology Systems (DOTS) of Amsterdam, Netherlands, and is claimed to be adaptable to home & professional movies, video & still photography, in various versions. Proponents claim TV version requires no FCC approval because there is no significant change in basic signal; it can be viewed on standard TV set in 3D or standard form. In movie version, it requires only one projector, no special film process.

Marketing & development of system is being handled by AnCom Co. (914-725-4688), headed by Nat Myers, ex-Goldmark Communications, Teleprompter & Fairchild Camera. System achieves 3D effects in 2 different ways—optically, by discriminating between in-focus & out-of-focus elements, and electronically, through digital technology which stores & processes individual TV frames to convert motion to depth, said Myers. We viewed early demonstration of super-8 film using only optical technique (it requires special lens), viewing through glasses with green & magenta lenses. There was definite depth effect, although not as great as in 3D movies, which use 2 separate superimposed images; picture was acceptable for viewing without glasses, although there was slight color fringing around out-of-focus background & foreground objects (we might not have noticed this had it not been pointed out to us). Myers explained that 3D effect becomes stronger in video version or in films made from videotapes, because of added illusion produced by electronic signal-processing system.

Digital "black box" for stations is modular and can perform many special effects and production functions in addition to 3D, including noise reduction, film grain reduction, color correction, standards conversion, de-ghosting, dropout compensation, colorization of b&w pictures, image multiplication, optical printing and computer animation. Electronic system for video costs \$100,000-\$150,000. Although specially prepared film, tape & live material gives pronounced 3D effect, Myers said, some dimensionality can also be obtained from existing "flat" material processed through electronic system. AnCom is currently demonstrating system to film producers. One 15-screen multi-media trade-show presentation is being prepared for use by un-named client next Sept. Myers says he is in discussion with "major rock celebrity" for use in home video material (glasses would be packed with album).

Participants in development of DOTS: Etra Technology Research, responsible for electronics r&d and initial electronic system fabrication, headed by William Etra, inventor of video synthesizer-

switchers, developer of video art & special effects. Leo Beiser Inc., responsible for optical r&d, headed by Leo Beiser, ex-research dir. of Dennis Gabor Labs and senior staff scientist at CBS Labs. Theodore Conant, dir. of Schroeder Technology, ex-CBS Labs, is coordinator of engineering & technical development.

Mergers & acquisitions: Telecor and Panasonic signed definitive agreement for previously announced sale of Telecor's Newcraft subsidiary to Panasonic for book value plus \$17.8 million. Newcraft distributes Panasonic products on West Coast. . . **Arrow Electronics** has agreed to acquire Cramer Electronics for \$13.6 million, is negotiating purchase of Sheridan Sales. All are electronic parts distributors, have combined sales of about \$280 million. . . Plessey said negotiations to sell Semiconductor Div. to British GEC have stagnated, and preliminary discussions on joint U.K. semiconductor venture have been opened with General Instrument. . . **CTS** is acquiring 450,000 additional shares in U.K. affiliate AB Electronics Products Group for \$1.5 million, increasing ownership to 20%, says it will expand agreement under which AB produces & markets CTS products in Europe. . . **P.R. Mallory** completed sale of ceramic capacitor unit, Radio Materials Co. for undisclosed cash sum. Purchasers were Mr. & Mrs. Joseph Riley, who founded RMC in 1947, sold it to Mallory in 1957. Sale takes Mallory out of ceramic capacitor business. It sold Taiwan ceramic capacitor operation to Japan's Murata last Dec. . . **Commodore** withdrew Lafayette takeover bid, citing opposition from management of financially troubled retail chain.

Duty-free import privileges are slated to be withdrawn for some electronic imports from specific underdeveloped countries because of excessive shipments, Special Trade Representative's office announced. Country loses duty-free status when imports of specific item during calendar year top \$37.5 million or equal 50% of total U.S. unit imports from all countries. Expected to be deleted from preference list, effective March 1, are home, auto & video tape players from Taiwan & Korea; speakers, microphones, audio amplifiers & their parts from Taiwan; broadcast & communications band home & portable radios from Hong Kong & Taiwan. Based on 10-month imports, Taiwan also is likely to lose preference on shipments of 11.6"-16.4" b&w picture tubes, STR says.

Electronic exports from Taiwan's 3 export-assembly zones have totaled \$2.5 billion since first was opened in 1966, representing 58% of \$4.3-billion worth of all types of products exported from those zones over that period, govt. reports.

Deadline for comments on AM stereo rulemaking has been pushed back again to Feb. 27 by FCC (Vol. 19:1 p6). Reply comments deadline remains March 30. Fewer than 20 comments have been filed.

Factory rebate promotion by RCA offers \$25 check for purchase of 19" color sets, \$45, \$65 & \$100 refund with selected 25" sets.

AID AT ADMIRAL: Labor Dept. approved import adjustment assistance for some 1,000 losing jobs as result of Admiral's withdrawal from TV business (Vol. 18:39 p8). Aid eligibility determination covers workers involved in sales, distribution & service in 14 states.

Assistance approval also came for those losing jobs as result of Sylvania's continuing phaseout of TV parts production in Batavia, N. Y. Newly opened case covers workers recently displaced by production & employment cutbacks at Sanyo's Forrest City, Ark. color TV plant.

LD also said it had rejected help for ex-workers at a Timex LCD plant, those formerly producing 2-way radios for Communication Co. and ex-employees of CB marketer Kris. It approved help for former workers at Jerrold, Erie Technological Products, Sylvania and Galeton Products.

Timex workers were employed making clock & watch LCDs in Somerset, N. J. plant acquired from RCA in April 1976. Company halted clock LCD output last May. In turning down aid request, LD said Timex LCD sales & production have been increasing since operation was acquired, so layoffs couldn't be attributed to excessive import competition. It noted that LCD imports were valued at \$700,000 in 1976, equal to 11.7% of U.S. production. They rose to \$1 million in 1977, but equaled only 8.6% of domestic output. In first quarter last year, LCD imports were \$300,000, up from \$200,000 in same year earlier period, equal to 8.6% of U.S. output, up from 7.7%. In rejecting help for workers formerly making mobile radios for Communication Co., Coral Gables, Fla., LD said import competition has been decreasing. It noted imports peaked at \$73.1 million in 1976, dropped to \$58.1 million in 1977, stood at \$23 million in first-half 1978, down from \$37.7 million in same year-earlier period. Agency declared former employees of Kris, Cedarburg, Wis. ineligible for help because now-defunct firm was primarily importer, not manufacturer. LD said that while some accessories were produced by Kris, output was mainly designed to complement imported CB line.

Jerrold workers are eligible for help, LD said, because job losses were connected directly to shift of production of TV & CATV amplifiers & related equipment from facility in Chicopee, Mass. to plant in Nogales, Mexico. In approving help for former workers making ceramic capacitors at 2 Erie plants in Erie, Pa., LD said company transferred some production to offshore facility last April. It said total imports increased from \$27.5 million in 1976 (representing 20% of U.S. production) to \$37.8 million last year (equal to 22.1% of U.S. output). In first quarter this year, imports rose to \$11.1 million from \$7.9 million, or 24.9% of U.S. output, up from 18.5%. Approvals for workers at Sylvania plants in Altoona, Emporium & Williamsport, Pa. and for those at Galeton's Galeton, Pa. facility were re-certifications related to production of receiving tubes & parts. LD said industry generally is importing more than 75% of its requirements, and combination of rising imports and declining domestic production has resulted in continued layoffs.

1978 AT-A-GLANCE: Here are EIA's official monthly sales-to-dealers figures for TV, radio & VCR in 1978 with 1977 comparisons:

TELEVISION SALES TO DEALERS

Month	Total		Color		Monochrome	
	1978	1977	1978	1977	1978	1977
January	932,933	963,845	618,963	605,244	313,970	358,601
February	1,102,359	1,044,817	702,513	630,796	399,846	414,021
March (5 weeks)	1,572,295	1,273,546	966,326	770,977	605,969	502,569
April	1,081,687	932,915	698,256	577,142	383,431	355,773
May	1,041,606	796,638	673,632	489,378	367,974	307,260
June (5 weeks)	1,434,566	1,290,438	918,622	794,760	515,944	495,678
July	1,123,013	955,641	668,170	583,109	454,843	372,532
August	1,214,056	1,016,108	777,639	652,575	436,417	363,533
Sept. (5 weeks)	1,876,071	1,686,859	1,208,170	1,104,941	667,901	581,918
October	1,474,949	1,537,741	913,348	936,142	561,601	601,599
November	1,611,684	1,612,595	990,331	934,004	621,353	678,591
Dec. (5 weeks)	1,835,504	1,659,874	1,100,349	1,027,758	735,155	632,116
TOTAL	16,300,723	14,771,017	10,236,319	9,106,826	6,064,404	5,664,191

RADIO SALES TO DEALERS

Month	Home*		FM**		Auto	
	1978	1977	1978	1977	1978	1977
January	1,624,253	1,354,439	1,126,588	846,818	937,678	981,110
February	2,272,816	1,577,099	1,693,239	1,281,087	984,661	982,828
March (5 weeks)	3,310,381	2,769,093	2,212,691	2,185,866	1,282,652	1,220,942
April	1,576,622	1,671,306	1,039,824	1,336,249	1,120,354	962,003
May	2,094,371	2,491,147	1,602,191	1,807,071	1,053,453	1,065,867
June (5 weeks)	4,999,086	5,306,591	4,314,570	4,136,609	1,146,983	1,182,708
July	3,504,331	3,879,273	2,977,711	3,129,940	786,190	797,540
August	2,689,546	4,575,172	2,069,863	3,308,882	840,153	863,979
Sept. (5 weeks)	3,494,806	6,524,584	2,775,461	4,965,367	1,300,225	1,240,679
October	2,343,897	3,742,473	1,665,198	2,603,458	678,699	1,139,015
November	2,241,584	3,859,380	1,558,541	2,544,636	994,519	1,065,998
Dec. (5 weeks)	2,326,062	4,054,302	1,502,684	2,810,452	1,177,513	1,422,413
TOTAL	32,477,755	41,804,859	24,544,721*	30,956,435	12,668,490	12,889,842

* Includes table, clock & portable.

