

WEEKLY

Television Digest

with
consumer
electronics



The authoritative service for broadcasting, consumer electronics & allied fields

VOL. 19, NO. 14

APRIL 2, 1979

SUMMARY-INDEX OF WEEK'S NEWS

Broadcast

NAB CONVENTION—BUSINESS AS USUAL: Traditional concerns dominate hall talk as threats of new technology—amply covered in sessions—get little comment. Hollings, Van Deerlin, Ferris break no new ground. Record 7,128 broadcasters among 19,627 in Dallas for convention. (P. 1)

REWRITE II—THE SPECIFICS: Highlights of new bill include spectrum fee formula, deregulation of TV & radio, ads on public broadcasting, transmission, AT&T involvement in cable. (P. 4)

NO 'IDENTICAL FREEDOM' seen for TV-radio comparable to that of newspapers, Carter tells NAB delegates. Promises 'less restraint on your industry by far,' has no position on spectrum fee, sends deregulatory proposal to Congress. (P. 5)

SALANT UNRETIREES FOR NBC: He'll become network's vice chmn. in charge of news, will advise in other areas. Adams plans retirement from NBC June 30. (P. 7)

TELETEXT/VIEWDATA: No agreement at NAB on how to do it or whether to have it at all. (P. 7)

DIGITAL VTRS for special teleproduction and other non-station uses seen coming sooner than previously expected. Sony shows developmental digital recorder Type C. VTR dominates equipment shows. Japanese firms plan heavier participation here. (P. 8)

NAB CONVENTION—MOSTLY BUSINESS AS USUAL: Traditional concerns appeared to dominate thought of broadcasters at end of NAB convention in Dallas last week—thrilling to possibility of deregulation, glowering at probability of spectrum fees, etc. But promises and threats of new technology—though amply covered in many sessions, and reported in following pages—seemed to leave bulk of broadcasters untouched. Some were deeply impressed by promise of satellite linkage, teletext business possibilities and the like. And some were fearful of super stations, pay TV and such. But they were exceptions. Otherwise:

"The convention itself gets an A-plus. Dallas rates a C-minus." That comment by NAB radio dir. just about sums up sentiment at March 25-28 convention.

As in many past conventions, govt. regulations and threats of future regulations played major role in formal sessions and corridor talk—although this time tempered by hopes for major deregulation, fired by President Carter (see p. 5), FCC commissioners and members of Congress (see p. 5).

RCA SATELLITE STARS: More than 100 TV stations signed up for RCA's 'SMARTS' system. It's '95% certain' experimental period will be bypassed. (P. 9)

Consumer Electronics

FIRST-QUARTER VCR sales probably topped 100,000, up 80% from last year's same period. Big increases not expected to continue. (P. 11)

GUILTY PLEA in criminal TV rebate case by Alexander's to be followed by civil suit, Customs says. Data indicate penalties against importers who hid rebates could exceed dumping duty liabilities. (P. 11)

GE NO. 3 IN COLOR manufacture in U.S., says Wellner, citing gains in own & private-brand market shares. GE unveils new chassis, tube, tuners. Sylvania introduces color portables. (P. 13)

VIDEOCASSETTE PRICES drift upwards to dash hopes for \$29.95 movies. Second round of increases may be as carefully concealed as first. Increases blamed on hikes in petroleum-based raw materials. (P. 14)

AM STEREO FEVER grips broadcasters, who plan race to get on air after FCC approval. Some 75% of AM stations seen converting to stereo. (P. 15)

MITSUBISHI BUYS Tandberg color plant in Scotland, launches expansion to 100,000 annual capacity. (P. 16)

Just about every broadcaster we talked to praised individual sessions, most of which were crowded to near capacity—particularly convention's Mon. radio sessions. "I received more favorable comments on the TV and engineering session than ever before," NAB Chmn. Donald Thurston told us. At closing luncheon (featuring entertainment by Bill Cosby), Thurston asked for, and got, enthusiastic standing ovation for NAB Pres. Vincent Wasilewski and Exec. Vp-Gen. Mgr. John Summers. At same luncheon, Wasilewski listed major industry victories of year—45-day sale notice and listing of employees by salary—neither adopted by FCC—and saccharin success Congress.

Measured attendance totaled 19,627—down slightly from 20,879 year ago in Las Vegas; however, registered delegates and exhibitors both were up. Broadcasters totaled 7,128 (up nearly 1,000 from year ago), exhibitors 6,087, 6,312 registered guests (down from 8,695 in Las Vegas). Much of broadcaster increase came from engineers. Through all sessions, no new ground was broken and broadcasters heard very little—if anything—they hadn't heard before.

Senate Communications Subcommittee Chmn. Hollings (D-S.C.) presented often rambling, sometimes disjointed, 20-min. appearance at final joint session. He had discarded text prepared for him, spoke without notes, said: "I don't know whether I'm glad to be here or not... I come as a friend." He cited broadcasters "arrogance" over who owns spectrum, argued justness of paying fee, saying groundwork for fees was laid in legislative report for 1927 Radio Act. He also defended fairness doctrine, noted broadcasters sought, and still are seeking, protection from cable, satellites and other new technology.

Following Hollings to podium, FCC Chmn. Ferris cracked a few jokes, then answered 10 questions—also breaking no new ground. He was asked about daytime situation, WARC, deregulation ("there aren't any quick fixes"), govt.-industry advisory committees (problem there is adjudicatory proceedings, and FCC must decide where industry & agency can cooperate, Ferris said), 3rd-class operators' licenses, cable rules, economic inquiry, fee refunds (by late summer). On children's TV, he said FCC inquiry is needed, will continue, because goal is different from FTC's advertising rulemaking. He said FCC focus is on how much is being done and whether licensees are living up to promises made.

During joint session with Rep. Van Deerlin (D-Cal.), Communications Subcommittee chmn. there were no revelations about what much-awaited Rewrite II would contain. Van Deerlin did, however, scold S.C. broadcaster quoted as threatening Sen. Hollings (D-S.C.) politically for introducing bill with spectrum fee. S.C. group owner told us there was no threat—implied or intended—in wire sent to Hollings opposing spectrum fee.

MPAA Pres. Jack Valenti delighted audience with his attack on cable. Samples from noted phrase-turner: "The compulsory license... is the bone in the throat of free and fair competition, and until it is extracted there is not now and never will be any fair competition in the home viewing market... [Cable] may be in the only business in America where by law they alone can buy cheap and sell dear... Some 65-70% of cable systems pay more for the postage stamps used to mail out their monthly customer invoices than they do for all their programming."

Noting that he was party to creating compulsory license in copyright law, Valenti said: "I confess to you my own complicity... But I submitted not because I thought it was right but because if I didn't agree, God only knows how minuscule the copyright fee schedule might have been, perhaps zero." Valenti conceded that there is marketplace bargaining for pay-cable film "though we are encountering some monopoly problems there." He also commended NTIA chief Henry Geller—"possibly one of the wisest philosophers now engaged in piercing the veil of the communications future"—for proposing retransmission consent. FCC, incidentally, moved with unprecedented speed in acting on NAB's petition to consolidate all 5 major cable proceedings and to start rulemaking designed to curb superstations (Vol. 19:13 p5). Comments are due April 6, replies April 13.

Accepting NAB's DSA, KPRC-TV-AM Pres. Jack Harris had praise for industry's accomplishments, also some harsh words: "Our priorities are too often dictated by the seemingly eternal struggle for that extra rating point, translating into that extra dollar. We compete with each other, not always to offer the best service, but too often to deliver the most bodies all day

() every day, all night every night... We have become captivated by and enslaved in the numbers game. And, in the process, good judgment and a pursuit of excellence has been subverted. The challenge to this maturing industry is to break the shackles that bind us to the ratings game, to reach upward toward new plateaus of achievement that will make us all proud as well as profitable."

Retiring NBC Vice Chmn. David Adams (see p. 7), accepting Grover C. Cobb Award 3 days later, said (in remarks prepared but not actually delivered) goals should be defined before govt. attempts to restructure broadcasting based on abstract theories: "There are some who seem to feel that the present system has failed and that restructuring is the cure. They argue that this course will keep the government out of broadcasting. But what standards tell us that broadcasting is a failed system? What suggests that restructuring will produce benefits the public seeks? And, isn't restructuring by government action just as much as interference with the marketplace as regulation?... Let no one be deluded into thinking that government regulation of broadcasting structure is somehow purer than government regulation of broadcasting behavior. In fact, it may be much more damaging, because its mistakes tend to have permanent effects."

At close of poorly attended EEO panel, one of few of convention (moderated by Comr. Fogarty), Comr. Brown expressed disappointment that discussions centered on technicalities & procedures rather than substance. "The best defense [in EEO] is a good offense," he said. Fogarty said Brown summed up his position "perfectly." (Note: Much of discussion dealt with NAB positions, and there wasn't single NAB staffer or dir. in room to comment, even at start of session when Fogarty was required to introduce himself and panel.)

Interesting session on programming (lined up by NATPE) featured attack on currently popular access game shows by Robert Bennett, exec. vp-gen. mgr. of WCVB-TV Boston. He said stations should be doing more local programming and that if they succeed, as WCVB-TV has, they'll be "producer... Loss leaders can become profit centers." Later, he cited to us success of 6-show "America" series, which has just been sold to JWT for \$500,000.

Leading off closing joint session, Energy Secy. James Schlesinger called on broadcasters to explain seriousness of fuel shortage to public. He said most people refuse to believe there's a crisis and don't know U.S. imports much of oil consumed here. "The long-term consequences for us in the free world will be serious," he stressed. "Therefore, we turn to you for help."

Exhibitors generally were euphoric, reporting business was very brisk (see p. 8). Ampex's Russ Ide called convention "outstanding—one of our best, if not our best." RCA's James Gimbel said: "Overall, it was great. Activity has been very high." He said circular polarization transmitter was "the hit of the show"—despite some negative publicity few weeks ago.

Despite generally larger displays, main floor exhibits were most densely packed in history of NAB. However, some exhibitors on lower level complained bitterly that they weren't sharing in record attendance. NAB had no signs pointing out there were more exhibits on lower floor and only one escalator was marked; some visitors missed the entire level with its 138 exhibits.

At equipment exhibits, there was less dramatically new equipment than at any NAB convention in recent memory—except for powerful impact of RCA station satellite plan (see p. 8)—but new Type C VTR got started in earnest as replacement for quad, and at same time there were hints that even this new standard would soon be overtaken by digital recording, with possibility that first commercial prototype could show up at Montreux exhibition in May.

Many technical sessions & workshops were SRO, with especial interest in such new services as teletext/viewdata (p. 7) & AM stereo (p. 16).

Major gripes against Dallas included distance of hotels from convention center, lack of taxis (and high fares) and capacity of some of meeting rooms. Many delegates—as often happens—were refused hotel rooms despite confirmed reservations and Thurston was one of 16 bumped from American flight to Chicago March 28. Many board members now favor Las Vegas as permanent convention site—and, in fact, NAB has canceled 1980 convention in New Orleans and will return to Las Vegas April 13-16 next year, also site of 1981 convention. Right now, NAB is due to return to Dallas in 1982.

REWRITE II—THE SPECIFICS: Spectrum fees, deregulation of TV & radio, advertising on public broadcasting, cable retransmission consent, AT&T involvement in cable. Those are among highlights of Rewrite II introduced last week by House Communications Subcommittee Chmn. Van Deerlin (D-Cal.) and Ranking Republican Collins (R-Tex.). Details:

(1) Spectrum fee for commercial broadcasters would total 0.25% of annual revenues up to \$1 million, plus 2.5% of \$1-10 million, plus 10% of all over \$10 million. Fee would be phased in 10% a year over 10 years, is based on scarcity value of spectrum used plus cost of processing license. Examples: After 10 years, TV station grossing \$20 million annually would pay \$1,227,500 a year; radio station grossing \$550,000 would pay \$1,250. Figures don't include undetermined cost of processing license. Based on 1977 figures, fee would raise \$150 million from broadcasters, 80% of it from TV stations. Fees would go to U.S. Treasury, are not earmarked for public broadcasting or anything else.

(2) Deregulation for TV-radio would be required except when "marketplace forces fail to protect the public interest." Radio, except for technical standards, would be deregulated almost completely. TV gets deregulated—except for technical & ownership rules—after 10 years, although successor to FCC could recommend otherwise. TV ownership is limited to 7 stations (VHF and/or UHF), radio ownership is unlimited. No one can own more than one TV, AM or FM per market. TV licenses would be indefinite after two 5-year terms, but subject to revocation for violations of "purpose of Act." Purpose of Act is to "establish certain requirements relating to the regulation of interstate and foreign telecommunications, which shall apply to the extent that marketplace forces fail to protect the public interest." Petitions to deny would be allowed at time of the two 5-year renewals. Equal-time requirements (except paid time) would be eliminated. Fairness doctrine would be reviewed only at renewal time. Broadcasters would be required to provide news, public affairs & local programs throughout day. At least one VHF would be assigned to each state. Comparative hearings are replaced with random selection process, and minorities get 2 chances in that process.

(3) Public TV & radio stations could carry commercials, which couldn't interrupt programs, must be clustered and couldn't exceed more than 3% of broadcast day. CPB would be eliminated, replaced with Endowment for Program Development, receiving permanent annual congressional authorization of \$1.50 per U.S. resident—some \$330 million. That's almost double total now.

(4) Cable owners couldn't pick up programming without obtaining approval from person owning program rights. Cable is essentially deregulated on federal level, and state & local govts. are preempted from regulation. Phone company can provide cable or any other service. When phone company provides service over which it has what Subcommittee staff calls "editorial control"—such as HBO, UPI, etc.—it must be available to competitive services, such as Showtime, AP, etc. If phone company has no editorial control, simply picking up a station's signal, it needn't offer competitive service. Cable operators would have pole attachment rights, requiring "just & reasonable" rates & conditions. Successor to FCC—Communications Regulatory Commission—would regulate pole attachments when state doesn't. Cable could provide phone service & data transmission.

(5) New Communications Regulatory Commission (CRC) would consist of 5 Presidentially-appointed commissioners serving non-renewable 10-year terms. National Telecommunications Agency (NTA) would replace NTIA. NTA would be separate agency in Executive Branch. Reimbursement program for participation in CRC proceedings would be begun. However, that wouldn't include proceedings involving broadcast renewals. Fund totaling \$10 million would be established to increase minority ownership.

Bill is viewed generally by broadcasters as less onerous than Rewrite I, and some credit for that can go to Collins, whose conservative philosophy played significant role in cutting link between spectrum fee and public broadcasting. Collins also reportedly was opposed to provision once in bill which would have limited network ownership of TV stations to 3 in top 50 markets. Said Collins last week: "I think that would have been a bad precedent if we're talking about competition."

Van Deerlin was extremely optimistic for passage of legislation. "How does Thanksgiving

grab you?" he asked. Hearings on broadcast and cable sections are set for weeks of May 14 & 21; public broadcasting June 25; common carrier (renamed telecommunications carrier in bill) weeks of April 23 & 30; federal reorganization June 11. Van Deerlin wants bill mark-up after July 4.

"There isn't going to be another one," Van Deerlin said of bill. "This is the one that's going to move." Helping it move, he said, will be Collins' "self-proclaimed conservative bent [which] would certainly cast an aura for people I am not able to persuade." During Q-&-A, Van Deerlin was asked why there were no restrictions on networks. Said he: "Technology probably [means] the networks are going to be scrambling to keep what they've got." Commenting on ads on public TV, he said: "From the standpoint of copywriters and advertising, this will not be a prime choice."

* * * *

During session at NAB convention on pending legislation, Collins made it clear, despite his co-sponsorship, that this is not his dream bill. "The bill that is coming out is a substantial improvement... You think about it a little [and you] might not like it but it is an improvement," he said.

Collins added that he doesn't like spectrum fee but "you gotta get it out of somebody's hide and you'all's hide is up." Also at session was Rep. Broyhill (R-N.C.), who is co-signing bill. He said he's also opposed to spectrum fee.

During "In the Box" session, Communications Subcommittee Counsel Harry Shooshan went head-to-head with NAB Vp John Summers over spectrum fee. Summers said fallacy of rewrite argument is "that govt. owns the airwaves." Shooshan countered that the people own the airwaves. Summers also argued that unlike oil or grazing rights, when govt. grants use of airwaves, nothing is depleted. Shooshan said use of airwaves is "the ultimate depleting use. It allows no one else to use it."