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

* Does not add due to revisions.

HOME VCR SALES TO DEALERS

Month	1978	Month	1978	Month	1978
January	13,567	May	27,994	Sept. (5 weeks)	56,759
February	14,954	June (5 weeks)	31,339	October	56,545
March (5 weeks)	27,415	July	20,862	November	49,980
April	27,221	August	22,478	Dec. (5 weeks)	52,816
TOTAL					401,930

Signs of the video times: Eastman Kodak has discontinued production & sale of home sound movie cameras as result of low demand. Company is known to be working on portable video camera-recorder... Sony has shipped "several hundred" videocassette changers to disgruntled owners of the original one-hour Betamax decks (Vol. 18:48 p10), according to Sony Consumer Products Pres. Joseph Lagore. He said company had received complaints from fewer than 1,000 owners of old-type machines.

Unfair import competition complaint has been filed with International Trade Commission by resistor network producer Vishay Intertechnology. VI charges its former European sales licensee, Societe Francaise de l'Electro-resistance of France, and SFE's U.S. sales subsidiary Resistor Research with theft of trade secrets. VI says stolen technology is enabling SFE to export chips to U.S. VI says it has patent infringement suit against SFE in France.

Matsushita is selling metallized dielectric capacitor technology & equipment to Cornell-Dubilier. CD plans to produce them in New Bedford, Mass.

RCA RECORDS: RCA reported record sales & earnings for full year 1978 and final quarter (see Financial Table). Except for NBC, which had 20% decline in profits, all operating segments contributed to improvement in net, RCA said. RCA Records and Service Co. provided bulk of income increases in Consumer Electronics Products & Services area, as "rising costs & pricing pressure [on color TV] continued to put a squeeze" on Consumer Electronics Div. profits despite record sales. RCA said it exceeded goal of capturing 25% of home VCR market. Commercial Electronics "registered substantial gains in profit" due to strong worldwide demand for color picture tubes & broadcast equipment, RCA said.

Rockwell's restated results for first fiscal quarter to Dec. 31, 1977 shows discontinued Admiral TV business lost \$1.6 million on sales of \$32 million.

Advent expects to report slightly lower earnings in 3rd quarter to Dec. 23, blames softening of demand for projection TV caused by economic uncertainties.

Conrac said 1978 earnings were down modestly, attributed fall-off to 50% decline to \$11 million in CB accessory sales by Turner Div., plus year-end video equipment inventory write-off. Conrac said it wrote off \$1.2 million in CB equipment inventory in first half last year, expects additional devaluation this year.

Wells-Gardner holders approved financing arrangements tied to \$1-million import adjustment assistance loan from govt. (Vol. 18:47 p10), says it operated profitably in Sept.-Nov.

Consumer Electronics Personals

Marvin Kramer advanced at RCA Sales Corp. from vp to exec. vp, sales; **Arnold Valencia**, former warranty programs & Canadian sales vp, promoted to mktg. operations exec. vp, continues as RCA Distributor Corp. exec. vp; both report to **Jack Sauter**, recently named Consumer Electronics Div. vp-gen. mgr. (Vol. 19:3 p7), who continues as Sales Corp. pres... **Claude Davis**, ex-Motorola Communications Div. vp-gen. mgr., joins Eltra as exec. vp.

Robert Heikes, ex-Motorola Semiconductor vp-asst. group exec., joins National Semiconductor as international vp... **Carmen Santoro** rejoins American Microsystems as MPU & Memory Group vp-mgr., succeeding **Don Bell**, now corp. mktg. group vp; **Jerry Coan**, ex-General Instrument, joins as Far East mktg. mgr.; **Mike Callahan** advanced at Monolithic Memories to operations vp, succeeding **Santoro**... **Stephen Barthelme** promoted at Thomson-CSF Electron Tube Div. to N. American mktg. mgr... **Richard Kruzikas**, Oak Switch Div. controller, named vp.

Paul Graf, ex-TI, joins Conrac as Turner Div. group mgr., assuming responsibilities of **Benjamin Barth**, who continues as operations vp... **James Reynolds** rejoins Pathcom Consumer Products Div. as national sales mgr... **John Bailey**, former Video Trade News editor, joins Ries & Geltzer (PR), with responsibility for Sony Video Products... **John O'Brien**, retired N. Y. area Customs examiner (TV),

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
Cablecom-General			
1978-year to Nov. 30	33,641,693	4,610,227 ^a	1.79
1977-year to Nov. 30	29,210,592	3,994,862 ^a	1.55
Canadian Cablesystems^b			
1978-qtr. to Nov. 30	--	3,666,000	.91
1977-qtr. to Nov. 30	--	2,510,000	.63
Combined Communications			
1978-year to Dec. 31	289,336,000	29,308,000	2.83
1977-year to Dec. 31	227,603,000	20,625,000	2.11 ^c
1978-qtr. to Dec. 31	79,904,000	9,125,000	.87
1977-qtr. to Dec. 31	68,242,000	6,848,000	.68 ^c
Craig			
1978-6 mo. to Dec. 31	64,166,000	2,246,000	.72
1977-6 mo. to Dec. 31	61,664,000	4,017,000	1.29
1978-qtr. to Dec. 31	27,345,000	317,000	.10
1977-qtr. to Dec. 31	28,612,000	1,470,000	.47
International Rectifier			
1978-26 wk. to Dec. 31	58,015,000	2,527,000	.95
1977-26 wk. to Dec. 31	48,199,000	1,212,000 ^d	.47
1978-13 wk. to Dec. 31	30,171,000	1,409,000	.53
1977-13 wk. to Dec. 31	25,635,000	715,000 ^d	.28
RCA			
1978-year to Dec. 31	6,647,700,000 ^e	278,400,000 ^e	3.65
1977-year to Dec. 31	5,923,400,000	247,000,000	3.23
1978-qtr. to Dec. 31	1,851,700,000 ^e	75,200,000 ^e	.99
1977-qtr. to Dec. 31	1,655,900,000	65,500,000	.86
Rockwell International			
1978-qtr. to Dec. 31 ^f	1,512,700,000	64,700,000 ^a	1.83
1977-qtr. to Dec. 31 ^f	1,319,400,000	40,100,000	1.15
Scientific-Atlanta			
1978-6 mo. to Dec. 31 ^f	54,229,000 ^e	3,116,000 ^e	1.18
1977-6 mo. to Dec. 31	41,950,000	2,344,000	.96
1978-qtr. to Dec. 31 ^f	28,924,000	1,690,000	.60
1977-qtr. to Dec. 31 ^f	21,877,000	1,170,000	.48

Notes: ^aIncludes special credit. ^bIn Canadian dollars. ^cAdjusted. ^dAfter special charge. ^eRecord. ^fRestated.

named technical advisor for N. Y. trade law firm Serko & Simon.

William Rauch promoted to GTE Products Group east region mktg. vp, succeeding **David Elwell**, retired... **Gordon Smith**, ex-Information Sciences, joins Memorex as mktg. vp, succeeding **Robert Jaunich**, now with Consolidated Foods... **Kuninori Azuma** named pres. of new Matsushita Battery Industrial Co.; duties as pres. of Matsushita Housing Products assumed by **Toshihiko Yamashita**, pres. of parent... **John Bermingham**, RCA staff vp, named gen. attorney, corp. affairs.

Obituary

Robert Grant, 53, Magnavox chief engineer of govt. compliance, died Jan. 17 in Ft. Wayne of apparent heart ailment. A 25-year veteran of Magnavox, he was active in EIA engineering activities, serving at time of death as chmn. of its Consumer Electromagnetic Compatibility Committee and as vice chmn. of IEEE Chicago Spring Conference on Consumer Electronics. Wife, 5 children survive.

WEEKLY

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AT&T PLANS FOR SATELLITE TV: In great secrecy, AT&T is forming new plan for its 3 Comstar satellites, and use for some TV relay is being studied. If AT&T does use them for TV, it could move networks closer to satellite distribution system. Critical date: July 23. That's when FCC 3-year moratorium expires on AT&T use of birds for private line services.

Only 22 of 48 transponders on Comstars I & II are in use—almost all for phone service. The 26 transponders still available (plus 24 more on Satcom III, now an in-orbit spare) could provide major increase in TV relay capacity at time when RCA Americom's Satcom I is nearly fully utilized and Westars I & II are operating close to capacity. One reason broadcast use of satellites hasn't expanded faster is shortage of transponders.