There was strong reaction to bill from NCTA Pres. Robert Schmidt, saying that "by reverting to a plan whereby cable operators must go to those with whom they compete, broadcasters and program producers, for permission to use the programming essential to that competition, the bill has put the fox in charge of the chicken coop." Asked if he's prepared to fight, Schmidt said: "I've got my ankles taped."

Others, including NAB, were waiting to study bill before making detailed statements. AT&T Vice Chmn. James Olson said he was pleased bill doesn't require divestiture of Western Electric as did Rewrite I. And he approved removal of "arbitrary restrictions on technology we can use in serving our customers. On the other hand, like its predecessor, the new bill does not give adequate attention to the needs to design and manage the nationwide telecommunications network as a unified national resource." NCCB Chmn. Nicholas Johnson, who attended unveiling of bill, immediately labeled it a "multi-billion dollar giveaway."

NO 'IDENTICAL FREEDOM' FOR TV-RADIO: "I can't say that I would give the same identical freedom to the broadcasting industry as newspapers," President Carter said in Dallas last week at NAB convention in answer to question from Richard Chapin, KFOR-AM-FM Lincoln, Neb. However, President promised that "we will have less restraint on your industry by far than existed when I came into office."

After short prepared speech dealing with Administration plans for deregulation, Carter took 8 questions from NAB members—4 industry-related, 2 on inflation, one each on energy and Mideast treaty. He said Chapin's question has "far reaching implications... For me to say that I would want to remove all regulation of the federal government in assigning frequencies or issuing licenses to the broadcasting industry... I would have to say no. But as far as interference in the contents of news programs, as far as honoring the principles of the First Amendment, obviously I would say yes... But there are so many wide differences between the newspaper industry and the broadcasting industry—the spectrum is just on example."

President told NAB TV Dir. Kathryn Broman, Springfield TV, that much of broadcast deregulatory timetable would be up to FCC Chmn. Ferris (see p. 2)—who flew to Okla. & Tex.

on Air Force One and helped give Carter cram course on TV-radio before NAB appearance. Ferris "is absolutely determined that the FCC will equal the achievements [sought by Administration]. He has my support and my help." Carter pointed out that "many of the regulations that presently are burdensome have been supported and are still supported by the broadcasting industry itself."

TV Dir. Forest Amsden, King Bcstg., asked about spectrum fee dedicated to support public broadcasting. "My Administration has no intention of introducing legislation like that," President said. "We have not yet taken a position on it...I have just read about it very briefly in preparation for this visit." He noted, however, that licensees would receive certain "trade-offs...which you did not mention" in return for paying spectrum fee. In answer to Radio Chmn. Len Hensel, WSM-AM-FM Nashville, Carter promised to consider what Hensel called "the repugnance of commercial broadcasting financing public broadcasting."

In prepared speech, President praised NAB Chmn. Donald Thurston by name and NAB efforts to help minorities acquire TV-radio stations, added: "My industry will continue to work with the FCC and the Congress to encourage diversity and independence in your industry—instead of government paperwork and controls...I will also continue to support vigorously opportunities for minority ownership and a strong public broadcasting system free from political control...Broadcasting is helping to break down barriers of time and distance, of misunderstanding and mistrust, of hatred that have separated and divided the world's people one from another." He doubted Israel-Egypt treaty would ever have come to pass had their leaders "not been able to see the faces of each other on TV, or heard the voices of each other on radio."

Carter said Administrations's deregulatory proposal will "rationalize and streamline the regulatory burden throughout American life" and cover all regulatory agencies, not only FCC. Plan was introduced in Senate (S-755) by Ribicoff (D-Conn.) and in House (HR-3263) by Reps. Rodino (D-N.J.) & Danielson (D-Cal.). Senate hearing is planned later this month, House hearing in May.

(Note: One questioner, out-going NAB Radio Dir. William Sims, Wycom Corp., rose from audience and asked President to leave his autograph because "a big fan of yours would love to have it." Carter did just that, and it was handed to Sims by NAB Pres. Vincent Wasilewski—the man Sims is trying to get fired [Vol. 19:13 p4].)

"My message to you is one of optimism, of hope and confidence...We've never been in better shape and we're getting stronger," TvB Chmn. Marvin Shapiro told NAB TV delegates in Dallas. He also warned: "There are omens on the horizon we dare not ignore"—citing inflation, prospects of further govt. intrusion and attacks on commercial clutter & programming. TvB Pres. Roger Rice said TV's growth rate will outpace that of other segments of advertising. He predicted ad expenditures will increase from \$43.7 billion in 1978 to \$54.5 billion in 1980 (up 24.6%)—while TV will increase by 29.4%, from \$8.97 billion to \$11.6 billion. Media expert Ellen Sachar of Mitchell Hutchins Inc. said "the boom in media spending since 1976, especially TV spending, has been most welcome but unexpected." However, she predicted TV billing gains will continue to be "sizeable & significant"—although not at 1975-76 levels—and "barring any economic or political surprise...it is just possible media spending patterns, particularly TV spending patterns, have now entered a new era of balance and equilibrium, a very positive development for the TV business."

Comsat has asked FCC for authority to provide direct TV service to all users at U.S. earth stations and to all international TV carriers individually; Comsat hopes new arrangement "will help generate some new long-term TV business."

Broadcast radiation hasn't been found to harm anyone yet, though people climbing TV-FM towers when power is on may run risk, according to panel of experts at NAB convention. FCC's John Taff announced that Commission would start rulemaking in late April, to help other govt. agencies responsible for protecting public from harmful radiation. James Frazer, U. of Tex., said govt. has spent more than \$90 million "trying to influence people on radiation—and they haven't done it yet." He said there have been 4 studies trying to correlate RF, including diathermy, with injury, finding none to date. He said there may be other factors to watch in broadcast control rooms, such as ozone. John Osepchuck, Raytheon, noted that some workers get hazard pay in RF areas, said sarcastically: "If you appear to be too healthy, you may lose that." Richard Tell, EPA, said less than 1% of U.S. population is exposed to more than 1 microwatt per sq. cm—which is most stringent standard in world (Communist Bloc).

FM directional antennas will be sought in petition to be filed with FCC, to allow more stations, NTIA's Paul Bortz said during NAB session on cable retransmission.

Rep. Van Deerlin (D-Cal.) speaks at NCTA state-regional cable luncheon April 2, Capital Hilton, Washington—his first address after introduction of Rewrite II.

SALANT UNRETIRE FOR NBC: Longtime CBS News Pres. Richard Salant, who reaches that network's mandatory retirement age of 65 April 12, won't stay retired long—he'll join NBC as vice chmn. in charge of news May 1. Surprising news spread rapidly in Dallas last day of NAB convention—a shocker. However, Salant had made no secret over his unhappiness at forced retirement. He's replaced at CBS by long-time colleague William Leonard.

Salant also is expected to be involved in non-news management decisions at NBC as vice chmn. and "will be an enormous asset to NBC," according to network. He'll report to Chmn. Jane Pfeiffer. Current News Pres. Lester Crystal & Vp-Corp. Planning Daniel Federman will report to Salant, who said: "In these circumstances, I was unable to go gently into the night. There is still too much I want to do." Said CBS: "CBS had hoped that Dick would stay on as a consultant. [He] has chosen instead to take up full-time employment with NBC. He is, of course, entirely free to do this."

In unrelated development, NBC Vice Chmn. David Adams announced his retirement, effective June 30 (although announcement was speeded up by hiring of Salant), during NAB convention in Dallas (see p. 3). Adams is involved primarily in legal & govt. relations matters, had been at NBC since 1947, served as chmn., turned down presidency several years ago. He reached 65 year ago, stayed on at request of NBC.

TELETEXT PROBLEMS: Difficulties of inaugurating new service—or of trying to decide whether to start one—in free, private broadcasting system, showed up dramatically in NAB engineering workshop on teletext & viewdata. There seemed to be almost as many opinions as there were members of panel plus audience.

CBS's Robert O'Connor, moderator of session and chmn. of EIA engineering committee on subject, forecast EIA would make technical recommendation to FCC within year, but ABC's Julius Barnathan, speaking from audience, forecast it would take 8 years to implement. Other speakers questioned whether public would ever take to teletext or 2-way viewdata systems.

Two major on-air tests are now under way. CBS's KMOX-TV St. Louis began tests of French Antiope and British Ceefax/Oracle last week. KSL-TV Salt Lake City has been testing Ceefax/Oracle. KSL-TV's William Loveless, in fact, described one version of teletext with 2-way characteristics of viewdata—using Touch Tone telephone to select pages sent via air transmissions.

Texas Instruments' Al Curll pointed out consumer teletext decoder isn't simple, requires 4-6 ICs, probably can never be made with single chip. Pointing out 4 systems are in use now, he suggested advertisers probably would like system with higher resolution than any so far. Only high volume can cut costs, he said, which bear heavily on viewers (\$300-\$500 per viewing location in England vs. about \$100,000 investment by station).

Telegen's Joseph Roizen noted that French

Antiope isn't tied to TV line rate or vertical interval, can send "tens of thousands of pages" using entire spare TV channel if necessary. "In real time, you can dial up France from Washington" via satellite, he added. Antiope exhibit, in fact, permitted NAB visitors in Dallas to play tic tac toe with computer in Rennes, France.

Teletext & viewdata systems should be compatible, or at least have same display format, said Zenith's Carl Eilers. They also should be compatible with European systems if possible, he added. He asked for detailed study of ghosting effects on reception—ghosts can simply fool receiver into adding letters which shouldn't be there.

Most speakers recommended delay in closed TV captioning system (Vol. 19:13 p6) until it can be incorporated in teletext—but PBS's John Ball & Dan Wells as well as Barnathan objected from floor that to wait for teletext would unduly delay captioning and vastly increase its cost. TI's Curll agreed, saying captioning decoder would cost considerably less in first year than teletext converter costs in England after 5 years of use.

Thomson-CSF's Renville McMann suggested from floor that teletext/viewdata be sent by subcarriers of FM stations rather than in TV vertical interval. Telegen's Roizen commented: "Teletext developed in Europe but not here because there was no opposition there by advertisers."

In another NAB session, Arch Madsen, after 2 years' experiments with Ceefax at KSL-TV, said teletext has "unbelievable potential... Teletext is where TV was 25 years ago." He told us, he has potential sponsors champing at bit to use new service, once FCC permits. Sets with Ceefax should cost about \$25 extra in mass production, he said. He also said: "In a year or so, every broadcaster will have at least one satellite dish." At same session, Microband's Mark Foster, whose MDS stations subsist mainly on pay TV, says future of his industry lies in business rather than TV.

ABC-TV affiliate "raiding" team (Vol. 19:13 p3) has scored again, wooing WATE-TV (Ch. 6) Knoxville away from NBC. City is 2-V market, leaving NBC with Ch. 26 WTVK; switch will take place Oct. 1 "or sooner," ABC said. WATE-TV, owned by Nationwide Communications, dominates market. In other affiliate developments: (1) WCBI-TV Columbus, Miss., which switched affiliation to ABC 2 years ago, moves back to CBS. (2) KTAB-TV Abilene, Tex., which plans late summer start, also has affiliated with CBS. It'll be 2nd station in market; pres. is William Terry, former gen. mgr. of NBC-affiliated KRBC-TV Abilene.

AMST actions at NAB convention included general support of cable retransmission consent, continued effort to retain vertical interval for station use. A 7 a.m. breakfast engineering session, first such, drew large turnout.

Continental Cablevision plans to add HBO—has some 250,000 basic subscribers, passes half million homes.

DIGITAL VTRS SOON? Broadcasters trying to decide whether to buy the new standard 1" helical VTRs or make do with their quads until dawning of digital age got little guidance at NAB workshop or equipment exhibits—although there was no question that 1" Type C standard recorder (shown by 6 manufacturers) is becoming a quick success.

Big eye-opener was stunning hotel-room demonstration by Sony of digital VTR built around Type C format. Sony stressed that it considered digital VTR "only in the preliminary stages of the development process," and suggested that future digital recorder might be as small as current U-Matic recorder. Picture was excellent, with claimed 58-59-db signal-to-noise ratio (vs. 48 for standard VTR), recorder running at standard speed. Digital VTR demonstrated by Ampex at Feb. SMPTE conference (Vol. 19:4 p4, 19:7 p4) was modified 2" quad with 8 heads, running at full 15 ips, consuming 68% more tape than Sony's helical. Even with correction circuit disabled at our request, Sony digital showed usable picture.

Speakers at SMPTE-sponsored VTR workshop at NAB sought to reassure broadcasters that digital recorders were 5-7 years in future. However, Bosch-Fernseh's Hans Groll said he thought they might come sooner for special purposes where standards aren't important. This led to speculation that Bosch, whose Type B segmented helical 1" VTR is being clobbered in U.S. by Type C non-segmented, might make bold move to introduce perfected or near-perfected digital unit at next May's Montreux TV symposium and announce it's near production for special orders.

We asked Bosch's Henry Zahn, who declined to predict how soon digital VTRs might be available for special use, but conceded units for teleproduction, govt., etc., could come sooner than those designed for station use. He said Bosch hadn't decided whether to display digital VTR technology at Montreux, but added that it would be largely a "marketing decision." He forecast digital VTRs for stations probably would be available in 5 years—standardization efforts could start in one year, be completed 3 years later, with production machines the following year. Significantly, he noted that Australian Bcst. Commission had decided to stick with 2" quad machines, waiting for digitals as next step and skipping analog 1" helical generation.

Despite digital-induced indecision of some broadcasters, 1" Type C helicals were hit products of NAB show. As one manufacturer put it: "Even if digitals should come along in a year, some broadcasters could save enough money [compared with quad] by switching to helicals for that time." As forecast (Vol. 19:13 p5), Sony introduced new BVH-1100 VTR with "dynamic tracking" option similar to Ampex's automatic tracking system. Also as reported earlier, NEC showed production-model Type C recorder for deliveries starting in Sept., and Hitachi showed both console & portable Type C, limited deliveries this year. (NEC's negotiations with 3M for distribution of its VTRs fell through and company will market own products direct.) RCA displayed Sony-made Type C, Philips Ampex-made units, continuing

private-label deals made last year.

Ampex seems to be gaining ground in Type C battle with Sony. It snatched NBC summer Olympics \$4-million contract from under Sony's nose by being more flexible. Pact involves 41 VPR-2 Type C machines and associated equipment on lease basis with option to purchase. It's understood Ampex got contract because it was willing to take back the 41 time-base correctors involved. All originating equipment for Olympics in Russia is in SECAM color system, and TBCs can't be modified for NTSC.

Japanese firms were more evident and had larger spaces at NAB show this year, in obvious attempt to emulate Sony's success. Toshiba, Hitachi, NEC, Panasonic, Sharp & JVC all expanded product lines and beefed up organizations. Toshiba had first major display since forming Broadcast Electronics Systems Div. in Sunnyvale, Cal., with Ronald Fried, ex-IVC, as vp-gen. mgr.; N. Bud Schneider, ex-CEI, as product mktg. mgr.; Arie Landrum, ex-Lenco, eastern regional mgr. Toshiba, a major broadcast equipment supplier to Japanese stations, showed digitally controlled studio camera at \$90,000 for immediate delivery, fully automatic digitally controlled studio camera at about \$140,000 & up for late-1979 delivery, ENG/EFP camera at \$37,000-\$45,000 for 30-day delivery, portable production console at \$19,775.

NEC introduced line of VHF & UHF transmitters, demonstrated special-effects devices, including multi-image and "strobe-action" accessories to existing products. Panasonic showed new combination ENG/EFP camera and explored possibility of use of 1/2" VHS videocassette format for ENG with introduction of random-access recorder at \$1,600, player at \$1,300, with remote controls at \$150 & \$350, editing interface system for compatibility with 3/4" VCR, \$350. JVC's contributions included 2-Saticon portable color camera at \$2,700 and 3-tube camera at under \$25,000 displayed in both ENG & studio versions to get broadcaster reaction. Hitachi showed computerized studio camera starting in \$70,000 range.

First new transmitter line from RCA since 1969 got attention from broadcasters as did various makers' display of antennas for circular polarization. Four manufacturers—RCA, Harris, Cetec & Bogner—have 9 CP antennas now in use and some 18-24 stations committed.

We spotted only one major new product at NAB show—Thomson-CSF's Vidiplex system which uses "STRAP" technique to put 2 separate TV signals on same channel by interlacing alternate lines of 2 different pictures and reconstructing missing fields in decoding process. T-CSF recommends it for ENG microwave links, satellite transmission, closed-circuit networks. Vidiplex system is used by RCA Americom in its proposed AFRTS satellite transmissions. Mexican TV purchased 2 units to double capacity of its land-line network interconnection. There are some indications at least one pay-cable operator may use system to double number of movies on satellite. Encoder/decoder combination will be priced under \$20,000.