In filing with FCC, AT&T indicated it would offer some of idle Comstar capacity for teleconferencing. Private line data relay also will take up some transponders. AT&T doesn't deny that sufficient transponders would be left over to shift some terrestrial microwave TV relay to birds too—if cost-effective.

Asked about plans to use Comstar for TV, an AT&T Washington official said: "I imagine we will," adding AT&T recognizes TV as potential market and "our posture in all of the competitive arenas is that we will compete fully and fairly." He concluded: "Some considerations are:

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TV DUMPING DUTY settlement may be near if Customs accepts new data from Japan, allows requested adjustments, Treasury says. (P. 7)

HOW SEASONAL are VCR sales? EIA data for 1978 show nearly 55% sold in last 4 months, but EWR sample indicates somewhat less seasonal at retail. (P. 8)

KLOSS TO MARKET 'brighter, sharper, cheaper' projection TV this fall, using Magnavox chassis, 'Novatron' tube-lens system. Advent moving plant to N.H. (P. 9)

NEW GENERATION VCRs: Hatachi to market smallest VHS portable, said to be half size of existing units. Sony has closed-door showing of Betamax J-7, feature-laden MPU-controlled deck. Fotomat's progress. (P. 10)

GTE COLOR MARKET share rose 27% last year, Sylvania & Philco brands sharing gains. Broader distribution, more promotion, keyed gains in 1978, will continue through 1979. (P. 11)

GE SET RECORDS for sales & earnings in 1978. Chmn. Jones cites sales gains in TV audio. Contacts with Hitachi continue. (P. 11)

INTERFERENCE BILL reintroduction delayed, Sen. Goldwater says. (P. 12)

(1) Market spacing. (2) Radio interference in the 4-6 GHz band. (3) Fact that cost of terrestrial facilities continues to decline. It's fair to sum it up that AT&T may include satellite services for some TV."

Watching AT&T closely are RCA Americom and Western Union, which have had TV relay business much to themselves until now. The 2 plus Satellite Business Systems and American Satellite Corp. asked FCC to require AT&T to disclose plans for Comstar. FCC turned down request Jan. 10, didn't rule out extending moratorium or terminating it ahead of schedule.

At RCA, officials said they can't comment on what AT&T might do 'because we don't know.' One RCA source said, though, that if AT&T moves into TV 'I'm sure we will object mightily.'

At Western Union, few doubt AT&T will compete in TV. Says James Ragan, WU vp for broadcast services: 'If I had to guess, I'd say they will put TV on their birds. They'll move first to hybrid satellite-land microwave system. Where their satellites can make a major contribution, they'll be used.'

Ragan says he won't name a time but is convinced broadcasters will have to follow CATV operators and install their own earth stations. 'The implications are clear to anyone who sees what PBS is doing. The programming load is increasing every day. If I owned a broadcasting station, I'd be looking for some real estate to put in an earth station. If you can afford a car, you can afford an earth station.'

All 3 networks have committees exploring possible use of birds for distribution. None seems likely to make leap this year. Says affiliate member of one such panel: 'Base line reason—they're scared.'

Putting earth terminals in hands of affiliates could cut costs of distribution, would also allow affiliates to choose from wider selection of programs—not all of them from network, affiliate points out. 'It would be better for us than for them,' he said.

When networks do decide to go satellite (it's not matter of whether but when, this affiliate says) first to take plunge may be NBC, because of: (1) Need to cut distribution costs. (2) Pro-satellite leanings of senior RCA management. (RCA Astro-Electronics builds birds; RCA Americom owns and operates them.)

CARNEGIE WANTS CPB REPLACED: Carnegie Commission report calls for eliminating CPB, replacing it with 9-member Public Telecommunications Trust (PTT) having no programming responsibilities. Report, due this week, calls for \$1 billion annual funding by mid-80s, \$500 million coming from govt., \$500 million from other sources, and part of govt. half would come from spectrum fee on commercial users (see Vol. 18:52 p1 et seq. and Public Broadcasting Report).

Report stresses programming, calls for autonomous Program Services Endowment within PTT. Its sole function would be to underwrite programming. It would include radio & TV divs. PTT's function would be leadership and oversight, leaving program funding entirely to Endowment. Carnegie concludes major flaw in system has been to combine leadership and programming responsibilities in one organization, CPB.

Commission report wants public TV to be funded yearly to tune of \$875 million, radio \$240 million. No recommendation is made for formula or total for spectrum fee, that being left to Congress.

Carnegie recommends dramatic increase in number of public radio stations, wants 250-300 more. It finds public TV station coverage essentially complete.

On centralism vs. localism debate, report stresses need for top national programming, recommends stations put increasing trust in their national membership organizations, PBS & NPR. But Carnegie specifically backs away from commercial networks as models for public broadcasting, saying that's inappropriate for variety of reasons. Nevertheless, report philosophy is said to be generally consistent with centralism concept espoused by PBS Pres. Lawrence Grossman in recent New Orleans speech (Vol. 19:3 p3).

Carnegie II says it's important to keep variety of funding sources, urges keeping underwriting concept although with some tougher controls. Report concludes that most disturbing legacy of public broadcasting during last decade has been absence of conditions under which creative work could flourish.

ABC ALONE IN COMMERCIAL CUTS: CBS won't reduce number of commercials in children's programs as will ABC (Vol. 19:4 p1), and NBC's situation is that it "doesn't have a complete and simple answer at this time." CBS-TV Network Pres. James Rosenfield told Pittsburgh Ad Club: "I cannot understand what advantage there is to [ABC's] proposal. It does not respond to the fundamental question, but merely starts us on a road toward the ultimate elimination of advertising to children, which I have clearly stated is contrary to the best interest to all concerned. . . . It is simply not a question of the number of commercials. CBS does not believe there is anything wrong or unfair with truthful advertising on TV."

NBC said it plans to add one-hour information program for children next fall, plus news & health material. ABC-TV Network Pres. James Duffy last week said network will recommend to NAB board that "separators"—5-10-sec. animated messages—be inserted to let children know commercial will follow. ABC-TV Pres. Frederick Pierce added: "I think kids are a lot brighter than people give them credit for. . . . that they can tell the difference. . . . that they may not need them, but there's nothing wrong in having them in case there's any doubt."

COMMUNICATIONS BUDGET UP: Carter's "lean and austere" fiscal 1980 budget (starting Oct. 1) seeks increased funds for communications regulators, biggest gain sought for NTIA. Now before Congress, budget requests (1979 totals in parentheses):

(1) FCC, \$71,816,000 (\$70,446,000), supporting only 5 new positions, all in Bcst. Bureau for EEO enforcement. (2) NTIA (successor to OTP and Commerce Dept. Office of Telecommunications), \$18,762,000 (\$11,864,000), plus \$23,705,000 for public broadcasting facilities planning and construction (\$18 million). (3) FTC, \$69,021,000 (\$66 million). (4) CPB, \$152 million (\$120 million). (5) Board for International Bcstg. (Radio Free Europe & Radio Liberty), \$86 million (\$85 million). (6) International Communication Agency (ex-USIA), \$83 million for broadcasting (\$77 million).

"We're not really the leader until we're No. 1 in news"—that's message ABC execs. gave TV affiliates during mini-conferences in San Francisco, New Orleans & N.Y. TV Pres. Frederick Pierce stressed news dominance is needed to become leader in broadcast professionalism. He said that ABC has "spent hundreds of millions" to tie-up top entertainment & sports events; that movies couldn't be announced yet because of legal considerations, but they're known to include "Jaws," "Grease" & "Close Encounters." Affiliates will be compensated at 50% for 1980 winter Olympics, he promised. At N.Y. session, ABC first disclosed 2-min. cut in commercials in weekend children's programs.

QUELLO TO NRB—QUIT LETTERS: FCC still is getting letters—8,523 per day on average—based on false assumption Commission is considering banning religious broadcasts, FCC Comr. Quello told National Religious Bcstrs. Jan. 22. Quello asked NRB to "turn off the spigot" and devote energy instead to radio de-regulation.

"If other broadcasters showed the same purpose and dedication fighting for freedom of speech and freedom of the press as religious broadcasters do in fighting for freedom of religion, broadcasters would have won their full constitutional rights years ago," Quello told NRB Washington convention. Quello said Commission has received 9 million letters concerning alleged threat.

On rewrite, Sen. Schmitt (R-N.M.) told group he opposed spectrum fee based on scarcity value of spectrum, might support a flat fee to pay costs of regulation. Schmitt called status quo "unhealthy," said he hopes for extensive hearings in Senate this fall. "We've got to have something different. Right now, we're in a [legislative] straightjacket."

"NBC's commitment to radio is real and will continue to get the strongest kind of NBC management attention," NBC Pres. Fred Silverman promised at network's radio affiliates' convention in New Orleans. Claiming NBC's "history of pioneering and innovation in radio" is unmatched, he said "we intend to build on this." Radio advertising & promotion budgets will double in 1979 and NBC is attempting to buy more radio stations "with great diligence"—confirming what RCA Pres. Edgar Griffiths had told Television Digest in recent interview (Vol. 19:1 p1). Radio Exec. Vp Richard Verne said over next 6 months NBC will launch 2nd network service on "a test basis." He said "it's no longer enough to service the industry with a single network operation." He added: "We must expand to accommodate a growing number of stations and formats for which traditional NBC network programming might be incompatible." (Note: ABC operates 3 radio networks, Mutual 2.) Verne said "mainstay" of new service will be 2-min. news-casts 24 hours a day, music specials & mini-programs.