RCA SATELLITE STARS: More than 100 TV stations signed letters at NAB provisionally authorizing RCA Americom to install satellite earth stations for syndicated program distribution. Therefore, RCA is expected to drop plans for experimental period using only 4 Post-Newsweek stations, move promptly toward nationwide service.

Americom Pres. Andrew Inglis said interest in RCA system was intense from both TV stations and program suppliers. Decision to "push the button" depends now on commitments from programmers—something Inglis doesn't believe will be problem. Inglis said it's "95% certain" experimental period will be bypassed.

Americom system will be marketed under name SMARTS—Selective Multiple Address Radio & TV Service. Demonstration at NAB used 5-meter Scientific-Atlanta antenna, 4 S-A receivers, ITT scrambler. Cost of system for stations—but 2-channel—will be about \$40,000, Inglis said.

Rates for SMARTS are calculated on: (1) \$50-per-hour command & control center fee. (2) Earth-station fee ranging from \$50 per station to \$2.50, depending on whether use is occasional or contract. (3) Uplink & satellite charges ranging from \$750 per hour to \$100, depending on time period, whether service is protected or preemptible.

Examples: (1) 100-station network, peak time, protected, 6 hours per day, \$1,036.83 per hour, or \$10.37 per station hour. (2) 100-station network, peak time, non preemptible, occasional use, \$2,300, or \$23 per station hour.

Stations will be required to provide land for earth station, security, recording capability. RCA will provide all hardware, frequency coordination & clearance, installation, maintenance, insurance. Only loophole in RCA offer: Americom won't install "if, in its opinion, there will be insufficient customer demand for service... it is unable to frequency clear the site, or unable to obtain any necessary regulatory approvals."

RCA made so much news in Dallas there was little attention paid to other satellite promoters. Feeling most lonely was Western Union, which had planned major announcement but decided not to make it. Hardware makers on hand included Scientific-Atlanta, California Microwave, Rockwell-Collins & Gardiner Communications. All admitted prospects for selling earth stations directly to broadcasters—which had seemed bright until RCA announcement—dimmed considerably. Key now is selling to RCA, salesmen said.

Except for radio, satellites were ignored in official NAB sessions. At engineering workshop for radio, satellite experts concentrated on mechanics of satellite distribution. Biggest news here was also made by Americom, with Vp Harold Rice stating he believes half of radio stations in U.S. would be dish-equipped within 3 years of FCC deregulation of receive-only terminals.

Mutual Radio Network holds first-ever convention for affiliates June 3-5, Atlanta Hilton. Main speaker: Rich DeVos, pres. of Mutual parent Amway.

Petition to block satellite distribution of Boston stations and WOR-TV & WCBS-TV N.Y. will be filed by National Assn. of Independent TV Producers & Distributors, their attorney Margot Polivy told audience at session on retransmission consent at NAB convention. Copyright payment by cable systems is "minuscule," she said, running \$2.08 monthly per system vs. \$750 for station in syndication market. Metromedia's Preston Padden, while favoring retransmission consent, rejected NTIA's proposal to grandfather existing systems & areas. He also said: "NCTA calls our programs 'mere banalities'—so why do they want them?" NTIA's Paul Bortz mused about possibility of "an ad-supported division of Home Box Office." NAB distributed memo saying association hasn't taken final position on retransmission consent, and board will consider recommendations June 25. Dept. has distributed questionnaire seeking stations' positions on issue. Meanwhile, in copyright session, David Polinger, WPIX N.Y., head of NAB's copyright committee, said group hopes to agree on final broadcast industry royalty-distribution system in April 6 meeting. He noted that cable will have paid \$12 million in royalties by mid-1979, and "next year it could be \$20 million, the year after \$30 million. Who knows?"

Superstations are beginning to concern pro sports, according to their spokesmen—but they didn't say much more than that at NAB session. NAB's Larry O'Brien said cable and superstations "are becoming very troublesome—lots of saturation that way." Baseball's Bowie Kuhn said "we're beginning to worry about" superstations. Asked about impact of pro sports TV on college & high school sports, NFL's Pete Rozelle stressed that there are few pro games on Fri. or Sat. O'Brien said he "noticed no conflicts." Kuhn said it's a "myth" that pro telecasts are hurting minor league baseball growth. But that was about all there was of significance about TV. Most audience questions were about expansion, injuries, Cosell, etc.

House Communications Subcommittee oversight hearings during April: April 3—Public Telecommunications Financing Act. Witnesses: CPB Pres. Robben Fleming; Michael Middleton, HEW; James Fellows, public TV Interregional Council; panel on public broadcasting insulation with PBS Vice Chmn. Hartford Gunn, former CPB Pres. Henry Loomis, former Presidential media advisor Barry Jagoda, former CPB Pres. John Macy, NPR Pres. Frank Mankiewicz. April 4—WARC. Witness: Glenn Robinson, head of U.S. delegation. April 10—NTIA. Witnesses: Commerce Secy. Juanita Kreps (tentatively), NTIA head Henry Geller. April 11—FCC. Witnesses: FCC commissioners.

KAKE-TV Wichita is being sold to San Francisco Chronicle (KRON-TV) for "in excess of \$26 million"; Pres.-Gen. Mgr. Martin Umansky (5%) will remain. KAKE(AM) also is expected to be sold. Other sales: (1) WWTW Cadillac, satellite WWUP-TV and 8 micro-waves, by Fetzer Bcstg. to Wilson Communications for \$6 million, paid over 3 years; Gene Ellerman remains as vp-gen. mgr. (2) Southwestern Bcstrs. (6 radios, including KPRI(FM)) is buying KOGO(AM) San Diego for \$7 million.

Personals

Retiring CBS News Pres. **Richard Salant**—and soon to be NBC vice chmn. in charge of news (see p. 7)—receives Paul White Award for distinguished service to broadcast journalism Sept. 8 at RTNDA convention in Las Vegas.

NBC-TV appointments: **Sara Dempsey** promoted to west coast dir.-current programs; **Toni Barton**, ex-Lorimar Productions, named west coast casting mgr.; **Robert Niles** advanced to dir.-financial evaluation; **Louise Lillibridge** promoted to supervisor, west coast unit mgrs.; **Barbara Garshman** advanced to dir.-program development, East Coast.

William Schwartz, KTVU San Francisco-Oakland vp-gen. mgr., promoted to Bcstg. Div. pres. of parent Cox Bcstg., Atlanta hq; Cox Exec. Vp **Stanley Mouse** assumes responsibility for publishing, auto auction & program production divs. in addition to broadcasting... **Paul Freas**, ex-WPIX N.Y., moves to WGN Continental as chief financial officer; he's replaced as WPIX chief financial officer by Controller **John Healy**.

Sheldon Siegel, exec. vp-gen. mgr. of WLVT-TV Allentown, elected pres.; **Harold Hutchison**, chmn.; **Robert Hewitt**, vice chmn.-finance... **James Fletcher** named national sales mgr., WGHP-TV High Point; **William Ferrick** to retail sales mgr.; **Leo Derrick** regional sales mgr.; **Ben Mann**, ex-WVIR-TV Charlottesville, Va., joins WGHP-TV as technical operations dir.; **Kathy Thompson** promoted to ad-promotion mgr.

Rev. **Jesse Jackson** address April 20 ATAS luncheon, Century Plaza Hotel, L.A... **Ned Paddock** promoted to sales dir., WRC-TV Washington; he's replaced as sales mgr. by **Allan Horlick**... **Greg Gush**, ex-Katz American TV, appointed national sales mgr., WMAR-TV Baltimore... **Ronald Coleman**, House Communications Subcommittee minority counsel, resigns.

Ahead of Rewrite II (see p. 4), commercials for PBS have been urged in petitions to FCC by public TV stations KAET Phoenix & WNED-TV Buffalo. They asked for 18-month test of clustered institutional advertising, maximum 6 min. daily in 3 clusters, with no ads in children's time periods, no program interruptions. **Robert Ellis**, KAET mgr., says ads are necessary to expand local fundraising. He admits proposal has been met with "apprehension" by commercial broadcasters and many in PBS system. Institutional ad concept has been drawing increased attention within PBS recently; proposal for test is called "Institutional-Oriented Underwriting" (IOU).

Several Cox Cable execs., including Pres. **Henry Harris**, are branching out to start own cable firm. It's understood that Newhouse is financing operation, which will be separate from Newhouse's own New-Channels Corp. with some 170,000 subscribers. Name of Harris successor hasn't been learned.

ESPN's new NCAA satellite service for cable (Vol. 19:13 p5) had signed first cable group—United Cable.

WEEKLY Television Digest

with
Consumer Electronics...

PUBLISHED BY TELEVISION DIGEST, INC.

Copyright © 1979 by Television Digest, Inc. Reproduction in any form, without written permission, is prohibited.

Also publishers of annual *Television Factbook* and weekly *TV, AM-FM & Cable Addenda*, *Cable Atlas*, biweekly *Public Broadcasting Report* and other special publications

EDITORIAL & BUSINESS HEADQUARTERS

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

WASHINGTON HEADQUARTERS

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

Television Factbook

Mary Appel ... Editorial Director
Sean P. Maloney ... Managing Editor

Business

Edward L. Sellers ... Sales Dir.
Roy W. Easley III ... Business Mgr.
Barbara J. Pratt ... Asst. Sales Dir.
John W. Thompson ... Circulation Mgr.

NEW YORK BUREAU

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

David Lachenbruch ... Editorial Dir.
Robert E. Gerson ... Senior Editor
Christopher Kelly ... Assistant Editor

JAPAN REPRESENTATIVE (Editorial & Business)

John H. Nakamura

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

Final week of FTC children's TV ad hearings left some industry representatives with conviction hearing officer **Morton Needelman** plans to propose some restrictions. Said one lawyer: "He doesn't like Saturday mornings and he doesn't like highly-sugared ads... Obviously, the judge is looking for some form of regulation." Lawyer said toy ads may not be in serious trouble, however. Attorneys now will make proposals concerning disputed issues to **Needelman**. Meanwhile, at NAB convention session, FTC's **Tracy Westen** advised broadcasters that "there are more important issues for broadcasters to defend than advertising to children," asking that all parties "put their heads together" to find answer. NAB's **Brenda Fox** argued that result of FTC's proposed restrictions would be reduced programming for children.

By 3-2 vote, FCC refused tax certificate in sale of KVVU-TV Henderson-Las Vegas by **William Herndstadt** to **Carson Bcstg.**—about 30% owned by minorities, 30% by **Johnny Carson**. Opposing certificate were **Ferris**, **Fogarty & Brown**, in favor **Quello & Washburn**, **Lee** absent. Sale was approved; price now goes up \$500,000 to \$5.5 million.

WBOC-TV Salisbury, Md. won't have to disclose financial condition, advising FCC it no longer objects to carriage of 6 Philadelphia stations by cable systems in Salisbury market. Earlier, Commission had concluded carriage wouldn't hurt station, gave it 20 days to respond.

Former FCC Comr. White (expected to be named Washington representative of **Gannett** or **INTV**) last week told Chief Executives' conference in Ariz. that without legislative action, free speech restrictions on broadcasters are likely to spread to print and new electronic media.

Consumer Electronics®

A Section of Television Digest with Consumer Electronics

MANUFACTURING & SALES • TV • PHONOGRAPHS • TAPE PRODUCTS • RADIO • COMPONENTS • NEW PRODUCTS • FINANCE

STATE OF THE INDUSTRY

Sales to dealers (total market), from EIA, for week ended March 16 (11th week of 1979):

	March 10-16	1978 week	% change	March 3-9	1979 to date	1978 to date	% change
Total TV.	313,688	345,914	-9.3	314,281	3,109,248	2,962,510	+5.0
color	193,832	215,317	-10.0	201,493	1,940,783*	1,899,981	+2.1
monochrome	119,856	130,597	-8.2	112,788	1,168,465	1,062,529	+10.0
Home VCR	7,714	—	—	10,552	82,958*	—	—
Total radio	595,141	768,097	-22.5	587,940	8,029,294	8,496,284	-5.5
home, portable . .	336,690	511,845	-34.2	320,070	4,914,410	5,803,189	-15.3
AM-only	110,697	158,017	-30.0	106,451	1,517,850	1,674,031	-9.3
FM & FM-AM . .	225,993	353,828	-36.1	213,619	3,396,560	4,129,158	-17.7
auto	258,451	256,252	+0.9	267,870	3,114,884	2,693,095	+15.7

Color TV 5-week moving average: 1979-190,252*; 1978-187,182 (up 1.6%).

*Record for period.

FIRST-QUARTER VCR SALES 80% OVER '78: First-quarter VCR sales to dealers probably topped 100,000, 80% above figure for same 1978 period. Based on EIA figures (with only 13th week estimated), there's some indication rate of sales increase over last year may be slackening—reinforced by historic fact that industry began pulling out of those terrible post-Christmas doldrums in April last year. Here are monthly figures for first quarter:

Month	1979	1978	% change
January	23,300	13,567	+72.0
February	32,881	14,954	+119.9
March (5 weeks)	44,700 (est.)	27,415	+63.0
1st qtr.	100,911 (est.)	55,936	+80.4

It's extremely unlikely high rate of increase can be maintained. Last year, 2nd quarter saw sales of 86,554, 3rd quarter 100,099, 4th quarter 159,370. If 80% increase should continue all year, or if last year's seasonal sales pattern applied this year, total would top 725,000. If VCR follows color TV's seasonal patterns this year, total will be 450,000. It's obviously going to be somewhere in between.

Japanese VCR exports to U.S. declined from year earlier in Feb. for 4th consecutive month, totaling 34,564 (down 20.9%). Fact that number is almost same as Feb. sales to dealers and below March sales may indicate inventory readjustment based on overestimate of 1978 sales is coming to end.

Videocassette prices definitely are headed upwards, meanwhile, with new increases probably to be as well disguised as preceding series, which already have seen Beta prices rise from \$16 to as high as \$20 for 1-2-hour cassette, VHS cassettes from \$20 to as much as \$28.50 for 2-4 hour—proving that axiom of audio also holds true in video: The higher the production of tape, the higher the cost. (Details on page 14).

ALEXANDER'S COPS TV-REBATE FRAUD PLEA: Guilty plea in criminal TV rebate fraud case last week by N. Y. discounter Alexander's, and Customs' intention to press civil charges, indicate that any deal for package settlement of entire Japanese TV dumping issue is tenuous at best. Data released in connection with Alexander's action show that potential civil liabilities of relative handful of importers involved in rebating could approach the \$500 million in maximum pen-

alties faced by all importers cited in regular dumping case.

Alexander's was fined \$5,000 by Judge Morris Lasker for "willfully & knowingly" submitting false invoice to Customs and concealing fact it got \$25.18 back on each of some 2,000 sets it imported in 1974 from Japan's General at apparent price of \$71.95. In return for guilty plea, govt. dropped similar charges covering other shipments.

But case apparently isn't over. U.S. Attorney David O'Connor told us Customs is planning to bring civil charges, and he's turning documents over to that agency. He said Customs plans to hit Alexander's with about \$200,000 in normal dumping duties on 13 shipments, seek about \$1 million in rebate-related civil penalties. While Customs could seek penalties equal to value of merchandise involved, current policy calls for asking 8 times sum of duties evaded, O'Connor said.

Case marks first successful prosecution under rebate investigation Justice has been conducting for year. It's also first revelation of investigation in N.Y. area where, O'Connor said, evidence involving several other companies is being presented to grand jury. In past, Justice has confirmed it was giving evidence to grand juries in Norfolk, Chicago & L.A., with J.C. Penney, Montgomery Ward & Sears most frequently mentioned as major importers involved. Midland International & Gamble's voluntarily disclosed receipt of rebates, and Gamble's negotiated settlement with Customs last year. Issue isn't accepting rebates, which isn't illegal, but defrauding Customs of duty by failing to report them. In Alexander's case, company paid extra \$1.25 per set in normal 5% duties, while hiding rebate which would have increased dumping duty assessment by \$25.18 per set.

Customs spokesman told us \$200,000 in dumping penalties sought from Alexander's is only for regular assessments already made. Customs has sent out dumping bills only for shipments through June 1973, and those are subject to reductions of 40-90% if it makes business-cost adjustments sought by Japanese (Vol. 19:13 p10). Size of rebate penalty asked will be keyed directly to actual amounts involved.

Alexander's case, which disclosed 30% rebate—and so an extra 30% dumping margin—may or may not be typical. But if rebating was widespread, and only at 10% rate, it could leave Sears open to penalties of about \$250 million on sets imported through March 1977, in addition to \$59.5 million in potential regular dumping duties. For J.C. Penney, civil penalty bill could be \$80 million, tab for Montgomery Ward in neighborhood of \$20 million. That's \$350 million for those 3 alone. U.S. marketing subsidiaries of Japanese TV makers aren't involved directly in rebate issue, since dumping penalties are calculated from their resale prices here, not what they're charged for sets by parents.

Difficulties of processing complicated dumping cases are spotlighted in GAO report to Congress which says Treasury's manpower shift to speed up handling of TV dumping last year resulted in doubling work backlog on other cases. To clear up situation, it recommends: (1) Congress amend laws to provide uniform investigation & remedy in dumping, countervailing duty and unfair import competition cases, simplify dumping probe requirements, have International Trade Commission (ITC) hold preliminary injury probes in dumping cases. (2) ITC should monitor dumped imports, check effectiveness of dumping penalties and institute formalized injury determination procedures. (3) Treasury should be required to make annual dumping enforcement reports to Congress, restrict dumping investigations to 15-18 months, establishing uniform dumping bond posting requirements for all ports. As they stand now, GAO says, anti-dumping laws are too hard to administer, fail to provide intended protection for domestic manufacturers.

Treasury, meanwhile, has launched spate of countervailing duty probes aimed at Japan. If imposed, extra duties of 4-10% would be imposed to offset aid given small Japanese exporters by govt. to cushion losses suffered as result of rising value of yen. Electronics involved at this time are only tape recorders & dictating machines. To avoid paying higher duties, importers here would need letters from Japanese govt. certifying that their suppliers didn't receive such aid.

Japan's Feb. TV exports to U.S. dropped 55.3% to 121,540, with color down 36.1% to

71,400, b&w off 68.8% to 50,140, Finance Ministry reports. For 2 months, total shipments of 188,200 were down 65.9%, color at 114,700 off 52.3%, b&w at 73,430, down 72.9%. Japanese are compensating for color export decline by shifting more output to assembly plants here, and Matsushita has actually halted production at one export-only facility in Japan. We estimate Japanese factories produced 1.6-1.8 million color sets in U.S. last year, estimate expected total at 2.5-2.7 million for 1979.

GE FIRM NO. 3 IN COLOR—WELLNER: "There's no question in my mind that we are the 3rd largest color manufacturer" in U.S., Fred Wellner, GE TV Business Dept. gen. mgr., said at annual press briefing in N.Y. last week, where firm unveiled highlights of 1980 color line. Wellner emphasized he wasn't claiming 3rd place for GE brand—which he said increased its market share in each of last 3 years—but was including private-label business. That segment got boost last year when GE picked up "a substantial part" of Montgomery Ward business formerly handled by Admiral.

GE TV business was profitable last year even though overall average pricing was below 1977 level (despite price increases), and "I hope this year they can get back to where they were in 1977," Wellner said. Outlook is for repeat of 1978 pattern of small hikes during year, but key to making boosts stick is in hands of Japanese, he said. "The question is whether the Japanese shift to U.S. production will be accompanied by a return to aggressive pricing."

For manufacturer in hotly competitive color TV business, best chance to increase profits lies in cost-cutting—and warranties, "the biggest cost element we have a handle on." This area GE is eyeing with new "Energy Conscious" 28-kV 100-watt chassis it will use in 19" color this year, 25" next year. Basic chassis has 5 modules, accepts additional boards for VIR & automatic color circuitry. "It will come very close to the highest reliability that the Japanese have," trimming warranty costs, Wellner said, candidly admitting GE "drew heavily on Hitachi's experience" in designing it. Earlier this year, Justice blocked GE-Hitachi plan for joint U.S. TV manufacturing venture, "but we are still negotiating with Hitachi to come up with something that will have the benefits of a joint venture," Wellner stated.

GE's color business is changing in nature as well as growing in size, Wellner said, noting that last year it sold more 25" than 10" sets for first time. To support growth, GE is expanding Syracuse tube plant as well as facilities in Portsmouth & Singapore. He said GE will continue in tube business because "making our own tubes helps from a profitability standpoint," stated there are no plans to broaden OEM sales, which now account for about 15% of tube volume.

Wellner forecast 1979 color sales of 9.2 million, down 9.8% from 1978, in belief industry won't be able to maintain higher sales pace of this year's first quarter. He put home VCR sales at 555,000, up 37%, predicted programmable models will account for 60-70% of 2nd-half business. High-end video projectors (\$2,500 & up) he put at 60,000-75,000, against 60,000 in 1978, with GE continuing to hold about 15% market share. Wellner said GE is studying video-disc business, predicted disc players will outsell VCRs within 5 years.

GE demonstrated 2 new electronic tuners. First is one-knob 82-channel model with LED display which uses coded plastic disc for voltage control. Other is hand-held keyboard remote which provides both random-access & scan channel selection. New VIR II models also will have automatic color correction circuitry which switches in when station isn't transmitting VIR signal. VIR circuitry has been simplified using Matsushita-made IC. "EC" chassis sets will have new 90-degree narrow-neck self-converging slot-mask tubes. GE also unveiled its first Hitachi-made VHS VCR, programmable for 5 different start-stop times over 7 days.

First 1980 models from Sylvania are 13" pair unchanged at \$300 & \$320; new 19" are drop-ins at \$450 & \$470, latter with electronic tuning; Superset 21" with electronic tuning start at \$540, step to VIR model at \$590, VIR-remote at \$670, all up \$10.

FCC amended CB rules, at request of Consumer Product Safety Commission, to include bold-faced warning to consumers to use caution when installing or removing base-station antennas near overhead electric power lines.

NARDA is opening San Francisco office to serve members in 11 western states. Exec. Vp Jules Steinberg will head new office, which opens Oct. 1. Official hq will remain in Chicago under Managing Dir. Mickey Walters.

VIDEOCASSETTE PRICES HEADED UPWARD: Fond hopes for less expensive blank cassettes and predicted \$29.95 price point for prerecorded movies may have received fatal blow from worsening oil price situation. Several videocassette manufacturers are saying that growing petroleum-based raw materials prices will force 2nd round of increases which won't be matched by savings from quantity production.

"The gas crisis has hit Japan hard and because the videocassettes have been moving so well we don't have much inventory to fall back on," said Fuji Magnetic Tape Div. Vp John Dale. "I think you'll see a 10% increase in videocassette prices by CES time or fall at the latest." 3M's Don Rushin concurred: "The raw-materials situation is hurting us as much as it hurts the Japanese. We're going to see some sort of price increase by fall."

Other manufacturers say they're committed to holding line. Sony's Teri Aoki said: "Our inventories are OK right now, even [3-hour] L-750 is in good supply, so as far as Sony is concerned—no price increase." TDK & BASF said their prices are stable for now but will closely reflect market action.

Price increases may appear in form of fewer special sales on videocassettes. Recent ad by Long Island, N.Y. store offered TDK & Ampex videocassettes on sale in wholesale quantities, told readers "avoid price increases—last time at these prices." Fuji's Dale indicated he thought suggested list prices probably wouldn't reflect all of increased wholesale costs, but that future sales would be made closer to list.

Price increase talk comes when other companies are preparing to enter videocassette market. Memorex is in "pre-production" stage with VHS tape, plans to have it on shelves before end of 2nd quarter, expects to be producing Beta tape by year end. Maxell is beginning cautious VHS rollout this month, wants to have national VHS distribution and begin Beta production by fall.

Big buyers of blank cassettes haven't heard much price-jump talk. Magnetic Video Corp. Consumer Product Gen. Mgr. Robert Vandergrift said: "The Japanese have indicated to us a desire to keep videocassette prices firm for as long as possible. They're concerned about the videodisc situation." Vandergrift said that blank tape price increases wouldn't be passed on immediately to consumer in form of MVC increases. Fotomat's Steve Wilson commented: "Our volume of sales is increasing so rapidly that we look for the price of tape to go down within the next few months." Wilson added that Fotomat pre-recorded tape rental program is scheduled to begin in May, "contingent upon our signing with a major Hollywood studio."

Videocassette prices actually have been creeping up ever since first VCR introductions, despite vast increase in production. Sony's original K-60 cassette at \$16 was replaced by L-500 (with same amount of tape) at \$17; L-500 now lists at \$18, and most of Sony's competitors are at \$17 or \$18 list. Newer TDK & Ampex branded Beta tapes are \$20.

VHS cassettes also have been on upward spiral. First VHS cassettes, from JVC (T-120), were \$20,

but RCA established new pattern of \$25 for same cassette, went up to \$27 last Aug. JVC increased to \$25, then to \$26. When TDK went into field under own name, it priced T-120 at new high of \$28. Maxell's new T-120 appears to reflect more cost pressures at \$28.50. Incidentally, Maxell's T-60 half-length cassettes also are at new high—\$20 vs. \$19 for RCA, \$18 for most others. So much for canard that "tape prices come down with high production" (which never has held true in audio tape, either).

In other tape developments, manufacturers are now pondering possibilities of 6-hour VHS tape. Rumor that JVC was marketing T-180 cassettes started in N.Y. when some showed up in stores; it turns out they were among 30 experimental samples stolen from warehouse. Fuji's Dale said: "The technical problems are formidable. The tape has to be made much thinner, requiring extremely precise alignment between the tape & heads. We might have it by the end of the year." BASF's Ivan Sieben had typical opinion: "Does the consumer want a 6-hour tape? If so, we'll make it. But we'll let the other companies break their necks on this one."

JVC videodisc system demonstration was scheduled for April 10 in N.Y., then canceled or postponed. The grooveless capacitance VHD system, first described by Television Digest one year ago (Vol. 18:12 p14), is one of 2 Japanese systems in intense competition—other being Visc system developed by Matsushita (which owns 51% of JVC). With some modifications, Visc could be brought into compatibility with RCA system, and it's believed Matsushita is currently in throes of deciding whether to adopt system compatible with RCA's or espouse new "standard" such as VHD or current Visc system. Visc, demonstrated in U.S. at CES last June & Jan., is scheduled for another demonstration this week at IFA seminar in Hilton Head, S.C.

Sanyo will produce TV captioning decoders and color TVs with built-in decoders to be marketed by Sears next year as part of HEW-funded program to make TV more useful to deaf viewers (Vol. 19:13 p6). Sears spokesman said company expects to about break even on decoders, which will run \$225-\$250, but should make profit on 19" decoder-inclusive color sets at about \$500. Sears will pay \$8 per-unit decoder royalty to National Captioning Institute. Sears said it has no estimate of 1980 unit sales.

Programmable video game business in 1978 didn't live up to early expectations of million-unit sales. Industry sources say market in 1978 was around 650,000-700,000, predict 1979 will be "flat" year. Casualties: Coleco & Fairchild are out of programmable business, with \$140 Fairchild Channel F game on sale in N.Y. for \$80. Atari says it has inventory of 200,000 programmables; others say figure is closer to 400,000.

Magnavox line showing for internal sales force in Phoenix starts April 30, not March 28 as incorrectly indicated here last week. . . Superscope launches 1980 showings of Marantz, Imperial & Superscope lines in N.Y. this week, follows with shows in Chicago & L.A.

SLOT MASK SWEEPS TUBES: Virtually unmarked, an era in color TV will end with production of new models this year. Delta-gun picture tube with its associated dot mask, first introduced with start of color production in 1953, will pass into history this year (although production will continue for replacement market).

Successor to delta-gun dot-mask tube is in-line-gun slot-mask (or slit-mask, in case of Sony's Trinitron), which in recent past has swept small sizes, in last 2 years took over 19", and this year completes domination of color tubes by universal application to 23" & 25" tubes. Advantages of slot mask are simpler TV set manufacturing process and greater reliability because of elimination of most convergence adjustments.

Recent gun developments have made it possible to apply slot-mask principle to large-screen tubes without diminishing resolution—and have added to TV vocabulary such fascinating terms as tri-pot, bi-pot, hi-bi & lo-bi. These refer to electron gun systems used to achieve high resolution from slot masks—tri-potential, bi-potential, high-voltage bi-potential, low-voltage bi-potential.

As slot-mask design sweeps large-screen tubes, deflection angles generally are creeping up from 90 to 100 degrees—although not without exception. Wider deflection angle makes possible slimmer TV set, helps improve focus, although it uses slightly more energy. Most high-end 19" sets will soon use 100-degree hi-bi tubes, low-end 90-degree lo-bi. Tri-potential system pioneered by Zenith is being employed by most set makers in 25" tubes (all 100-degree), with major exception of RCA which will use hi-bi 100-degree.

Picture tube plants are still busy, coming off banner year, despite slowdown in European color TV sales, and U.S. manufacturers cite dollar devaluation and orderly marketing agreements as helping them strongly. Although prices of new-type tubes are slightly higher than predecessors, set makers still save money on entire system (set & tube), and tube manufacturers point out that in last 2 years there's been only one price increase (4%).

Slot-mask tube has already swept Europe & Japan. John Kratz, sales mgr. of top shadow-mask manufacturer Buckbee-Mears, forecasts sweep of U.S. will be complete by year's end.

"Quadrupotential" electron gun developed by Toshiba is claimed to make possible 10% reduction in color set power consumption in narrow-neck tube (22.5 mm). Toshiba claims power consumption of heater can be cut 50% and deflection power 25%. First production will be in 13" tubes, including those used in Toshiba's Tenn. plant, with 15" & 17" following within 2 years.

Sylvania executives & engineers recently held series of demonstrations of new picture tube developments for TV set makers in Japan & Brazil in attempt to persuade Japanese manufacturers to buy Sylvania tubes for sets they produce in U.S. and to increase exports to Brazil.

MITSUBISHI TO U.K.: Mitsubishi became 5th Japanese color TV manufacturer to establish European production base, through acquisition of bankrupt Tandberg's Scottish facility from Norwegian govt. for about \$1.8 million. Mitsubishi said plant in Haddington will be re-equipped with some financial help from U.K., start producing at 2,500 monthly rate by fall. Over next 3 years, capacity will be increased to 100,000 annually, employment doubled to 250, and facility will export to other EEC countries, company said.

Sony & Matsushita currently have U.K. color assembly plants, each turning out more than 100,000 yearly, and Sony recently announced plan for 50% expansion. Last Aug., Toshiba acquired 30% interest in Rank's TV business, will have operational control of new venture, Rank Toshiba, which will start production later this year at 175,000 annual rate. In Dec., Hitachi agreed to acquire 50% of British GEC's consumer electronics business, is slated to start output at 150,000 annual rate by end of this year.

Meanwhile, Norway turned down \$14-million loan request from employe group planning to take over Tandberg's domestic color TV & mid-fi stereo business. Govt. decision, which means permanent dismissal for some 1,400 workers, stemmed from report by outside consultants showing unit had little chance for profitability. Operation could still be sold to outside local & U.K. investors who have expressed interest. Fate of TV has no effect on Tandberg's profitable hi-fi business, now operating under interim financing while program for long-range funding awaits approval.

EIA's Consumer Electronics Group canceled recruiting drive it had planned for non-member manufacturers at this week's EIA Spring Conference (Vol. 19:11). There was no immediate explanation except that major invitation to non-members to attend meeting had been postponed until fall. At EIA's annual govt.-industry dinner, Sen. Kennedy (D-Mass.) will present EIA Medal of Honor to Robert Sprague. House Speaker O'Neill (D-Mass.) will be main speaker.

Porn software firm International Home Video Club has killed advertised "VIP Preview Club" plan. For \$300, consumer could order IHVC videocassettes through dealer, pay for only ones he wanted to keep. IHVC said dealer response was minimal. "Trade-in Club" plan has been substituted; consumer sends IHVC \$30 registration fee, can then get new film direct from IHVC in exchange for old one and \$20.

Bell & Howell agreed to repay \$1.2 million to former mail-order students in consent settlement of FTC complaint it failed to properly screen students, misled them about job opportunities. Students were taking TV repair & accounting home-study courses from division B&H discontinued 3 years ago. B&H accepted settlement without admitting legal violations.

Thomson-CSF of France has changed name of U.S. components subsidiary from DuMont Electronics to Thomson-CSF Components Corp.