"Holocaust" ratings in W. Germany grew again Jan. 25 as estimated 14 million viewers watched 3rd of 4 installments. Audience represented 39% of potential W. German audience of 35 million, up from 13 million viewers or 36% for 2nd episode, 11 million (32%) for opener. Ratings were considered particularly impressive since series was cleared by regional network, which usually draws only 2% of audience. Chancellor Helmut Schmitt interrupted speech in Parliament to comment that series "compels one to critical and moral reflection."

Gerald Ford, keynote speaker at upcoming NCTA convention, will receive \$5,000 honorarium.

'COHESIVENESS' ON DEREGULATION: While it's stressed that no final decisions have been made or directives issued, FCC staff task force on radio deregulation reportedly has reached new "cohesiveness" in deliberations; positions to be recommended to commissioners are beginning to evolve. Perhaps most significant proposals expected:

(1) Deletion of all logging requirements. (2) No more ascertainment in top 50-75 markets, with industry told Commission will take another look in 3-4 years. (3) Fairness doctrine & personal attack rules will stay. (4) Performance standards for informational programming established, including requirement that "reasonable amount" of such programming be aired. (5) EEO requirements stay.

Gen. Counsel also has prepared working paper on what FCC can legally do without legislation, concludes congressional action will be necessary in some areas (public trusteeship, fairness, for example). Task force—Gen. Counsel, Bcst. Bureau, OPP—has been trying to identify rules & regulations it can delete immediately and others for which "experimentation" might be needed. It is centering on 3 prime areas:

(1) Required public interest programming, an area, it's agreed, where rulemaking will be necessary. (2) Trade practice enforcement policies—in such areas as double billing, contests, network clipping, etc. Many at FCC believe these are commercial practices that should be policed by others (advertisers, for instance) and that Commission devotes too much time and manpower to such cases. Most come to FCC through "whistle blowers"—competitors or ex-employees—and could better be handled by other forces, many at FCC feel. (3) Paperwork load caused by renewal process and what to do about it.

In any case, FCC is moving away from limited controlled tests in just a few markets—as first proposed by Ferris last fall—toward much more sweeping changes. All current rules are being reevaluated to determine just what FCC is doing in nearly all areas and whether its actions are needed, necessary and/or desirable. FCC consideration is expected in late Feb.

Speaking to National Religious Bcstrs. last week (see p. 3), Comr. Quello—who favors total deregulation—complained: "Some of my FCC colleagues are on the public record favoring some deregulation but they seem to have run afoul of the well-known 'but not' syndrome. One might support deregulation of radio 'but not' TV. Another might favor deregulation insofar as logging or ascertainment requirements are concerned 'but not' the special EEO requirements or public trustee concept. Another might favor elimination of the public file 'but not' the fairness doctrine. In order to accommodate all of the 'but not's' in aggregate, of course, it would be necessary to retain, with slight revision, virtually all of the present regulation and, perhaps re-interpret or add some more."

NPR satellite system has been approved by FCC, will feed 192 radio stations through 177 downlinks, 15 uplinks.

"Strange Plan," proposed by William Strange, Sammons, to add 12 NCTA board members on basis of dues paid (Vol. 19:4 p2), appears to be based on these payments: Teleprompter, \$103,000; ATC, \$74,000; Warner, \$67,000; Tele-Communications, \$67,000; Cox, \$62,000; Viacom, \$49,000; Sammons, \$48,000; CPI, \$47,000; UA-Columbia, \$41,000; United, \$39,000; Continental, \$37,000; Service Electric, \$30,000. Strange Plan envisions those paying more than \$60,000 electing 2 directors each, those paying \$30,000-\$60,000 one each. However, foregoing figures would produce 17 directors rather than 12. "Blue Ribbon Committee" was to consider plan Jan. 26 in Denver, report to board Feb. 22. Of top 50 operators, 14 aren't NCTA members. They are (subscriber figures as of Oct. 1): Storer, 240,000; Cablecom, 198,000; New-Channels, 162,494; Tex. Community, 108,592; Telesis, 86,000; Tele-Media, 85,163; Cablevision Systems, 84,500; Rollins, 73,483; Harron, 70,000; Heritage, 65,478; Westinghouse, 64,225; Multi-Channel, 60,000; King Videocable, 55,000; Buckeye, 54,000. Total: 1,406,935.

"A stellar example of industry's attempts to subvert the federal regulatory process"—that's what NCCB called NAB's request for FCC rulemaking to deregulate radio (Vol. 18:51 p4). NCCB asked Commission to dismiss NAB petition, said it was filed "in an effort to legitimize... a relentless barrage of anti-regulatory lobbying." NCCB noted NAB proposal was made following speech by Comr. Brown containing "tentative endorsement of the concept of radio deregulation." But, NCCB said, Brown qualified his remarks with: "I am not blind to the potential for abuse which a completely deregulated system of radio broadcasting may hold." NRBA met with Brown recently, said it "questions the value" of deregulation proposals he outlined as little more than reregulation "introduced in the guise of a Commission reduction or elimination of certain regulatory requirements."

Minorities may be concerned that deregulation could reduce prospects for programming & ownership participation by minorities, said FCC Chmn. Ferris, but "I remain committed to the goal of increased minority participation in all the industries we regulate." Speaking before National Conference of Black Lawyers, he reviewed Commission's EEO efforts, noted that 8% of FCC's engineers are black, vs. 2.4% in federal govt. generally, and 8% of its attorneys are black vs. 5.1% elsewhere in govt.

Station sales: (1) Multimedia is buying WZTV Nashville for more than \$6 million from Reel Bcstg.; it's independent UHF. (2) Paul Taft has sold KODA (FM) Houston to Westinghouse Bcstg. for about \$6 million. Taft will become Westinghouse consultant, also plans to sell KODA(AM). (3) ABC sells KXYZ (AM) Houston to Slater Bcstg. for \$1.8 million; Slater plans format change from disco to Christian music. (4) KELI (AM) Tulsa sold to Philip Johnson for \$1.6 million.

Museum of Broadcasting is expanding to include lobby/exhibit area, 63-seat auditorium, console room and gallery. Work will be completed this summer.

FIRST U.S. TO CHINA TV FEED: Chinese Central TV 8-min. interview with President Carter Jan. 25 was first live U.S. to China TV feed. CCTV will transmit nightly during Vice Premier Teng Hsiao-Ping's visit this week. Feed is via Intelsat to Peking.

CCTV sent 14-person crew, used facilities provided by WRC-TV Washington. NBC producer Ray Lockhart is assisting CCTV; news crews from ABC, CBS & NBC are doing the actual coverage. Scheduled half-hour feeds will be expanded Jan. 29 to 90 min. to handle Kennedy Center show for Teng. Eleven-hour time difference & 7 p. m. local time sign-on of CCTV mean feeds will be taped in Peking for later broadcast.

Lockhart said CCTV personnel are "not sophisticated TV folk," have more experience with film. He said China ratings don't worry him: "I imagine we'll get a 98 share."

Teng & Carter may announce sale of U.S.-made satellite system to CCTV. Chinese delegation visited U.S. manufacturers in Dec.; deal in \$500-million range would include at least 2 satellites, undetermined number of earth stations.

New Senate Communications Subcommittee includes 3 new members: John Warner (R-Va.), Larry Pressler (R-S.D.), James Exon (D-Neb.). They'll replace former Sens. Pearson (R-Kan.), Griffin (R-Mich.) & Zorinsky (D-Neb.). Others on Subcommittee: Chmn. Hollings (D-S.C.), Magnuson (D-Wash.), Cannon (D-Nev.), Inouye (D-Hawaii), Riegle (D-Mich.), Ford (D-Ky.), Goldwater (R-Ariz.), ranking minority member; Schmitt (R-N.M.), Danforth (R-Mo.). House Communications Subcommittee may be named this week.

Cable systems ought to be able to compete in voice communications, Sen. Schmitt (R-N.M.) told Cable Forum breakfast meeting in Washington last week. Audience was less than encouraged, however, many having impression Schmitt was also in favor of reverse—allowing phone company into cable TV. Said one listener later: "I think he's telling the lions and Christians to go into the arena and compete." Schmitt also had nice word for GOP staffers of Communications Subcommittee, saying they're more advanced in work on cable than majority staffers.

"Law '79" workshop will be sponsored by NAB Feb. 16 at Washington hq, featuring Arthur Ginsberg, chief of FCC Complaints & Compliance, and 4 communications lawyers. Registration is \$25 for NAB members, \$45 for non-members. NAB public affairs conference is set for June 10-12, Mayflower Hotel, replacing children's TV conference held last year; Mike Shapiro, WFAA-TV Dallas, is chmn.

"There's no truth to the rumor. I haven't had any direct or indirect contact with them. If they did ask, I wouldn't go... I will be at ABC for a number of years"—response of ABC TV Pres. Frederick Pierce when asked by TV critic if he's going to move to CBS.

Appeals Court review of FCC authorization of Comsat to provide direct international TV service has been asked by ITT World Communications Inc. & Western Union International Inc.