AM STEREO FEVER: AM broadcasters are championing at bit to go stereo, according to responses to questionnaire sent by AT&T to random sample of stations and revealed by Long Lines' John Heath at NAB convention seminar in Dallas. Results indicate that nearly 50% of stations plan to convert to stereo within year after FCC authorizes system. Some 75% of all AM broadcasters plan to convert, most of them as soon as possible. Broadcasters intend to convert to hi-fi AM operation along with stereo. Asked about frequency response range desired in studio-transmitter links (STL), more than 90% specified 15 kHz.

AM broadcasters no longer are buying mono equipment, said consultant James Loupas, but are acquiring high-quality stereo studio gear in anticipation of switch to stereo. Eleven stations have authorization to test one or more stereo systems, said FCC's John Taff. Commission has extended deadline for comments on AM stereo for 4th time—to May 15, replies June 15.

Receiver manufacturers said they'd be ready. Sprague's Oliver Richards said IC could be designed quickly for any system developed, and major goal was under-\$20 portable. Consultant Jon Grossjon said he was already designing hi-fi AM stereo radios for clients. Delco's Bud Votava forecast AM stereo would have 30% penetration of car radio market 2-3 years after introduction.

Discussion became brusque after several in audience accused manufacturers of forcing public to buy poor radios. Moderator Norm Parker (Motorola) replied that he felt if people wanted to buy \$10 radios with 2-kHz frequency response, they "should have the option to buy what they want"—accompanied by hoots and cries of "No! No!" from audience. NAB engineer Christopher Payne calmed audience by urging "labeling system like the NAB [Code] seal," with quality ratings for "type A, B or C" radios so public knows what it's buying.

Consumer Electronics Personals

Adam Yokoi, Panasonic Product Engineering Div. gen. mgr., named vp; other div. gen. mgrs. appointed vps: Jeff Berkowitz, Technics & Home Audio, Scott Minakami, Industrial Sales... Robert Cahill advanced to GTE Consumer Electronics asst. controller... John Fortino promoted at Quasar from mdsg. & sales promotion mgr. to national ad mgr., succeeding Robert Farris, being reassigned to Canadian subsidiary... Anthony Frolo, ex-RCA Solid State Div., joins Sharp Industrial Equipment Div. as mktg. communications mgr. responsible for Consumer Calculator, Calculator Systems, Copier & Cash Register Divs.

Victor Campos, ex-AR, appointed EIA Consumer Electronics Group member services dir., new post; Kelly Mansfield named EIA PR dir... Martin Wolf, Vancouver, Wash., elected NARDA pres., replacing William Fisher, Rockford, Ill., who becomes chmn., succeeding Hardy Rickvold, Worthington, Minn.

C. Lester Hogan retires May 4 as Fairchild Camera vice chmn., will continue as dir. & technical advisor.

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
Advance Ross			
1978-year to Dec. 31	35,153,299 ^a	(106,784)	--
1977-year to Dec. 31 ^b	36,353,188 ^a	2,259,029	.66
Tektronix			
1979-40 wk. to March 3	576,435,000	55,623,000	3.09
1978-40 wk. to March 4	439,044,000	42,180,000	2.37
1979-16 wk. to March 3	237,799,000	23,162,000	1.28
1978-16 wk. to March 4	178,345,000	16,651,000	.93
Tele-Communications			
1978-year to Dec. 31 ^b	63,632,000	6,560,000 ^c	1.14
1977-year to Dec. 31 ^b	52,790,000	1,355,000 ^c	.18
Tenna			
1979-year to Jan. 31	53,452,503	37,232 ^c	.01
1978-year to Jan. 31	53,463,530	(5,205,376)	--

Notes: ^aFrom continuing operations. ^bRestated. ^cIncludes special credit.

Antitrust suit against GM was filed last week in Alexandria, Va. by 9 auto hi-fi distributors & retailers. Supported by CASA (Vol. 18:37 p12), suit alleges that GM will restrain trade by factory-installing radios on new X-frame cars. Reportedly, AM radio will be standard on all X-cars—Chevrolet Citation, Buick Skylark, Pontiac Phoenix & Oldsmobile Omega; Citation has unique vertical radio dash configuration preventing installation of current in-dash custom radios. "Car of the '80s" X-car will be subject of \$115-million ad campaign by GM this year. At NAB convention, Bud Votava of GM's Delco conceded that about 85% of U.S.-built cars come with factory-installed radios.

Home audio taping survey is being sponsored by Copyright Royalty Tribunal, which is now accepting bids for research intended to show economic impact do-it-yourself taping has on music industry income. Sample questionnaire asks about equipment owned, frequency & type of material taped, whether taping has cut into purchases of discs & pre-recorded tapes. Outcome of survey could determine need for levy or tax on recorder & blank-tape sales to compensate program owners for revenue losses. Germany has established such a program on hardware, and similar moves are being considered in Japan & U.K.

World Bank will lend \$29 million to Korea Institute of Electronics Technology to help finance \$62.9-million research program, with rest of funding provided by Korean govt. and local manufacturers. KIET will launch R&D and engineering programs, operate training center aimed at broadening Korea's electronics manufacturing base.

Sony color TV sales goal for U.S. in 1979 is 700,000, up 17% from last year's 600,000. San Diego plant is slated to produce 500,000. Worldwide sales goals include 2 million color. (1.9 million in 1978) and 600,000 VTRs (400,000 in 1978). No U.S. VTR sales target was announced.

WEEKLY

Television Digest®

with
consumer
electronics®

34th YEAR OF PUBLICATION
34
1945 - 1979

The authoritative service for broadcasting, consumer electronics & allied fields

APRIL 9, 1979

SUMMARY-INDEX OF WEEK'S NEWS

VOL. 19, NO. 15

Broadcast

NAB ANALYZES REWRITE II: Staffers less harsh on bill than its predecessor. Report on spectrum fee, licenses, etc. (P. 1)

GELLER URGED RELEASE of public broadcasting papers of Carter Administration, as well as those of Nixon and Ford, memo shows. NTIA head anticipated charges of 'covering up'. (P. 2)

ABC TV's PIERCE—PROGRAMS, RATINGS, PTV: Defends quality & diversity, discusses late-night plans, theatrical moves, more sweeps. Says PTV should offer 'alternative service.' (P. 2)

COURT KILLS ACCESS RULES: Supreme Court holds cable not common carrier, also implies rules may be barred by First Amendment. (P. 4)

CBS HIT ON CAPTIONS: FCC session rough on network for dissenting from other networks, insisting on teletext. (P. 4)

VAN DEERLIN TRIES TO CALM CABLE: Asserts 'program consent' vastly better than 'retransmission consent.' Claims Rewrite II has many advantages for cable. Daytimers & Ariz. Bcstrs. Assn. react to bills. (P. 5)

NAB & NCTA CONVENTIONS conflict next year, no solution yet in sight. (P. 5)

U.S. HASN'T PAID ITU DUES, may be embarrassed at WARC negotiations, Robinson testifies. (P. 6)

NAB ANALYZES REWRITE II: NAB staff last week went through Rewrite II with several fine-toothed combs, came up with analysis and comments far less harsh than similar analysis of Rewrite I.

Highlights of report, sent to board members: (1) Spectrum fees—"Under this proposal, as compared with [Rewrite I], broadcasters would have a far better idea of what they would have to pay in the future... It is also a plus that the proceeds are not tied into financing [anything else]... On the other hand, the concept of paying for the use of the spectrum is one that broadcasters find objectionable. Also, this fee is based on gross revenues which would mean that it must be paid, no matter what the financial conditions of the licensee... [Fee] seems more like a tax."

(2) On licenses—"These provisions are all essentially the same as [Rewrite I]... As under [Rewrite I], the revocation procedure will be more important than ever before. The Commission, on its own motion, or on the basis of a petition for revocation, could institute proceedings... It is disappointing to note that there are no new safeguards in the bill to guarantee that

Consumer Electronics

VISC-O-PAC VIDEODISC format unveiled by Matsushita at ITA in response to RCA Selectavision. New version is smaller, cheaper, longer playing. Fotomat-Paramount, MCA-United Artists cassette rental plans. (P. 7)

MARCH COLOR SALES to record at sizzling 11.4-million annual rate. But disaster is imminent for April because of truck stoppage. (P. 9)

AVERAGE COLOR PRICES unchanged from 1977 to 1978 despite boosts in import costs and rises in domestic sets. (P. 9)

PROGRAMMING DOMINATES ITA seminar. Companies using videocassettes to mark time until disc market develops. (P. 10)

EIA WOOS IHF, Consumer Electronics Group agreeing it can join and retain identity & structure. 'Nobody told us,' says IHF. (P. 10)

KOREAN ELECTRONICS 'on verge of collapse' as result of U.S. color quota, EIAK Pres. Kim says after fence-mending visit to EIA & govt. (P. 11)

HOME COMPUTER industry vs. TI: RF waiver petition draws chorus of negative comments. Apple and Bell & Howell to market school computer. (P. 11)

SUPERSCOPE DROPS IMPERIAL compact line at cost of \$5.3 million. Marantz is 2nd maker to show line of 2-speed cassette decks. (P. 11)

the petition to deny will not be abused, much as the petition to deny was abused under the present Act... However, on the plus side, the Commission is no longer given any power to regulate radio stations in the civil rights and EEO areas..."

(3) Program deregulation—"The thrust of the bill is less program regulation immediately for radio and eventually for TV... TV would have to deal with the programming restrictions for 10 years at least... This seems certain to lead to greater government interference in scheduling and programming decisions..."

(4) Ownership—"Overall, the ownership provisions appear much more favorable than the original version, where many questions were raised..."

(5) Public broadcasting—"The nose of the public broadcaster would be under the commercial tent [through use of advertising]... While initially the advertising allowed would be minimal, this new precedent would be established and there could be pressure to increase the range of advertising service in the future. The major impact would probably be on assigned broadcast operations where there are one or more active public broadcasters."

(6) Minorities and EEO—"There is some concern among minority interests over the deregulation proposed by this bill for both radio and eventually TV. It is our understanding that the initial reaction of the Black Caucus to the bill was negative."

(7) Cable—"[Rewrite II] would essentially withhold from the originating broadcaster virtually all control over cable retransmission of his signal."

GELLER URGED CARTER PAPERS RELEASE: NTIA head Henry Geller pressed Carter White House to release its public broadcasting documents along with those of Nixon Administration (Vol. 19:9 p2) but was overruled by Carter Asst. Stuart Eizenstat, according to internal Administration memo.

Memo from Geller to Eizenstat and White House Counsel Robert Lipshutz shows decision on release weighed political considerations and showed concern about being accused of suppressing documents.

Says Feb. 15 memo: "At a Jan. 4 meeting [with Administration officials], it was Commerce's recommendation that all the requested material, including the Ford and Carter documents, be released. The Nixon material reveals a pattern of practices relating to public broadcasting that evidence the extent to which public broadcasting has been subject to political pressures—practices which are germane to issues raised by the recent Carnegie Commission study and the Communications Act 'Rewrite'. Therefore, if we refused to release the material, would we not—in light of Watergate—be in effect 'covering up?' So as not to be accused of sitting in judgment concerning the actions of the Nixon Administration, I urged that we also make available the Ford and Carter documents..."

Memo then goes on to outline variety of courses Administration could take short of releasing Ford, Carter & Nixon papers.

Geller, when asked for comment, said he was greatly disturbed memo is out, emphasized that it doesn't show how strongly Eizenstat believes in confidentiality of Carter papers. "He believes strongly in that principle," Geller said. "We differed on what was a public relations problem... Eizenstat does not have a black hat on this."

Geller memo also notes that, unlike Nixon material, "Ford and Carter Administration documents reveal no questionable conduct. To the contrary, they show the Ford and Carter Administration efforts to provide public broadcasting with greater insulation from political interference."

ABC-TV's PIERCE—PROGRAMS, RATINGS, PTV: ABC-TV Pres. Frederick Pierce claimed quality & variety of his network's programming is 2nd to none, in recent interview with Television Digest (for Part I, see Vol. 19:13 p3). We quoted to him a critic's comment: "ABC is in the best position [financially] to do high-quality stuff in prime time—yet it's doing the least. Why?"

Pierce responded: "I don't agree...If you took the entire broadcast season, the dimension & diversity of what we put on the air is overwhelming. I can give you a litany of...26 major projects that have been presented...I don't think we have to take a back seat to anybody." Asked if ABC's main aim is to knock out NBC, he said: "We have tried to compete with everybody," citing simultaneous presentation of ABC's Elvis Presley show, CBS's "Gone with the Wind" & NBC's "Cuckoo's Nest." He said it's a competitive society where everyone tries to get "the best of what's available, regardless of the network."

As for late-night plans, Pierce said ABC has several projects in works—repeats of soap operas, "Charlie's Angels," "Love Boat," live variety, etc. Non-reruns will be tested April-Sept. "It may not be stripped," he said. "We may have a different type of product on each night of the week."

Turning to new program forms, Pierce was asked about statement of RCA Pres. Edgar Griffiths—that "I don't think there's anything new & different that anybody can program" (Vol. 19:1 p2). Said Pierce: "Innovation is a constant challenge...There have been subtle changes within generic forms that have been very meaningful and significant and have been very successful."

Pierce said ABC has given relief to creative community, which has been complaining about lack of lead time, noting that network has renewed 75% of schedule for fall, will replace only 3-5 hours. "Even on shows that we haven't picked up, we ordered scripts early," he said.

Production unit for theatrical movies is in planning stage, reported Pierce, who said: "We feel the time is right," now that ABC no longer owns theaters.

Asked about year-round ratings, Pierce said: "Obviously, having more ratings available is beneficial...The question is who's going to pay for it...Are the agencies...the advertisers...the stations?" He said it's naive to assume that "the competitive situation is going to get any less whether you have sweep periods that cover 8 points in time or that occur 4 points in time. We program for September to the end of May. We don't program for any 4-week sweep period. We never have and we never will...The amount of stunting attributed to ABC in the February sweep was ridiculous. Why, we did the least amount of it. Our strength is and will be our regular series."

As for competitive programming during sweeps: "On the one hand, people are saying there isn't enough variety on TV. Then when you have several things that are terrific...against one another, people are complaining 'why is everything put on at the same time?'" He said VCRs could solve this. "Viewing levels," he said, "are either stable or up throughout the broadcast day. Viewing levels in prime time are stable or up...So, obviously, there is something that is being done right in terms of providing a dimension and a diversity to maintain vitality."

Pierce was critical of some public TV programming. It should offer "alternative service," he said. "I haven't been following their specific programs, but some of the product that they're carrying seems to be duplicative of what the commercial networks are carrying. I've noticed that more & more, recently." Asked about PTV's use of MGM movies, he said: "I think that type of programming is not what I envision public broadcasting should be doing." However, he said, such programs aren't diverting revenues from commercial TV.

Set for NAB TV public affairs programming conference, June 10-12, Mayflower Hotel, Washington: NBC Vice Chmn. (in charge of news) Richard Salant; PBS Lawrence Grossman; FCC Comr. James Quello. Registration is \$85; for information: NAB TV Vp Jane Cohen, 1771 N St., Washington 20036.

Food & Beverage Trades Dept. of AFL-CIO has asked FCC to deny licenses of WHNT-TV Huntsville & WSLA(TV) Selma, Ala. after stations wouldn't run ads calling for boycott of Winn-Dixie supermarkets. Group complained that Winn-Dixie official owns large shares of stations.

FCC fee refunds, due to start in late summer (Vol. 19:14 p2), will assess following charges before figuring refund: \$155 annual license fee for TV-AM-FM stations; \$417 for assignments; \$9,-325 cost is attached for administrative hearings. Licensees are to receive what remains of their payments after deduction for foregoing charges.

Edward R. Murrow Park in downtown Washington is to be dedicated April 25 at ceremony attended by his widow and former CBS News colleagues. Interior Dept. will place bronze plaque at park at 18th & H Sts., near USIA (now ICA), which Murrow once headed.

COURT KILLS ACCESS RULES: FCC's cable access rules are dead, U.S. Supreme Court stated flatly in 6-3 vote last week. Cable operators cheered, though some nervous operators remained uneasy because state & local authorities still appear free to impose such rules. It was latest in series of pro-cable court victories achieved by Midwest Video and its counsel; this one surprised a lot of Washington attorneys.

Basis for Court's decision, written by Justice White, was simple: (1) Communications Act clearly states that broadcasters aren't common carriers. (2) Cable is "ancillary" to broadcasting. (3) Access rules would make cable common carriers. (4) Ergo, rules are illegal.