Fairness doctrine "has contributed to the public interest and with the exception of a few cases, the Commission has done a good job of administering it," William Ray, former FCC chief of Complaints & Compliance Div., told FCBA luncheon meeting. He was asked whether FCC members or staff should give informal opinions, over phone if necessary, about fairness or equal-time problems. Ray said it was "a valuable function of the staff" to do so—warning that opinion is informal. Current chief of Div., Arthur Ginsburg, was in audience, was asked same question. He said staff tries to answer on basis of precedent—but that many situations have no precedent, so staff must often avoid giving opinion. Ray cited 1976 RTNDA survey showing that news directors put at bottom of their list of major problems: "Guess what?... fairness doctrine and equal opportunities for political candidates." (At top of list were money, equipment, competent staff.)

Immediate result of acquisition of PGW by Corinthian Bcstg. was rep firm's loss of TV stations owned by Combined Communications—which itself is merging with Gannett. Combined shifted one station to TeleRep (which represents 2 Corinthian stations; other 3 now are with HRP), others to Blair TV. PGW will become independent subsidiary of Corinthian and take over representation of its 5 TV stations, all CBS affiliates. PGW Pres. Charles Kinney will remain, as will other major PGW execs. In another deal, Fuqua National (J. B. Fuqua & son J. Rex) acquired controlling interest in HR TV. HR Chmn. Harry Wise has served on Fuqua board.

FCC Gen. Counsel's Office has recommended that McGraw-Hill-American Express dispute (Vol. 19:4 p6) be considered under ex parte rules—meaning no off-the-record contacts permitted. Such cases haven't been considered ex parte in past, but Commission official said recommended move wouldn't be expansion of ex parte rules. American Express is attempting "hostile" take-over of McGraw-Hill. In Congress, House Banking Committee Chmn. Reuss (D-Wis.) called for investigation.

FCBA annual seminar returns to Cerromar Beach Hotel, P.R. Nov. 1-4, program not yet firmed up. There also are plans in works for family picnic outing this spring. Williamsburg, Va. is site for 1980 seminar; for 1981, it's Playboy Resort, Great Gorge, N.J. Upcoming luncheon speakers: Feb. 14, NAB Chmn. Donald Thurston; March 7, FCC Comr. Abbott Washburn; April 8, NCTA Pres. Robert Schmidt.

KGST(AM) Fresno & KLFB(AM) Lubbock—both Spanish-language and with Hispanic ownership have been given "expedited consideration" by FCC in applications for nighttime service. KFLB said its proposal would bring first night Spanish-language to 40,000 Spanish-speaking persons, KGST to 104,-177.

Designed to make "current world developments more understandable to young people," NBC will add 5 news summaries of min. or more to Sat. a. m. schedule starting in Sept., according to News Pres. Lester Crystal.

Personals

Robert Mann, deputy asst. dir. of Council on Wage & Price Stability, Exec. Office of President, appointed dir. of new FCC Office of Public Affairs; he'll oversee public information, Consumer Assistance Office and industry EEO & minority enterprise—combination of 3 separate offices.

Orson Welles & Paul Harvey will be inducted into NAB's Radio Hall of Fame during March 25-28 convention in Dallas, raising membership to 21; added as NAB convention speakers—comedian **Bill Cosby** at TV-radio lunch March 28 and columnist **Jack Anderson** at radio lunch March 27. . . Network programming chiefs **Anthony Thomopoulos** (ABC), **Robert Daly** (CBS) & **Mike Weinblatt** (NBC) address IRTS luncheon Feb. 6, Waldorf Astoria, N. Y.

Gordon King promoted to exec. vp-business affairs, Post-Newsweek Stations. . . **Reynard Corley**, ex-WMAR-TV Baltimore, joins WXII Winston-Salem as gen. mgr. . . **Sam Horel** promoted to gen. mgr., KMPH Fresno; **Gary Waller** advanced to gen. sales mgr., succeeding **Horel**; **Frank Savage** advanced to regional sales mgr. . . **Tim McDonald**, WDVM Washington program dir., returns to WTTG there as dir. of broadcast operations, succeeding **Stanley Rudick**, now at WJZ-TV Baltimore. . . **Rod Robinson** advanced to KHOU-TV Houston chief engineer. . . **William Scott** promoted to senior vp, Group W radio, new post.

NAB Research Vp **John Dimling** joins Arbitron March 1 as vp-corp. planning, development & research, new post; **David Lapovsky** promoted to Arbitron research dir. . . **Carmen Anthony** advanced to mgr.-news PR, ABC; **William Wilkinson** to dir.-personnel production facilities, ABC East Coast. . . **Dr. Lee Salk** becomes NBC consultant, primarily on parent-child relationships.

Robert Markell promoted to vp-creative services, CBS Entertainment. . . **Don Eddy** advanced to dir.-marketing services, NBC-TV. . . **Roland Eckstein** promoted to vp-gen. mgr., TV Marketing Services, stations' consulting subsidiary of TeleRep, succeeding **Richard Noll**, who will continue to service TMA clients.

Attorneys leaving FCC Hearing Div.: **Gerald Fritz** to Pierson, Ball & Dowd; **Lunelle Anderson** to Justice Dept.; **Robert Ware** to a N. Adams, Mass. law firm; **W. Kennedy Kane** to McKenna, Wilkinson & Kittner; also joining McKenna firm are **James Blaszak** & **Kent Nakamura**, both ex-International & Satellite Branch, FCC Common Carrier Bureau.

Willard (Randy) Nichols, ex-Kirkland Ellis law firm, rejoins FCC as special asst. to Lawrence Darby, chief of Common Carrier Bureau. . . **Charles Higginbotham**, retired chief, FCC Safety & Special Bureau, opens telecommunications consultancy, 14416 Pecan Dr., Rockville, Md. 20853, 301-460-5144. . . **Christopher Gillespie**, ex-Farion Electric, becomes engineering consultant, Box 29251, San Francisco 94129.

Ray Stuart promoted to engineering mgr., Scientific-Atlanta Satellite Communications Div. . . **William Park**, ex-Ampex, joins Sony Bcst. Div. as operations mgr. . . **James Duffy**, ex-Jerrold, ap-

pointed mgr.-systems design, Magnavox CATV. . . **Michael Perry** promoted to sales engineer (northern Cal.), Oak Industries.

Warner Communications Gen. Counsel **Martin Payson** also elected senior vp; **Rafael de la Sierra** advanced to vp, is responsible for construction of new facilities. . . **Stuart Rekant** joins HBO as business affairs dir. . . **Daniel Sherkow**, ex-NBC, appointed dir. of film marketing & acquisition, Time-Life Films, new post. . . **Edward Bennett**, ex-Merrill Lynch, appointed vp-marketing, Viacom Communications; **Arnold Messer**, ex-Columbia Pictures TV, joins Viacom as business affairs dir.-West Coast, new post; **Stephen Hofflich** to dir. of management information systems, East Coast.

COMSAT Pres. **Joseph Charyk** also elected chief exec. officer; Dir. **John Harper** elected vice chmn., new post; Chmn. **Joseph McConnell** retires after May stockholders' meeting. . . **Robert Beusse** resigns this spring as secy. of communication, U.S. Catholic Conference, plans to remain in media.

Dorothy Wheeler promoted to vp-personnel, Katz. . . Blind FCC attorney **Richard Lutter** appointed to 3-year term on President's Committee on Employment of the Handicapped. . . **Robert Hartman**, WUAB Lorain-Cleveland, named chmn. of INTV Marketing Advisory Committee, succeeding **Harold Protter**, KPLR-TV St. Louis.

Jerry Smith advanced to affiliate relations dir., AP Radio, new post; **Bruce Cable**, ex-WCMH-TV Columbus, O., appointed AP broadcast exec. for N. & S. Carolina; **Nancy Cook** 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.

Amending rules to conform to Sunshine Act, FCC said: "Members of the public unable to attend a meeting should be afforded, upon request, the same access to information on actions at an open meeting as those who did in fact attend." Staff now is working up proposal to accomplish this.

Multi-client WARC study has been started by Kalba Bowen Assoc. and Communications Studies & Planning (London), subscribers including: State Dept., ICA, British Post Office, Nippon T&T, Dentsu, IBM, RCA, Western Union, Hughes, HBO.

"Understanding Broadcast Ratings" 32-page booklet—intended as guide for non-technical ratings users—has been published by Broadcast Rating Council at \$2 per copy, reduced rate for bulk orders: 420 Lexington Ave., N. Y. 10017.

Cleveland city aide was indicted for disrupting WERE(AM) live broadcast. **Bob Weissman**, personnel dir., faces 3-10 years for pulling plug on feed of Dec. 18 Mayor Kucinich news conference.

William-Gerard Productions has been retained by NCTA to produce Las Vegas convention May 20-23.

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STATE OF THE INDUSTRY

Sales to dealers (total market), from EIA, for 1979's first 2 weeks, through Jan. 12:

	Dec. 30- Jan. 12	1978 (2 weeks)	% change	Dec. 23-29
Total TV	383,982	373,610	+ 2.8	346,459
color	240,071	253,833	- 5.4	206,119
monochrome	143,911	119,777	+20.1	140,340
Home VCR	8,005	--	--	12,694
Total radio	1,548,221	1,080,754	+43.3	569,981
home, portable	936,344	580,469	+61.3	411,512
AM-only	315,622	191,489	+64.8	145,903
FM & FM-AM	620,722	388,980	+59.6	265,609
auto	611,877	500,285	+22.3	158,469

Color TV 5-week moving average: 1978-79—173,699*; 1977-78—172,923 (up 0.4%)

*Record for period.