Affirming Appeals Court, Supreme Court noted in significant "Footnote 19" that lower court "suggested that the Commission's rules might violate the First Amendment rights of cable operators." High court said it didn't have to reach that constitutional issue, "because our decision rests on statutory grounds." However, it added: "We express no view on [First Amendment] question, save to acknowledge that it is not frivolous and to make clear that the asserted constitutional issue did not determine or sharply influence our construction of the statute." Attorneys took this as something of a notice to Congress that imposition of access rules by law may be tampering with First Amendment. Last week, Rep. Van Derlin (D-Cal.) said Rewrite II "anticipated" Court's decision by prohibiting FCC from imposing access rules.

Supreme Court minority decision, written by Justice Stevens, joined by Brennan & Marshall, argued that access rules "promote the statutory objectives of 'increasing the number of outlets for community self-expression and augmenting the public's choice of programs and types of services.'"

At FCC oversight hearing April 11 before House Communications Subcommittee, Comr. Quello plans to oppose dismantling Cable Bureau and giving its functions to Common Carrier Bureau. He'll say it's important for FCC to retain cable expertise until decisions on deregulation and/or legislation have been made. Chmn. Ferris, who will be principal witness, favors abolishing Cable Bureau. Also at hearing, Quello is expected to attack FCC laxity in giving "party of interest" standing to individuals & groups who oppose transfers and renewals. "I cannot accept the view that standing is automatically conferred upon every individual who views or listens to TV or radio broadcasts," he says. "I remain concerned that a single, highly vocal group with an indeterminate constituency can exert disproportionate influence over programming for the entire family."

Pay-TV WTVG Newark has asked D.C. Appeals Court to overturn FCC grant of STV operation to WNJU-TV Linden, N.J. WTVG asked that Commission action be deferred for 18 months so its STV operation could be developed free from competition, contended that 2nd service would be against public interest because of competition for subscribers. In making 2nd pay grant for area, Commission said that to freeze additional authorizations for N.Y.-N.J. area "based on such groundless fears was unwarranted."

CBS HIT ON CAPTIONS: FCC session on deaf captions (Vol. 19:11 p6) was part fiesta, part dogfight, with ABC, NBC & PBS officials getting FCC plaudits, CBS at receiving end of harsh criticism.

Most angry at CBS for its refusal to join other networks in support for new, federally-backed National Captioning Institute was Comr. Fogarty, calling CBS guilty of "poor judgment" and "working in derogation of the deaf."

When CBS Vp Gene Mater explained that "we feel we have made a commitment to teletext," Fogarty shot back: "Why can't you do both?" Before audience including many deaf, other commissioners enthusiastically joined grilling of Mater and William Putnam, head of NAB ad hoc committee on auxiliary services.

"The best is the worst enemy of the good. We could wait for the best system and never get needs attended to now," said Chmn. Ferris. Comr. Brown, citing CBS News report that network wasn't interested in serving minority interests, asked Mater to explain. Mater replied: "I do not know where that statement came from. CBS News does not speak for CBS management and I do not speak for CBS News."

Anne P. Jones, former general counsel of Federal Home Loan Bank Board, was sworn in April 2 as FCC's seventh member, succeeding Margita White. Both are Republicans. Jones brings along Harry Quillian, ex-aide at Bank Board, as legal asst., and Karen Deming, ex-aide at Securities & Exchange Commission, as confidential asst. She was sworn in at Boston College Law School (her alma mater) by Federal Dist. Judge David Nelson, her Law School classmate. Also on hand were Boston Law School graduates FCC Chmn. Ferris and Comr. Fogarty, both also at Boston College at same time as Jones. At swearing-in, Ferris predicted Jones "will call them as she sees them, independent of pressures from within and without. [She'll] add much to the quality of our work product." There had been criticism of Jones' appointment because she was recommended to White House by Ferris, along with allegations she could be automatic vote for Ferris. Not so, say most who have met her.

New cable enterprise led by Henry Harris, ex-pres., Cox Cable (Vol 19:14 p10). includes these ex-Cox officials: Thurber Foreman & Richard Hickman. vps: Craig Magher, treas. Newhouse will furnish about \$25 million in capital, retain over 50% ownership. New organization will acquire systems & franchises.

NABET has refused NBC request to extend contracts through Sept. 1981 "in order to ensure labor peace" during Moscow Olympics in summer 1980. Contracts expire March 31, 1980, and NABET negotiating committee had recommended that members accept NBC's proposed extension. Both sides said no further negotiations are planned.

AP will seek FCC license for 37 five-meter earth stations for its radio network service. Cal. Microwave has signed \$2.2 million lease to provide AP hardware.

VAN DEERLIN TRIES TO CALM CABLE: Fearful cable operators were little soothed by Rep. Van Deerlin (D-Cal.), as he described Rewrite II to meeting of state & regional cable association presidents in Washington last week. He cited several provisions he considers favorable to cable, but he failed to calm operators' anxiety about "program consent"—wherein cable operators needn't get "retransmission consent" from broadcasters but must get permission for carriage from program owners. Audience seemed to consider either fatal.

In Q-&-A period, Van Deerlin said broadcasters aren't particularly concerned about small, rural operators—"as a practical matter, it's the biggies against the biggies." He tried to minimize problem of negotiating with program owners, saying MPAA Pres. "Jack Valenti might become a cable fan overnight." NCTA Pres. Robert Schmidt asserted: "We may not have a willing seller."

Van Deerlin was asked why bill would allow AT&T to build cable systems without getting local franchises, permitting building on top of existing systems. He countered that phone company would be under FCC control. "With proper scrutiny," he said, "they couldn't get away with it."

(Incidentally, bill is HR-3333; Communications Subcommittee staff is in Room B-333 of Rayburn Bldg.)

* * * *

Meanwhile, Van Deerlin has received little formal comment on Rewrite II. Ray Livesay, chmn. of Daytime Bcstrs. Assn., tells us he likes "some parts exceedingly well. It attempts to solve some of the problems of daytime stations."

Livesay, however, is unhappy with bill of Sen. Goldwater (R-Ariz.). He said in letter to senator: "I was terribly shocked when I read... where you say the Commission shall not authorize any further assignments on the U.S. clear channels... Your bill... would forever preclude [use by other stations]."

Ariz. Bcstrs. Assn. wrote Goldwater to say bill couldn't be better, said in its newsletter that bill "contains many proposals which can and should be heartily supported by members of the ABA."

ABA comments contrasted with those from home state broadcasters of Sen. Hollings (D-S.C.), Communications Subcommittee chmn., who caught flak over spectrum fee in missive from back home just after he introduced his bill. Hollings last week met with S.C. Broadcasters group in Washington and, among other things "gave them a polite chewing out" over their reaction, according to participant.

In strong pitch for deregulation, FCC Comr. Fogarty told Alpha Epsilon Rho at Va. Polytechnic Institute: "I believe it is accurate to say that telecommunications is one of the most dynamic sectors of our economy... It may be seriously questioned whether extensive governmental regulation can stimulate effectively the development and availability of new technology or prompt a proper meeting of supply and demand in the consumer's best interests."

With NAB's recent move of 1980 convention from New Orleans to Las Vegas, it will come in direct conflict with April 13-16, 1980 Dallas dates set years ago by NCTA. NAB officials said they took only dates available on such short notice, weren't aware of conflict until last week. "We are doing our best to resolve it," Chmn. Donald Thurston added. "We will see if there's any possible way of moving anything." However, NAB staffer said: "We don't have any intention of changing the dates." Of 137 exhibitors at 1978 NCTA convention, only 20 showed at NAB and just 4 of those were "majors," he said. NAB moved out of New Orleans because that city's convention center has only 85,000 sq. ft. of usable space while NAB sold 144,680 sq. ft. in Dallas 2 weeks ago. NCTA officials couldn't be reached for comment.

"We don't need overkill [in regulation]. We don't have to demoralize those who work for the government in order to deal with a few problems." This is sentiment of FCC Comr. Lee, which he expressed after accepting "UHF Bow Tie" award from NAB. Lee singled out as examples: Sunshine laws, which "restrict non-public discussions among commissioners"; FOI Act; restrictions on ex parte contacts as result of Supreme Court decision in *HBO vs. FCC*; Ethics in Govt. Act. As result of moves to open govt. to public, he said: "Scheduling of meetings is less flexible and, as a result, more business is done on a circulation or paper meeting basis. The result... has been to bestow more power upon the chairman and to isolate the other commissioners... Sunshine is inhibiting the functioning of the Commission as a collegial body."

FCC employment report for 1978 shows that of 41,103 full-time broadcast employees, 21,366 (52%) are in 4 higher-pay categories—official & mgr., professional, technical, sales—up from 48% in 1977. Of 18,822 minority employees (including women), 12,301 are full time; women hold 21.6% of management jobs, 22.3% professional, 23.7% sales, 7.2% technical, 90.3% office & clerical; for minorities (excluding women), figures are 7.8% management, 12.5% professional, 7.8% sales, 14.6% technicians, 23.8% office & clerical. Meanwhile, FCC has extended deadline for filing annual EEO report (Form 395) from May to July 2.

Allegations by Charlotte Bcst. Coalition that 16 Charlotte stations violated EEO rules have been dismissed by FCC. Coalition charged stations—4 TV, 12 radio—"excluded blacks from nearly all responsible positions," asked that hearings be held with Coalition's expenses reimbursed. Commission responded that stations' employment profiles and recruitment efforts fall within accepted standards and that it would be "prejudicial" to apply new standards without proper notice.

NAB comments to FCC on proposed deregulation of satellite earth stations: (1) Maintain licensing to preclude illegal receive-only stations. (2) Require site coordination only from common carriers. (3) Make site coordination optional for private users including TV networks, stations, CATV and business data users.

Personals

Robert Mitchell has been dismissed as NAB vp-membership dir. after only 2 months on job; he'll be replaced by Midwest Regional Mgr. **Lawrence Tierney** as acting membership dir... **ABC Radio Pres. Ben Hoberman** appointed network's rep on NAB radio board.

Group W. Pres. **Daniel Ritchie** also becomes chief exec. officer, reporting to Westinghouse Electric Chmn. **Robert Kirby**, succeeding **Donald McGannon**, who remains chmn; McGannon said he'll devote more time to "the social and community needs of our time."

Jarobin Gilbert promoted to NBC vp-Olympic administration; **Stephen Linett** joins NBC Entertainment as senior contract attorney, West Coast... **George Schweitzer**, ex-"Capt. Kangaroo" producer, joins CBS Bcst. Group as dir. of communications... **Joseph Lock**, ex-American Express, appointed dir.-internal audit, ABC.

Joseph Flynn promoted to vp-business mgr., WNEW-TV N. Y. ... **Charles Kennedy** advanced to senior vp-TV stations, Outlet Co. ... **Tip Kindel**, ex-KCRA-TV Sacramento, appointed news dir., KTXL there... **Scott Wahle**, ex-WCSH-TV Portland, Me., named sports dir., WVIT New Britain-Hartford.

Henry Yaggi, ex-WPRI-TV Providence, appointed dir. of sales, WDVM-TV Washington, new post... **Robert Finke**, ex-Houston ad consultant and onetime KHOU-TV there, named gen. sales mgr., KVUE Austin... **John Romick**, ex-Hearst, joins WIIC-TV Pittsburgh... **Jeff Bell**, ex-KMGH-TV Denver, appointed WVIT New Britain-Hartford promotion mgr.

William Tynan promoted to pres., Metro TV Sales, succeeding **Thomas Tilson**, now pres. of Metromedia TV (Vol. 19:13 p8)... **Roy Spencer** advanced to vp, Nielsen Clearing House... **Ray Heacos**, ex-KOIN-TV Portland, Ore., named mgr. of new Northwest TV Sales (regional rep) office in Portland (1511 SW Columbia St., 503-226-5090)... **Richard Giltner** named dir., Blair TV agri-marketing, new post... **George Feldman**, ex-Group W, returns to Katz Agency as vp-dir. of research.

Pat Cranston, Wash. U. of Seattle, reelected BEA pres.; **Clint Formby**, KPAN-AM-FM Hereford, Tex., vp; **Frank Balch**, WJOY(AM) Burlington, Vt., secy.-treas.; named dirs. were **Verone Sparks**, Syracuse U., and **Donald Kirkley**, U. of Md.

Robert Jones elected pres., Society of Bcst. Engineers; **Eugene Hill**, vp; **James Grinnell**, secy.-treas... **Thomas Hanson**, ex-member, legislature, named exec. dir., Wis. Cable Communications Assn... **Ronald Townsend**, ex-Liberty Communications, appointed southwestern sales engineer, Magnavox CATV.

Charles Tolep promoted to vp-gen. mgr., Viacom licensing & merchandising; **George Faber** to dir.-communications, Viacom TV program group; **David Meyer** elected asst. secy., Viacom International... **Attorney Norma Bergman** elected corp. secy., Scientific-Atlanta; **Robert Bennett**, ex-ITT, appointed mgr.-digital communications market de-

velopment, Scientific-Atlanta Satellite Communications Div.

Joan McDonald, ex-Civil Service Commission, appointed FCC personnel dir... **Charles Shepherd**, ex-special asst. to FTC Consumer Protection Dir. **Albert Kramer**, advanced to assoc. dir. for consumer education... **Edwin Durso** joins Washington law firm **Cole, Zylstra & Raywid**, which moved to 1919 Pa. Ave., 20006, 202-659-9750.

Obituary

A. J. Fletcher, 91, chmn.-chief exec. officer of WRAL-TV-FM Raleigh and Tobacco Radio Network, died April 1 after short illness. Starting with AM (later sold), he put FM on air in 1946, TV in 1955, had been prominent in N. C. broadcasting for years. Survivors include son **Frank**, partner in Washington law firm **Fletcher, Heald & Hildreth**.

"I'm concerned" because U. S. hasn't paid ITU dues and this could prove embarrassment during fall WARC negotiations, U. S. Ambassador to Conference **Glen Robinson** admitted during House Communications Subcommittee Oversight hearing. U. S. is supposed to pay about 7% of ITU budget, is in arrears, he said. On other points, **Robinson**: (1) Said he would represent U. S., not the world. (2) Saw no conflict-of-interest problems arising from private members of official delegation, who would be allowed to offer technical advice but not make statements during negotiations. (3) U. S. delegation will be composed of about 60-15 private, rest govt. He'll recommend names to State Dept. within week, appointments due within month. No members of FCC are expected to be official delegates, "although some probably will come as advisors." (4) Reduction of AM bandwidth to 9 kHz isn't on agenda for WARC but is likely to come up at 1981 Inter-American Telecommunications Conference (ITEL).

Attacking cable, pay TV, superstations & FCC, ABC Vp **Everett Erlick** told Mass Bcstrs. Assn.: "Competition and diversity are being touted in Washington as the quick fix for the nation's communications ills. In broadcasting, the FCC's chief physician has leaped to this diagnosis before demonstrating that the patient is sick."

New National Assn. of Spanish Bcstrs. formed at NAB convention will establish hq in Washington within 60 days. Group has 50 members. Chmn. is **Ed Gomez**, KIRT(AM)/KQXX-FM McAllen, Tex.; vice chmn., **Eddie Pena**, KMXN-TV Albuquerque. Temporary offices: 250 Park Ave., N. Y. 10017, 212-557-9050.

C-SPAN coverage of U. S. House started officially April 3 to more than 370 CATV systems in all states; no subscriber total was released. Cost of service is 1¢ per subscriber per month. C-SPAN uses Satcom 1, TR-9.

WNBC-TV N. Y. renewal denial sought by pro-Nazi N. Y. group which alleged "Holocaust" mini-series misrepresented WWII facts has been denied by FCC.

Consumer Electronics®

A Section of Television Digest with Consumer Electronics

MANUFACTURING & SALES • TV • PHONOGRAPHS • TAPE PRODUCTS • RADIO • COMPONENTS • NEW PRODUCTS • FINANCE

STATE OF THE INDUSTRY

Sales to dealers (total market), from EIA, for week ended March 23 (12th week of 1979):

	March 17-23	1978 week	% change	March 10-16	1979 to date	1978 to date	% change
Total TV.	300,426	292,883	+2.6	313,688	3,409,674	3,255,393	+4.7
color	191,581*	176,038	+8.8	193,832	2,132,364*	2,076,019	+2.7
monochrome	108,845	116,845	-6.8	119,856	1,277,310	1,179,374	+8.3
Home VCR	7,935	—	—	7,714	90,893*	—	—
Total radio	642,136	735,615	-12.7	595,141	8,671,430	9,231,899	-6.1
home, portable . .	373,825	499,135	-25.1	336,690	5,288,235	6,302,324	-16.1
AM-only	103,992	121,893	-14.7	110,697	1,621,842	1,795,924	-9.7
FM & FM-AM . .	269,833	377,242	-28.5	225,993	3,666,393	4,506,400	-18.6
auto	268,311	236,480	+13.5	258,451	3,383,195	2,929,575	+15.5

Color TV 5-week moving average: 1979-197,821**; 1978-191,051 (up 3.5%).