JAPAN TV DUMPING SETTLEMENT IN WORKS: Japanese TV importers & Treasury Dept. may be near meeting of minds on settlement of TV dumping issue. Resolution appears to hinge on acceptance by Customs of recently supplied data that would trim tab substantially from potential \$400-\$500 million owed on sets imported since dumping finding went into effect in 1970. Meanwhile, Customs, as expected, extended payment date for assessments covering sets imported through June 1973. New deadline is March 12, and Customs said this extension, the 3rd, will be last.

"Treasury has statutory authority to settle dumping cases if we determine it's in our best interest," we were told by Jordan Luke, special asst. to Treasury Gen. Counsel Robert Mundheim. He pointed out that while any arrangement must be on importer-by-importer basis, Treasury essentially would treat each firm equally.

Customs is sticking to policy of basing fair value of Japanese sets on unadjusted home-market price calculated from Japanese domestic commodity tax payments. Issue now is what, if any, difference of sale adjustments will be allowed, Luke said. "Customs is working on that now," using new data Japanese set makers supplied Jan. 15. Amount of any allowances would be subtracted from fair value, bringing it more into line with actual export price, therefore cutting any dumping margin.

Treasury can't make package payment deal with Japanese set makers "because dumping duty payments are made by importers." If a Japanese supplier rebated dumping duties to unaffiliated importer, by law Treasury would have to increase the importer's duty bill by same amount, Luke explained. However, he said, an importer who felt he was misled could bring suit against his supplier for recovery of dumping payments, and might be allowed to retain any damages won, Luke indicated.

Treasury had minimal comment on last week's N.Y. Times story covering dumping case and related Justice Dept. probe into legality of rebates received by importers from Japanese TV makers. Luke said Treasury's dumping settlement negotiations have no relation to rebate case, indicated that story's estimates that 80 importers are involved in rebate case and that civil penalties could be "at least \$1 billion" were very excessive.

From other sources, we learn package settlement was proposed—but by Robert Strauss,

who heads office of Special Trade Representative. Proposal called for settlement of criminal aspects of rebate case with minimal fines, dropping of any civil action, acceptance of "10¢-on-the-dollar" settlement of dumping duties. In return, Japan would bow to U.S. demands for free access to market there, go along with our trade proposals at GATT. It would end case which otherwise would drag through courts for years. Plan was firmly rejected by Reps. Vanik (D-O.) & Rostenkowski (D-Ill.), as well as by industry representatives who were asked to evaluate it.

Japanese are deeply concerned that rebate case will erode what sympathy still exists in Washington for their position on dumping. In attempt to disassociate set makers from case, EIA-J (& Matsushita) Pres. Toshihiko Yamashita said no Japanese TV maker conspired to cover up rebates paid to U.S. importers. If importers failed to obey law and tell Customs about payments, Japanese aren't responsible, he said. EIA-J is slated to take ad in Washington Post next week to detail Japan's views on dumping case in open letter to Congress.

Also in Washington last week, Vanik was named to continue as Trade Subcommittee chmn., indication Treasury will have hard time if any TV dumping settlement is one-sided in favor of importers. At week's end, President signed Orderly Marketing Agreement putting quota on color set & chassis imports from Taiwan & Korea from Feb. 1 through June 30, 1980 (Vol. 19:2 p8).

HOW SEASONAL ARE VCR SALES? First 12 months of EIA data on wholesale movement and EWR sampling of retail sales of VCRs cast interesting light on "ultra-seasonality" of that new product—at least for major buildup year of 1978.

You'll recall that first-quarter slump was one of surprises of growing VCR market—Television Digest's Early Warning Report (EWR) indicated 50% drop in retail sales from Dec. 1977 to Jan. 1978. One year's experience doesn't set inexorable pattern—and there's evidence that in 1977's 4th-quarter euphoria there were major advertising & promotional cutbacks for first quarter on theory VCR sells itself—but in 1978 VCR appeared to be virtually as seasonal as video games.

Some 53.7% of all VCR sales to dealers come in year's final 4 months, analysis of EIA figures indicates. This contrasts with 42% of year's color set sales to dealers traditionally made in same months (41.2% in 1978) and 42.6% of 1978 b&w sales in year's final 4 months. Retail pattern apparently wasn't quite as pronounced—our EWR sample shows about 48.7% of sales to public occurred in final 4-month period, and EWR inventory trends confirm that dealers virtually stopped buying from Jan. through Aug. in what amounted to large-scale liquidation. (At end of 1978, VCR factory plus distributor inventories totaled about 102,000—some 68,000 at factory and 34,000 in distributor hands.)

First 3 weeks of 1979 gave some evidence that seasonal pattern may not be so pronounced this year—approximately 15,245 home VCRs were sold to dealers, about 50% ahead of Jan. 1978 pace and more than 1978's total Jan. sales (13,567).

Derived from EIA sales-to-dealer figures and EWR retail sales sampling, here are 1978's seasonal VCR trends in terms of percentage of year's total sales represented by each month at wholesale and retail:

Month	Wholesale	Retail	Month	Wholesale	Retail
Jan.	3.4%	5.3%	July	5.2%	6.8%
Feb.	3.7%	5.7%	Aug.	5.6%	7.5%
March	6.8%	6.5%	Sept.	14.1%	9.4%
April	6.8%	6.8%	Oct.	14.1%	10.4%
May	7.0%	6.8%	Nov.	12.4%	13.1%
June	7.8%	6.8%	Dec.	13.1%	15.7%

Note: Because of EIA's statistical method, wholesale figures tend to be overstated in March, June, Sept. & Dec.

Early Warning Report, now entering its 5th year, is Television Digest's monthly statistical

service delineating trends in retail sales & inventories of color & monochrome TV, VCR & stereo. For sample copies & subscription rates, call our Washington office collect, 202-872-9200.

KLOSS TO MARKET NEW PROJECTION TV: The man who started it all is back in consumer projection TV business. Kloss Video Corp., headed by Henry Kloss, founder of Advent who quit in 1976, plans to offer 3-tube 2-piece projection TV early next fall.

"It will be brighter, sharper and substantially cheaper than any other consumer [projection] TV now on the market," Kloss told us last week. Based on "Novatron simplified high-brightness high-definition tube-lens system," receiver will sell for "below \$2,500," Kloss said. He declined to be specific on cost or screen size. Electronics for system, we've learned, will be built by Magnavox, with chassis based on company's Computer Color 330 with comb filter (Vol. 18:26 p13).

Set will be marketed in one-step distribution through specialty stores, Kloss said. Thomas DeVesto, ex-Advent, is named sales mgr. Plant site in Boston area is being selected, with 100-unit monthly production scheduled. Set will be demonstrated regionally to prospective dealers this spring, introduced at summer CES in June. Kloss Video is owned principally by Henry Kloss, who says he put a million dollars of own money into it; some "new investors" have come into firm recently.

Kloss's entry into consumer market appears to be somewhat reluctant. He emphasizes his use of Novatron tube is non-exclusive. He has been seeking licensees for tube & set through A. D. Little Co., is expected to announce overseas licensee soon, is in discussion with another foreign firm for tube production in U.S. "Something dramatic is needed to get this business moving," Kloss says. "We hope to bring some excitement & life to it."

Advent is moving production, meanwhile, from Cambridge, Mass. to 160,000-sq.-ft. plant it's building in Portsmouth, N.H., will occupy initial 25,000 sq. ft. shortly, move video to new site about May 1, keeping 150-employee hq operation in Boston area. Some 400 jobs will be eliminated in Cambridge, 300 new ones created in Portsmouth, Pres. Peter Sprague told us. Projection TV production has been suspended—"we have enough inventories to carry us until May." Elaborating on company's report of softness in projection TV (Vol. 19:4 p 12), Sprague told us he was "surprised" by sales decline in fall—"we sold more in Jan. than in Nov." Advent also has acquired plant in Nogales, Mexico for production of home & auto audio electronics.

RCA is expanding & shrinking its involvement with component production in Europe. Its 49%-owned French color tube venture with Thomson-CSF, Societe Videocolor, plans \$19-million enlargement of Lyon plant to expand capacity from 350,000 to 550,000 tubes annually. Closing Feb. 15 is RCA's only semiconductor facility in Europe, IC assembly & test operation near Liege, where 438 are employed. RCA says plant has lost money since it opened in 1970, put total losses (at current exchange rates) at about \$7 million. RCA says facility accounted for less than 10% of its European semiconductor sales, states European marketing operation won't be affected by move.

Sony is equipping Fiat dealers with random-access industrial Betamax players and 19" Trinitron color sets (Vol. 19:2 p11). More than 550 of Fiat's 680 U.S. dealerships have joined Fiat TV Network, designed to keep dealers & customers informed. Company is already distributing one tape monthly. Computer-programmed players permit employees to take multiple-choice tests and to be corrected automatically when they push wrong answer button. Eventually, Fiat plans to supply live programming via phone line.