*Record for period. **Highest week of year to date and record for period.

MATSUSHITA UNVEILS NEW V-DISC SYSTEM: Matsushita threw another "standard" into video-disc hopper at ITA meeting at Hilton Head, S.C. last week with introduction of Visc-O-Pac, smaller & cheaper version of mechanical Visc system it first showed in 1977. Move was obviously response to RCA's decision to push ahead with development of capacitance Selectavision—and attempt to influence RCA to change it—and almost certainly signals death knell of VHD capacitance disc developed by Matsushita subsidiary JVC.

Discussed but not demonstrated, new Visc "is the least expensive of all videodisc systems" shown to date, could provide 2 hours on each side of 12" disc, according to Tadashi Nagaoka, gen. mgr. of Matsushita's First Development Dept. He didn't give prices, but indications were that it could sell for \$50-\$100 under RCA's \$400 target.

RCA, which had been given advance notice but no details, had no official reaction. Spokesman told us Visc-O-Pac would be studied, "but it won't slow down our Selectavision timetable." There was some skepticism at ITA meeting. As one industry leader put it: "Matsushita may have something real, or it may be trying to slow down the disc market to keep VCR sales up." Lending credibility to that opinion was belief expressed at meeting that disc mass-marketing will put end to VCR sales growth.

Visc-O-Pac added needed dollop of hardware excitement to software-dominated meeting. With VCR a here-&-now product, marketers were loath to discuss new models before upcoming sales meetings. Magnavox Vp Ken Ingram said Magnavision videodisc marketing in Atlanta showed that while reaction was good, limited product availability and short (90-day) sales period precluded drawing any broad conclusions. (For ITA meeting details see p. 10).

New Visc uses variable-speed format to increase information packing density. Speed starts at 300 rpm, increases gradually to 700 rpm as stylus moves from outside to center; Philips used same idea to double Magnavision capacity to hour per side (Vol. 18:3 p8). Visc-O-Pac name refers to new packaging—plastic frame holding disc between clear plastic discs. Outside cover is standard cardboard sleeve. Consumer handles Visc-O-Pac, can see disc.

Matsushita will use extended play time to shrink size of player rather than lengthen programs, proposes to make 9" discs with up to 2-1/2-hour capacity, 7" discs for hour or less.

New player is 17-1/4" W X 11-3/4" D X 5" H, weighs 16-1/2 lb., against original Visc's 22" W X 16" D X 5" H and 29 lbs. It's about 10% smaller in cubic volume than coming RCA model. All other specifications & standards, including those for PCM audio, are same as originally announced (Vol. 17:48 p7).

Consumer places Visc-O-Pac on small spindle, closes dust cover lid; interior of player is contoured so disc can't be loaded wrong. When start button is pressed, 4 metal fingers rise to fit holes in retaining tabs at plastic frame corners, releasing lower plastic disc & videodisc. Frame with upper plastic disc is raised and stylus arm moves into play position. Disc is automatically rehoused before it can be removed from player, and dust cover is locked during operation. Standard player features forward & reverse non-visual search, reject, eject & pause buttons plus video-PCM switch. PCM audio requires adaptor. Advanced model will have keyboard random-access frame locator, Nagaoka said, added that magnetic disc accessory now in works would provide stop & slow motion.

Nagaoka sent clear message to RCA with announcement that Visc-O-Pac is no longer R&D operation, has been moved into a production facility, and Matsushita subsidiary has started test-pressing videodiscs. He said Matsushita is looking for hardware & software partners, will demonstrate to trade & press in N. Y. & L. A. in mid-May, after Panasonic's May 3-7 national sales meeting in Las Vegas.

Whether Matsushita really intends to produce new system if RCA ignores it is speculative. Packaging of disc in dust cover is in obvious response to RCA's belief that any videodisc must be in protective caddy. Clearly, Matsushita project is hurry-up operation to have its influence felt in final RCA design for its disc—bearing in mind that basic Visc system is extremely close to compatibility with Selectavision. New development gives further credence to our Feb. report that JVC's VHD system has become orphan (Vol. 19:9 p9). This is further supported by hasty cancellation of JVC's planned April 10 demonstration (Vol. 19:15 p14) and report that new EIA-J videodisc committee rejected proposal to adopt JVC system as Japanese standard.

* * * *

Two videocassette rental plans involving major movie studios were announced last week: (1) Fotomat finally consummated deal with Paramount Pictures, as forecast here last Dec. (Vol. 18:51 p9). (2) United Artists signed exclusive deal permitting Video Corp. of America to rent 20 "major motion pictures" in cassettes.

Fotomat-Paramount pact is open-ended & non-exclusive, stipulates no specific number of films, but will start with 50-55, according to Fotomat's Steve Wilson. Test of "Drive-Thru Movie" program is scheduled to start late next month in Cal., using computer to reserve titles for next-day sale or rental. Fotomat expects to be serving its more than 3,700 U.S. & Canadian retail stores by Oct. Movie cassettes will rent for \$11.95 for 5 days in Cal. test, sell for \$49.95 & \$59.95. First library will include "Saturday Night Fever", "Godfather I & II", "Looking for Mr. Goodbar" (all also in MCA videodisc catalog). Fotomat will also buy films from others, and Paramount features will be available to other companies. Fotomat forecasts its blank tape sales will exceed \$10 million this year.

VCA expects to start distribution of the 20 unidentified UA films in May or June, will charge \$9-\$14 for 7-day home viewing. Company will use direct marketing through new "VidAmerica—the Videocassette Rental Club," which will issue bimonthly program guide, provide WATS line for reserving cassettes. By year's end, VCA plans to expand to retail marketing, according to Chmn. George Gould, selling through supermarkets & shopping centers—in direct competition with Fotomat—using patent-applied-for "computerized concept" to permit fast delivery. Agreement runs for 3-1/2 years, and UA said it expects revenues from VCA rentals to exceed \$1 million.

Asked to project VCR population growth, Gould cited unnamed survey which had correctly forecast 500,000 units in use by end of 1978, and predicted rise to 1.1 million by end of 1979, 2.4 million by end of 1980 and 12,460,000 by end of 1985.

MARCH SALES SOAR, APRIL GLOOMY: March color TV sales to dealers went through the roof, at annual pace of 11.4 million. But unless truck stoppage ends almost immediately, April will be disastrous.

Survey of virtually all TV makers and some stereo companies was unanimous that truck situation should really start to pinch this week, with layoffs & shutdowns almost inevitable. Like other manufacturers, TV makers depend on common carriers for both incoming products (parts & imports) and outgoing shipments (finished goods). Some quotes: "We're living from day to day, hand to mouth." "If we're short on even one knob, that's the end." "Shipments of our imports from the West Coast have stopped and we'll feel it right away." "Dealers have enough for a week and then we're in trouble."

But March was something else again. It was 2nd consecutive record month, first March ever to see sales of more than million color sets—about 1,026,600, up 6.2% from last year's record 966,326 in March. Monochrome sales totaled some 619,500, up 2.2% from year-earlier and best since 1973. VCR sales totaled over 43,000, up more than 57% from last year.

First-quarter sales also set record in color—2,366,164, up 3.4% from last year's record and at annual rate of some 10.2 million. B&w sales at 1,430,000 were up 8.3% and VCR sales exceeded 99,000, up nearly 78% from last year. March's final week held up well—color sales at some 227,800 (up 7.6% from same week last year), b&w at 152,600 (up 8.7%), VCR 8,453.

COLOR PRICES UNCHANGED IN 1978: With huge increases in prices of Japanese-made sets and 2 rounds of boosts in domestic models, average factory or import price of color TV sets rose last year—by a nickel. Monochrome set average plunged more than \$5.

These figures are from EIA, and color data differ somewhat from International Trade Commission figures which showed almost \$9 decrease in color sets made or imported through U.S. factories (Vol. 19:9 p7). Failure of color set prices to increase on average basis is at least partially attributable to rise in portable table share of mix last year to 74.1% from 72% in 1977 and boom in small-screen color (Vol. 19:10 p9).

Average color set sold last year at factory or import value of \$350.01, up from \$349.96 in 1977, b&w dropping from \$89 to \$84.95, presumably due to rapid phaseout of larger screen sizes. Here's history of average factory prices based on production plus imports (non-U.S. manufacturer brands not included before 1971):

Year	Color	Monochrome	Year	Color	Monochrome
1960.	\$391.67	\$131.92	1969.	\$328.08	\$77.84
1961.	380.95	124.62	1970.	316.54	75.07
1962.	351.60	128.24	1971.	323.76	81.21
1963.	345.88	117.95	1972.	319.39	78.77
1964.	347.58	109.35	1973.	307.52	76.74
1965.	356.28	105.79	1974.	316.01	79.06
1966.	371.31	98.16	1975.	341.05	83.97
1967.	362.21	92.48	1976.	349.04	88.93
1968.	335.64	74.19	1977.	349.96	89.00
	1978.			\$350.01	\$84.95

Major consumer electronics factory sales set new record of \$9.303 billion last year, according to new "Consumer Electronics 1979 Annual Review," just published by EIA Consumer Electronics Group. Total is 14.6% above 1977's \$8.119 billion and is broken down this way: Color TV, \$3.736 billion (record), up 14.3%; monochrome, \$572 million, up 5.5%; phonos (including compacts, consoles & component ensembles), \$810 million, up 34.6%; separate audio components, \$1.143 billion, down 10.4%; tape equipment, \$1.975 billion (record), up 42.3%; radios, \$485 million, down 4.7%; auto radio, \$582 million (record), up 9%.

Distribution notes: Sharp names Delta Sales as eastern Pa.-Del.-southern N.J. rep. . . BSR appoints J/F Marketing, Seattle, for BSR & ADC audio products in Pacific Northwest.

North American Philips won consent judgment stopping F. G. Stevens Mfg. of Westport from using "Norelco" name on cassettes it offers in business equipment market.

ITA ROUNDUP: Software market dominated ITA seminar at Hilton Head, S.C. last week, with Matsushita's unveiling of Visc-O-Pac sole hardware news (see p. 7). Attendees, oriented mainly to pre-recorded market, were concerned primarily with cashing in on emerging consumer video demand.

Panelists at pre-recorded tape session made it clear they're just marking time until disc market develops. Blackhawk Film's Ted Ewing expressed general view when he said he didn't think there would ever be mass market for pre-recorded tape. "Tape will be bigger than film ever was, but it's an interim market." Price is tape's main drawback; demand is there at high prices because there's no alternative, but it must drop when disc comes along, said Magnetic Video Corp.'s Al Eicher.

View was echoed by Steve Roberts of MVC's parent 20th Century-Fox. To stay competitive, Roberts said, recorded tape price can be no more than twice that of disc. Growing demand for programming was underscored by Bell & Howell's Robert Pfannkuch who said study of VCR owners shows interest in recorded tape develops after unit is bought. Despite "tremendous aversion," consumers are buying pirated tapes in quantity, and he warned, "if we don't meet this demand for programming, then piracy will spread all over." Copyright session drew sparse crowd this year, and interest in piracy was restricted to legitimate distributors & duplicators.

Magnavision video disc customer has exactly same upscale profile as VCR owner. In fact, 50% of players were sold to VCR owners—according to Magnavox Vp Ken Ingram. He said Magnavox expected 20-to-1 disc-to-player sales ratio, is getting 30-to-1, "but we don't know if that's typical." Magnavox is still analyzing program sales, but estimates that when adequate software is available, movies will provide 50%. Ingram declined to give player sales totals, "but we've shipped a lot more units than you think," and sales projections have been revised upwards.

Over long haul, program sales will be handled through record or other outlets as "most TV dealers have a distaste for the record business," Ingram stated. In fact, record dealers are already jumping on video software bandwagon, according to NARM's David Grossman—and best-attended hospitality suite was Pickwick's, where distributor was describing plans for rack-jobbing pre-recorded tapes. Brief demonstration of video music tape by Ron Hays of Music Images was such success at seminar that special room was set up for showing full-length presentations.

Because of interest beyond tape, International Tape Assn. changed name to ITA. New members include Paramount & 20th Century-Fox, first from film field. MCA is member through Discovision.

U.K. TV maker Thorn reportedly is interested in buying Florida-based Modular Computer Systems. ModComp makes computerized process control equipment for GE, ITT, Union Carbide, NASA & others; its 1978 sales were \$65 million.

EIA WOOLING IHF: EIA Consumer Electronics Group last week agreed to invite IHF to merge and, in effect, become its Audio Div. There was no formal invitation, but, in words of one CEG officer, "we're just letting it be known that we're receptive to IHF's coming under the EIA umbrella as presently structured and keeping the IHF name." Offer isn't new, has been discussed before—once in IHF-initiated talks which just petered out.

IHF Pres. Jerry Kalov, Jensen, told us at week's end that he had had no communication from EIA. IHF, he said, "is only interested in the best way of promoting components and, so far, joining EIA has not been the best way." He said, however, that IHF will listen to any proposal, but there has been none, and merger isn't on agenda for IHF April 11 board meeting.

Alternative to merger for EIA is recruitment of audio manufacturers into EIA Audio Div., and last week saw admission of 4—Alpine Electronics, Maxell, Roadstar & York. Three more, including IHF member Sansui, are scheduled next week.

Other actions by CEG at EIA spring conference in Washington: (1) Voted to urge FTC to set same audio amplifier standards for auto equipment as it has for home gear. (2) Approved pilot audio retail sales training project. (3) Backed engineering committee by agreeing to make clear that videoplayer manufacturers must adhere to TV broadcast standards and that TV makers won't modify their products to accept non-standard signals (Vol. 19:13 p12). (4) Agreed to try to convince FCC that its objection to reducing UHF noise figures is "based on a limitation which is a fact of life, not an opinion." (5) Reviewed outline for consumer electronics promotional film, budgeted at \$115,000, to be released in Sept.

Marketing Services Committee reviewed plans for completely new data on retail sales, to be compiled by outside organization. Committee also agreed to ask ITC to provide import breakouts for b&w TV sets 6" & under, 7-8" & 9-10" (currently all included in 10"-&-under category) and for b&w minicombs (now contained in "other radio combinations" category).

Videonotes; Hitachi quietly displayed working prototype of its one-chip CMOS portable color camera at NAB convention in Dallas. Company officials said it would be available in 4-5 years. Cigar-box-sized unit produced color picture at 125 ft.-candles. Picture was somewhat grainy, had bluish tint... Sanyo is expected to announce its 4-1/2-hour VCR before June... Shortages & rising prices of videocassettes (Vol. 19:15 p14) don't seem to bother N.Y. discounters who advertised "2-hour Beta cassettes" at \$9.95, Scotch 4-hour VHS at \$15.99, TDK 4-hour VHS at \$17.99. Suggested lists for same items are \$18, \$27 & \$28, respectively.

Import impact aid was approved by Labor Dept. for former workers at Arvin's Princeton, Ky. compact stereo assembly plant. Agency rejected similar help for ex-employees at Sylvania's color tube plant at Seneca Falls, N.Y., opened eligibility investigation for those formerly designing & assembling TV for Admiral in Chicago & Harvard, Ill.

KOREAN INDUSTRY CRISIS: "The Korean electronics industry is on the verge of collapse" as result of U. S. quota on color TV sets," said new Electronic Industries Assn. of Korea (EIAK) Pres. Wan Hee Kim, on visit to U. S. last week. Several thousand workers have lost jobs, he said, and industry is trying to modify its plans for heavy production of color TV sets and switch to other products.

Kim visited office of President's Special Trade Representative (STR) in Washington, attended EIA spring conference. He said he told STR office that Korea should have been warned of possible quota 3 years ago, when planning color TV expansion. Kim, who for 10 years was electronics prof. at Columbia U., said STR's office expressed understanding but said "when they started negotiations with Japan we should have seen the handwriting on the wall—but unfortunately we didn't."

Kim came to U. S. with shopping list. EIAK, which buys for its 430 members is seeking to source \$20-\$30 million in materials (mostly petrochemical) in U. S., he says. "We're trying to decrease our dependence on Japan, and we hope soon to be able to source components in the U. S."