ABC appears sold on AM stereo system of Kahn-Hazeltine, has asked FCC for permission to test it on WABC N.Y. for 90 days, starting Feb. 15. Says ABC: "ABC engineering has independently analyzed the ISB [independent sideband] system and has evaluated the results of on-air tests & operation and has concluded on the basis of information presently available that the ISB system will best serve the interests of the broadcasters and the public." System has been used some 20,000 hours by XETRA Tijuana, Mex. Meanwhile, WSM Nashville & WGAR Cleveland have received FCC permission to extend their tests through Feb. Comments on rulemaking are due Feb. 27, replies March 30.

Custom Automotive Sound Assn. held closed meeting at Winter CES Jan. 7 to discuss "monopolistic practices" in car stereo by major auto companies. Over 100 CASA members & auto dealers attended; so did members of Senate Antitrust & Monopoly Subcommittee, who heard complaints that car companies force dealers to accept cars with factory-installed hi fi instead of allowing showroom sales of custom equipment (Vol. 18:50 p10). Next CASA meeting is in Las Vegas Feb. 10.

CLASSY NEW VCRs: Another generation of VCRs is on way, keyed to standard Beta & VHS formats, but displaying increasing sophistication. Probably most interesting is closely guarded new Hitachi VHS portable, reported by those who have seen it to be about half size of Sony's portable unit—smaller than BASF's developmental LVR, according to one observer. The 2-piece recorder is slated for introduction in Japan in couple of weeks. Hitachi officials in U.S. said they didn't know when it would be introduced here.

Sony held private showings of new product line for dealers in Japan and officials of some foreign subsidiaries, including Sony America. Most interest was focused on new Betamax Model J-7. From talks with those who saw it, we reconstruct this description: It has stereo soundtrack (for recording multiplexed sound from Japanese TV), is MPU-controlled for either feather-touch pushbuttons or complete remote control, is programmable up to week in advance. MPU provides automatic tape reviewing & cueing, tape-end alarm and automatic rewind. It also provides still review at rate of one frame every 2 sec., slow-motion, reviewing at double & triple speed, visible picture during fast-forward & rewind. Last new Sony Betamax for Japanese market—SL-8300—was announced year ago, features cue-&-review which permits instant rewind & replay of segment during playback (Vol. 18:48 p10).

Sony's feature-laden model generally is regarded as catch-up move in Japan. VHS group manufacturers—Matsushita, JVC, Hitachi & Mitsubishi—all have multi-featured MPU-controlled decks on market already, as do Beta manufacturers Sanyo & Toshiba. Unit Sony showed in Japan is single-speed (LP) unit, getting 2 hours on L-500 cassette.

Last year's sales of VCRs in Japan totaled about 400,000—identical with U.S. sales. Demand there this year is estimated at 550,000—exactly same as median forecast by U.S. makers (Vol. 18:52 p 7).

Fotomat is now transferring 25,000 min. of consumer film to cassettes weekly on 2-1/2-shift basis, added 2nd 3-chain system on schedule last Nov., plans to double capacity again this year, according to TV Development Dir. Gene Warren. He added that company will expand in Fountain Valley, Cal. for time being, rather than add facilities elsewhere, is now operating close to planned schedule of service to consumers in 5 working days.

VHS continues to lead Beta in film-to-tape transfer by about 60-40 (Vol. 18:37 p10), Warren said, "though the VHS edge is somewhat greater in blank tape." Slide transfer still hasn't caught fire, and while it has increased, it continues to represent only 10-12% of volume. Blank tape is "doing exceedingly well," sold heavily during holiday season—which was surprising "because we thought customers would buy extra tapes at the same time they bought their VCRs."

Fotomat is continuing to negotiate for titles for launch of pre-recorded cassette sales & rental (Vol. 18:50 p7). Plans now call for test market in San Diego area in April, national start in July-Aug., if all goes well. Company hopes to retain image as discounter, offering tapes for sale at \$30-\$50, renting them for \$8-\$12 for 48-hour period.

Astounding total of 45,547 color cameras is given by Customs as U.S. imports for 1978's first 11 months, along with 98,589 monochrome cameras. Average value of color camera works out to \$1,044, b&w camera \$187. Total of 144,136 cameras imported in 11 months would indicate nearly one color or chrome camera was imported for every 3 VCRs, based on Customs' figure of 454,370 VCR imports in same period. VCR & home camera importers were skeptical about accuracy of Customs figures, some pointing out that Aug. color camera imports were given as 2,065, Sept. as 3,436, Oct. zooming to 17,285. Figures include industrial-institutional & broadcast, as well as home cameras.

MCA-Disney vs. Sony trial on copyright infringement charges opens Tues. Jan. 30 in L.A. with Federal Judge Warren Ferguson presiding. Precedent-setting trial could last for 3 months with testimony from 120 witnesses (90 called by plaintiffs, 30 by defendant) on 2-weeks-on-2-weeks-off basis, but lawyers for both sides predict more likely length of 6-8 weeks, with judge working hard to trim testimony. Whatever outcome, appeal is certain, and Sony lawyer Dean Dunleavy says case has "better than 50-50" chance of ending up in Supreme Court.

Ad notes: Honeywell will spend \$3 million in first quarter to promote new smoke-detector warranty which provides lifetime replacement of defective units, payment of up to \$100,000 if fire fatality can be traced to non-working detector... Electra will offer \$10-\$20 rebates on Feb.-March purchases of Bearcat scanners... Audio Technology appoints Advertising Assistance, Weston, Mass... GTE campaign for Flip Phone kicks off March 15; spot TV is planned in 12 top markets by Nov., national advertising in 1980.

Mergers & acquisitions: General Instrument has agreed in principle to acquire Monsanto's optoelectronics business, terms undisclosed. Monsanto makes LEDs, displays & materials in plants in Cal., Belgium & Malaysia... Arvin acquires CCTV camera & control business of General Electrodynamics, terms undisclosed. Company said products, mainly low-light & self-contained models, will be added to line now produced & marketed by its Diamond Electronics Div.

Colombia adopted NTSC as standard for colorcasting formally scheduled to begin in late 1980. Govt. ordered halt to experimental colorcasts, ban on color TV imports. Some 50,000 color sets were brought in through Colombia's free-trade ports last year for special color telecasts of World Cup soccer games and Papal coronations. Philips & Sharp currently assemble b&w TV there, are expected to launch color production next year.

Du Pont has started marketing Beta cassettes in one-, 2- & 3-hour lengths in N.Y. under "Prime-time" brand through its traditional A-V dealers and through consumer electronics dealers via B&S rep firm. Tape uses chromium dioxide. Magnetic Products Div. Mktg. Mgr. Edward Buckley said he couldn't estimate when marketing would be nationwide.

Consumer Electronics Personals

Joseph Pershes, who recently joined Allied Artists Video from TEAC, named mktg. & sales vp, succeeding **Richard Stadin**, resigned. . . **Richard Bohnet**, Fairchild Camera Video [games] gen. mgr., adds duties as mktg. dir., replacing **John Donatoni**, resigned. . . **Michael Karmazin**, ex-JVC, joins Sharp as audio products mgr. . . **F. Mitari** advanced from exec. vp to pres. of Canon's U.S. & Canadian subsidiaries, succeeding **H. Suzukawa**, who returns to post of vice chmn. of parent in Japan and will head Canon's Advanced Technology Research Center. . . **John Dale**, Fuji Photo (U.S.) Magnetic Tape Div. gen. mgr., named vp; Exec. Vp **Fred Nakamura** named dir. of Japanese parent.

Mitsuo Nakai, Matsushita Electric Stereo Dept. (hi-fi) gen. mgr., being named to board. . . **Charles Phillips** advanced at Radio Shack from NE Div. vp-gen. mgr. to senior vp responsible for specialty stores (computers, telephones, security equipment), distribution & support operations, real estate & mktg. units; **John McDaniel**, controller, advanced from vp to senior vp. . . **George Johnson**, former InterMagnetics senior exec. vp, named pres. of Swire InterMagnetics, recently formed U.S. tape marketer; **Hal Jansen** named national sales mgr.; **Robert Dunn** is sales vp.

Irwin Zucker promoted at Altec from product development dir. to consumer mkt. development vp; **Robert Davis** named professional mkt. development vp; **Chris Christlanson**, industrial relations dir., named vp; **Curtis Pickelle** advanced from mgr. to dir., mktg. communications. . . **Dave Oren** advanced at TEAC to mkt. planning mgr.; **Roy Kamin** promoted from consumer relations dir. to national training mgr.; **William Mohrhoff** advanced at Tascam unit from field service mgr. to national sales mgr., succeeding **Ken Sacks**, resigned.

Cathy Ciccolella promoted to editor-in-chief, *Mart Magazine*, with hq in N. Y., succeeding **Wallis Wood**, resigned. . . **Arnold Durham**, ex-RCA, joins Bell Labs PR staff.

Ex-Advent Sales Vp Frank Reed & Audio Product Mgr. Andrew Petite form new hi-fi company, Boston Soundworks Inc. First product will be \$300-\$350 speaker, production to begin in May. Another Advent alumnus in Boston area is Apt Corp. Pres. **Tom Holman**. Apt's only product is esoteric pre-amp but Holman says company will have new audiophile product for June CES.

All-purpose TV connector has been designed by French TV manufacturers' association SCART, *Electronics magazine* reports. The 20-pin connector provides for stereo & mono audio, composite & RGB video, remote control & clock functions, would accommodate teletext, viewdata, games, VCRs, disc systems, computers, etc.

Reeves Teletape plans to enter home video software market through **Alan Landsburg Productions**, acquired last year, according to annual report.

GTE TV PROGRESS: GTE's TV sales rose 27% last year, against overall industry growth of 12%, according to Consumer Products Pres. **Thomas Shepherd**, who reported Sylvania-brand volume jumped 31% while Philco was up 18%. He attributed increases to product improvement, stepped-up ad campaigns, broader distribution. Sylvania added 9 new distributors last year, had 18% net increase in dealers, while Philco added 19 distributors, had 15% dealer gain.

GTE will continue ad & marketing strengthening efforts in 1979, he said. To help Philco, old (pre-GTE takeover) slogan "Famous for Quality the World Over" will be revived. Sylvania will take leaf from RCA & Zenith books, introduce color portables in Feb., hold consoles for May sales meeting. Also due in May, Shepherd said, will be "new products relevant to emerging multiple uses of TV sets," which, it's understood, include help for consumers who want to have more than one of today's new video gadgets (VCRs, games, computers) permanently hooked into their TV.

GTE has optimistic outlook for VCRs, sees sale of 600,000 this year, Shepherd said (last June, GTE correctly forecast 1978 VCR sales at around 400,000; Vol. 18:28, p11). Sylvania had successful introductory year for 21" color, sold out all models, although Philco is dropping 21" step-ups. Among Philco distributors being added are Welbilt for metro N. Y. and Dorrance Supply for Cleveland & Youngstown, while group of Newcraft employees, including Pres. **Rich Berger**, is forming new firm to handle Philco in Cal.; Newcraft becomes unit of Panasonic in March. GTE also is expanding capacity of Juarez, Mexico color chassis plant.

GE RESULTS: GE reported record results for 4th quarter & 1978 (see financial table), said TV, audio products & broadcasting services were among areas with higher sales. Giving GE's outlook, Chmn. **Reginald Jones** said economic slowdown is expected in 2nd half, with expansion coming in mid-1980. "The dollar is in very fragile condition" internationally, he said, and called on Administration to "give U.S. exporters an even break in the struggle for world markets."

Commenting on GE's TV business, Vice Chmn. **Walter Dance** told us last week that although Justice Dept. rejected joint production venture with Hitachi (Vol. 18:49 p8), firms are discussing technology tie-up, said there's possibility of GE making some TVs for Hitachi. GE's interest in venture was based on need for better engineering & R&D, and to load TV plant at Portsmouth, Va., he said. "Since then, Admiral went out of business, and we got a good part of their Montgomery Ward contract," so plant-loading isn't that important any more, he said. GE's entry in projection TV last year was success—"we sold all we made in 1978 and will do so in 1979," he said, but added sharp price reduction is needed for product to become mass market item; "about \$1,000 would be the level." Projection promotions have "done a lot to call attention to GE TV and helped us sell more consoles," he said.

Financial Reports of TV-Electronics Companies

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

Company & Period	Revenues	Net Earnings	Per Share
Andrea Radio			
1978-year to Dec. 31	2,297,945	150,580	.30
1977-year to Dec. 31	1,905,164	63,845	.13
1978-qtr. to Dec. 31	647,312	70,954	.14
1977-qtr. to Dec. 31	479,909	7,504	.02
Bowmar Instrument			
1978-qtr. to Dec. 31	5,264,000	209,000	.03
1977-qtr. to Dec. 31	3,982,000	122,000	.02
Corning Glass Works			
1978-year to Dec. 31	1,251,728,000	104,363,000	5.89
1977-year to Dec. 31	1,119,630,000	92,083,000	5.20
1978-qtr. to Dec. 31	301,078,000	22,101,000	1.25
1977-qtr. to Dec. 31	250,760,000	21,280,000	1.20
Cox Bcstg.			
1978-year to Dec. 31	230,444,000	33,847,000	5.07
1977-year to Dec. 31	186,430,000	25,456,000	4.11
1978-qtr. to Dec. 31	67,528,000	10,347,000	1.55
1977-qtr. to Dec. 31	51,072,000	7,161,000	1.08
Emerson Radio			
1978-9 mo. to Dec. 31	58,997,000	2,751,000	1.56
1977-9 mo. to Dec. 31	39,841,000	1,372,000	.82 ^a
1978-qtr. to Dec. 31	26,109,000	1,250,000	.71
1977-qtr. to Dec. 31	17,013,000	578,000	.34 ^a
GE			
1978-year to Dec. 31 ^b	19,650,000,000	1,230,000,000	5.39
1977-year to Dec. 31	17,520,000,000	1,088,000,000	4.79
1978-qtr. to Dec. 31 ^b	5,400,000,000	364,000,000	1.59
1977-qtr. to Dec. 31	4,720,000,000	332,400,000	1.46
Lee Enterprises			
1978-qtr. to Dec. 31	31,117,000	4,293,000 ^c	.59
1977-qtr. to Dec. 31	26,532,000	6,170,000 ^c	.83 ^a
LIN Bcstg.			
1978-year to Dec. 31	51,180,000	11,492,000	4.14
1977-year to Dec. 31	43,668,000	8,280,000	3.01
1978-qtr. to Dec. 31	14,892,000	3,837,000	1.40
1977-qtr. to Dec. 31	12,875,000	2,806,000	1.01
Meredith			
1978-6 mo. to Dec. 31	157,371,000	7,614,000	2.47
1977-6 mo. to Dec. 31	137,039,000	7,188,000	2.34
1978-qtr. to Dec. 31	80,674,000	4,023,000	1.30
1977-qtr. to Dec. 31	72,004,000	3,797,000	1.24
3M			
1978-year to Dec. 31	4,662,000,000	563,000,000	4.83
1977-year to Dec. 31	3,980,000,000	412,900,000	3.57
1978-qtr. to Dec. 31	1,188,000,000	147,200,000	1.26
1977-qtr. to Dec. 31	1,008,000,000	108,900,000	.94
Raytheon			
1978-year to Dec. 31	3,239,302,000	150,034,000	4.83
1977-year to Dec. 31	2,818,264,000	113,240,000	3.67
1978-qtr. to Dec. 31	853,971,000	37,647,000	1.21
1977-qtr. to Dec. 31	747,011,000	30,652,000	.99
Regency Electronics			
1978-6 mo. to Dec. 31	21,607,114	2,583,906	.96
1977-6 mo. to Dec. 31	17,143,576	1,234,201	.46
1978-qtr. to Dec. 31	12,171,967	1,544,279	.57
1977-qtr. to Dec. 31	11,298,847	1,081,455	.40
Rollins			
1978-6 mo. to Dec. 31	163,732,119	11,707,069	.87
1977-6 mo. to Dec. 31	140,916,383	10,471,502	.78
1978-qtr. to Dec. 31	82,448,723	6,086,994	.45
1977-qtr. to Dec. 31	71,418,619	5,551,499	.41
Scripps-Howard Bcstg.			
1978-year to Dec. 31	65,342,624 ^d	14,470,780	5.60
1977-year to Dec. 31	49,829,179 ^d	11,538,734	4.46
Storer Bcstg.			
1978-year to Dec. 31	149,815,000	18,866,000	3.85
1977-year to Dec. 31	122,023,000	14,275,000	2.93
1978-qtr. to Dec. 31	44,638,000	7,042,000	1.42
1977-qtr. to Dec. 31	35,941,000	6,762,000	1.39

Company & Period	Revenues	Net Earnings	Per Share
Taft Bcstg.			
1978-9 mo. to Dec. 31	135,491,611	22,312,194	2.64
1977-9 mo. to Dec. 31	112,797,340	17,121,292	2.08 ^a
1978-qtr. to Dec. 31	37,449,801	6,339,356	.75
1977-qtr. to Dec. 31	34,217,655	4,903,279	.58
Tandy			
1978-6 mo. to Dec. 31	658,252,000	50,448,000	2.01
1977-6 mo. to Dec. 31	565,336,000	40,461,000	1.68
1978-qtr. to Dec. 31	395,269,000	35,575,000	1.36
1977-qtr. to Dec. 31	347,182,000	29,471,000	1.24
Technical Operations			
1978-qtr. to Dec. 31	28,021,000	470,000 ^c	.35
1977-qtr. to Dec. 31	20,819,000	116,000	.09

Notes: ^aAdjusted. ^bPreliminary. ^cIncludes special credit. ^dFrom operations.

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with
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Interference bill introduced by Sen. Goldwater (R-Ariz.) last Congress (Vol. 18:25 p12) won't be introduced again at least for a while, Goldwater told several industry representatives and FCC Chmn. Ferris in private meeting. Goldwater was told some interference problems are on way to being reduced, and he said he'll re-examine issue in 9 months or so.

CBS Records purchased 2-track digital audio mastering system from Sony, will use equipment in N. Y. to produce master tapes for distribution to overseas operations—CBS & Sony have joint audio disc & tape venture in Japan. Similar system was sold to Germany's Polygram, Sony said.

As part of UHF-reception-improvement proceeding, FCC has brief summary of rules governing minimum number of positions required for various types of tuners. It's Mimeo 11870, Jan. 25, available from Information Office.