Kim expressed hope quota would be lifted or increased after expiration in June 1980. In meantime, he said, Korea would step up exports of audio equipment and small-screen b&w but would be "careful not to increase exports to the United States dramatically." He added that Korea would try to increase sales to Japan. He expressed some hope that Korea would develop VCR production within 2 years, said it is handicapped because "Japanese are not willing to give us patent licenses," and it would be necessary to get around them with own inventions. Major expansion of exports in Europe also seems out of question. Kim interrupted his stay in U. S. to travel to U. K. to negotiate b&w TV quota and to France for radio quota. Korean manufacturers can't make color TV for Europe because they have been unable to get PAL licenses from owner Telefunken.

While expressing sympathy for U. S. domestic problems, Kim added: "It's simply not fair for advanced nations not to permit smaller, less-advanced nations to grow."

Latest Sharp calculator may be closest thing yet to handheld computer. Scientific calculator has 24-character LCD display with scrolling function allowing 80 characters in any equation, 61 keyed functions including major algebraic & trigonometric functions, memory accepting 5 formulas & 10 variables. Unit supposedly is first calculator in which user can enter formula directly without translating into machine language. Price is \$100.

Commerce Dept. has suspended Consumer Product Information Labeling Program. Pilot program, designed to develop performance data and test procedures for home insulation, turned up too many technical difficulties in designing a label that would be meaningful to consumers. Insulation was to have been first of 145 different products covered by program, including most home appliances.

GANGING UP ON TI: Practically entire home computer industry—Apple, Atari, Interact, Mattel, Radio Shack & others—is challenging TI's RF devices waiver request (Vol. 19:10 p11) in FCC comments. Computer made only positive comment. Atari opposition was particularly sharp.

In 60-page report accompanied by technical data showing that TI standards could cause massive interference in urban areas, Atari concluded that "TI simply presented the Commission with its self-serving appraisal of what it considered 'reasonable standards' for home computer manufacturers, and asked for authority to produce & market a computer line satisfying its own standards." TI spokesman declined direct response but noted: "I'm sure Atari didn't have any 'self-serving' reasons for filing." Atari home computers are scheduled for market introduction in fall.

RCA comments neither opposed nor supported petition but reminded FCC of 2-year-old RCA request that FCC switch VCRs & videodisc players from type-approval procedure to much simpler certification process used for TVs. EIA & Magnavox have backed RCA's request. Also pending is FCC's April 1976 inquiry into complete overhaul of interference rules (Vol. 16:17 p7).

In other computer developments, Apple and Bell & Howell agreed to market custom-designed computer for educational application. Apple spokesman said price would be "slightly above" \$1,200 Apple II, with test marketing in May, volume sales in Sept. Article on personal computers in April 16 Business Week concludes that "age of the home computer may not be here yet, but the era of the microcomputer as a plaything for hobbyists has clearly passed."

SUPERSCOPE DROPS IMPERIAL: Superscope is abandoning year-long effort to expand into low-fi & console stereo, announced \$5.3 million special charge against 4th-quarter results to cover phase-out of Imperial Div. Superscope last week reported substantial losses for 4th quarter & full year (see financial table).

At press preview in N. Y. last week, Superscope introduced new line of 6 Marantz 2-speed cassette decks. Metal-tape capability is feature of 4 of 6 decks and 2 top-of-line decks are first do-everything cassette machines: 2-speed, metal-tape compatible, MPU programmable. Programming function on \$775 & \$650 decks has both random-access & scan modes. Superscope is first major manufacturer after BIC to offer 2-speed capability; Marantz issued white paper giving reasons for 2-speed. Marantz also showed new receivers, amps & tuners plus new \$185 TV audio tuner.

TV fire standard development proposal deadline was extended 90 days to July 30 by Consumer Product Safety Commission. By deadline, CPSC must either propose standard or end proceeding. Related proposals for mandatory TV safety standards covering shock, implosion & mechanical hazards were dropped in Oct. 1977 as result of improvements in voluntary UL standard (Vol. 17:43 p9).

WEEKLY **Television Digest**with
Consumer Electronics ...**PUBLISHED BY TELEVISION DIGEST, INC.**

Copyright © 1979 by Television Digest, Inc. Reproduction in any form, without written permission, is prohibited.

Also publishers of *annual Television Factbook* and *weekly TV, AM-FM & Cable Addenda, Cable Atlas, biweekly Public Broadcasting Report* and other special publications**EDITORIAL & BUSINESS HEADQUARTERS**1836 Jefferson Place, N.W., Washington, D. C. 20036
Phone: 202-872-9200**WASHINGTON HEADQUARTERS**Albert Warren ... Editor & Publisher
Dawson B. Nail ... Executive Editor
Paul L. Warren ... Associate Editor
Jonathan Miller ... Assistant Editor**Television Factbook**Mary Appel ... Editorial Director
Sean P. Maloney ... Managing Editor**Business**Edward L. Sellers ... Sales Dir.
Roy W. Easley III ... Business Mgr.
Barbara J. Pratt ... Asst. Sales Dir.
John W. Thompson ... Circulation Mgr.**NEW YORK BUREAU**510 Madison Ave., N.Y. 10022
Phone: 212-355-5611David Lachenbruch ... Editorial Dir.
Robert E. Gerson ... Senior Editor
Christopher Kelly ... Assistant Editor**JAPAN REPRESENTATIVE**
(Editorial & Business)

John H. Nakamura

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

Don Lombardi promoted from Pioneer America eastern regional sales mgr. to new post of Centrex national sales mgr. ... Mort Gleberman resigns as Superscope product planning & development vp. ... Milton Garret elected Tenna pres., assumes duties of chief exec. officer from Chmn. Harvey Ludwig; Gregory Stodnick moves from finance vp to exec. vp & chief financial officer. ... Alfred Griffin named to new post of Radio Shack engineering dir.

Ted Takahashi, ex-Panasonic, appointed treas. of Panasonic West, formerly Newcraft Div. of Telcor, 12-state distribution organization acquired by Panasonic April 4; Seth Waller, Panasonic vp-secy. & gen. counsel, adds post as PW secy. ... Roger Gerard, ex-Fairchild, appointed Atari administration vp. ... Cass Vanini, ex-dbx, named Bozak sales & mktg. vp. ... Allan Evelyn, ex-Bose, named dbx consumer product mktg. & sales dir. ... Bernard Bishop promoted at GTE Telecommunications Systems to mkt. planning & development dir.

Henry Kressel promoted to RCA solid-state technology staff vp, responsible for IC research at Princeton and Solid State Technology Center at Somerville, N.J. ... Gunnar Hurtig, ex-Fairchild Semiconductor, appointed Hitachi Semiconductor western regional sales mgr.; Jack Mattis, ex-Intel, fills new product mktg. mgr. post. ... William Dumke retires after 32 years as Switchcraft engineering & production vp. ... John Rollison advanced to PTS west coast regional vp.

John Couch promoted to new post of Apple software vp; Greg Smith, ex-Control Data, appointed education mktg. dir. ... Joe Sugarman, JS&A, chosen Direct Marketer of the Year by Direct Marketing Day magazine.

Financial Reports of TV-Electronics Companies

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

Company & Period	Revenues	Net Earnings	Per Share
Corning Glass Works			
1979-12 wk. to March 25	330,124,000	33,998,000 ^a	1.92
1978-12 wk. to March 26	279,899,000	22,017,000	1.24
Kansas State Network			
1979-6 mo. to Feb. 28	9,830,000	1,080,000	.60
1978-6 mo. to Feb. 28	8,171,000	856,000	.50
1979-qtr. to Feb. 28	4,693,000	464,000	.26
1978-qtr. to Feb. 28	3,900,000	377,000	.22
MGM			
1979-6 mo. to Feb. 28	254,662,000 ^b	36,392,000	1.19
1978-6 mo. to Feb. 28	167,128,000 ^b	17,822,000	.58 ^c
1979-qtr. to Feb. 28	111,267,000 ^b	10,376,000	.34 ^c
1978-qtr. to Feb. 28	92,606,000 ^b	9,607,000	.31 ^c
Movielab			
1978-year to Dec. 30	29,370,801	1,212,393 ^a	.83
1977-year to Dec. 31	27,577,746	912,622 ^a	.64
1978-qtr. to Dec. 30	8,027,285	678,702 ^a	.46
1977-qtr. to Dec. 31	6,802,867	558,994 ^a	.39
A.C. Nielsen			
1979-6 mo. to Feb. 28 ^d	187,544,000	12,451,000	1.13
1978-6 mo. to Feb. 28 ^d	152,826,000	11,568,000	1.05
1979-qtr. to Feb. 28	96,774,000	7,309,000	.67
1978-qtr. to Feb. 28 ^d	78,249,000	6,128,000	.56
Outlet Co.			
1979-year to Jan. 31	307,096,000 ^e	10,038,000 ^e	3.68
1978-year to Jan. 31	247,561,000	9,502,000 ^a	3.93
1979-qtr. to Jan. 31	107,387,000	5,945,000	2.28
1978-qtr. to Jan. 31	107,331,000	6,271,000 ^a	2.57
Superscope			
1978-year to Dec. 31	205,100,000	(15,500,000) ^f	--
1977-year to Dec. 31	178,600,000	400,000	.17
1978-qtr. to Dec. 31	67,500,000	(7,300,000) ^f	--
1977-qtr. to Dec. 31	54,800,000	(1,800,000) ^d	--
Telecor			
1979-9 mo. to Feb. 28	101,516,000	4,406,000	1.02
1978-9 mo. to Feb. 28	92,877,000	4,240,000	1.00
1979-qtr. to Feb. 28	24,589,000	405,000	.09
1978-qtr. to Feb. 28	26,124,000	983,000	.23
United Cable TV			
1979-9 mo. to Feb. 28	21,539,000	2,573,000	1.26
1978-9 mo. to Feb. 28	15,628,000	1,403,000	.73
1979-qtr. to Feb. 28	8,256,000	921,000	.45
1978-qtr. to Feb. 28	5,510,000	536,000	.27
Wells-Gardner			
1978-year to Dec. 31	14,016,205	(941,346)	--
1977-year to Dec. 31	8,176,363	(2,975,559)	--

Notes: ^aIncludes special credit. ^bFrom operations. ^cAdjusted. ^dRestated. ^eRecord. ^fAfter special charge.**Obituary**

Benjamin Bauer, 65, who retired last year as vp-gen. mgr. of CBS Technology Center, died March 31 of heart attack in Stamford, Conn. A leading audio scientist, he was involved in broadcasting & recording technology for 40 years, joining CBS Labs in 1957 from Shure Bros. At CBS, he guided research & development in stereo & 4-channel discs, tape recording and stereo broadcasting. He held more than 75 patents, including basic patent for directional microphone. He's survived by wife, 2 sons.

Canon moves into novelty calculator field with pair of FM-AM clock-calendar models at \$130 for hand-held, \$150 for desktop.

WEEKLY

Television Digest®

with
consumer
electronics®

34th YEAR OF PUBLICATION
34
1945 - 1979

The authoritative service for broadcasting, consumer electronics & allied fields

APRIL 16, 1979

VOL. 19, NO. 16

SUMMARY-INDEX OF WEEK'S NEWS

Broadcast

FCC 'FAILS' HOUSE OVERSIGHT: Congressmen are unhappy with answers they got, and didn't get, progress of many issues facing FCC. Ferris sees agency getting into children's program content 'in very superficial way.' (P. 1)

VAN DEERLIN vs. FCC: Launches heavy attack on FCC, complains about bureaucracy, delays, ignorance. Says he's 'astonished' at Ferris answers during oversight hearing. (P. 2)

CBS NET DOWN, RCA UP: CBS earnings fell to \$17.8 million in quarter, as RCA's rose to \$62.1 million. (P. 3)

FLA. OPENS COURT TO TV-RADIO: State allows cameras & recorders permanently May 1. Ohio begins test. ABA to get demonstration of coverage at Dallas convention. (P. 4)

PBS CHALLENGED: Influential Interregional Council approved manifesto for PTV restructuring. 'No confidence' in Grossman seen. (P. 5)

Consumer Electronics

5-HOUR RECORDING time on Beta system made possible by new L-830 cassette. Toshiba first to adopt it, in deluxe programmable VCR. Color camera imports catch up to b&w. (P. 7)

FIRST-QUARTER BOOM in color climaxed by 2nd-highest seasonally adjusted sales rate for any month in March. Dislocations minimal in short truck stoppage. (P. 8)

TV DUMPING SHOWDOWN delayed until May by snag in Customs processing of partial-payment notices to Japanese TV importers. (P. 8)

RED INK FLOWED for domestic factories last year as gross margins continued decline, ITC reports. Study shows importers' pricing was higher than domestics in 1978. (P. 9)

FEB. COLOR IMPORTS down slightly as surge from Korea offset declines in shipments from Japan & Taiwan. (P. 11)

METAL TAPE STORY (cont.): Panasonic, Sony & TDK hurry products for U.S. & Japan markets. Japanese metal tape standards expected soon. (P. 11)

FCC 'FAILS' HOUSE OVERSIGHT: "I'd give them a big fat F, particularly the chairman." That was reaction of one House Communications Subcommittee member after FCC's almost-annual oversight appearance last week (actually, no such hearings were held last year, and this was first Charles Ferris has faced as chmn.). Other members and Hill staffers echoed similar sentiments. "We got no answers to nothing," one said.

Agreement of Subcommittee Chmn. Van Deerlin (D-Cal.) with foregoing evaluation was obvious from speech he gave next day to Ky. broadcasters in which he criticized Commission in several areas (see p. 2). Six Subcommittee members were present during all or part of hearing—along with Rep. Findley (R-O.)—who was there to defend daytimers. All commissioners were on hand at start (although Jones left after half hour), and all participated except Jones. Washburn didn't return for afternoon part of 5-1/2-hour session.

Minority Counsel Bernard Wunder questioned Ferris about purpose of children's TV inquiry, was told FCC wants to follow up on 1975 representations of broadcasters to see if they are being fulfilled. Asked what remedies FCC would have, Ferris said agency could require certain types of shows during certain hours, classify them as to non-entertainment, public affairs, etc., and that such rules "could be justified." He was asked: Wouldn't that be getting into program content? "Only in a very superficial way," Ferris responded.

While Findley was there as champion of daytimers, Rep. Gore (D-Tenn.) took opposite role in favor of clear channels. Gore said "obvious remedy" is to reduce AM bandwidth to 9 kHz,

Copyright © 1979 by Television Digest, Inc. Reproduction in any form, without written permission, is a violation of Federal statute (17 USC 101 et seq.). On written request, permission will be granted liberally for reproduction of occasional articles.

adding space for 700 new stations, and leaving clear channels alone. "There's really a classic compromise opportunity here. . . Look at the benefits to the country," he said.

On other hand, Findley was unsuccessful in seeking commissioners' assurances that they weren't considering 9 kHz as answer to problems of daytimers. He clearly wanted FCC to break down clear channels. Ferris would say only that clear channels are under active consideration and that commissioners are "restricted" on what they can say.

Subcommittee Counsel Harry Shooshan played spots aired on WSM(AM) Nashville urging listeners to give Congress their views on clear-channel controversy and a videotape of "Today" show segment featuring WSM Vp-Gen. Mgr. Len Hensel. Shooshan was unsuccessful in getting Ferris to say WSM spots were inaccurate & misleading or that Commission planned to launch inquiry. He contended that FCC has obligation to investigate alleged inaccuracies without waiting for a complaint; one commissioner suggested that Shooshan should file formal complaint.

Responding to query by Rep. Marks (R-Pa.), Ferris questioned whether it would be wise for Congress to pass legislation permitting phone companies to own cable systems, and all commissioners except Fogarty agreed that any ownership should be closely controlled and limited to rural areas. Fogarty said FCC made "terrible error" in forcing phone systems out of CATV ownership and that he would place no restrictions on their reentry. "I feel very strongly the same way," said Marks. Marks also expressed "serious concerns" about network programming, asked what could be done to improve it without breaching First Amendment. However, he left hearing and question never was discussed.

In answer to other questions: (1) Ferris said cable retransmission consent will be before Commission next week, and it might be "presumptuous" for agency to require consent since Congress rejected same proposal in copyright bill. Lee said it would be "very dangerous" for FCC to take strong position now. Quello disagreed, cited "inequities" in superstation concept when station signals are carried without their permission. (2) All commissioners except Washburn saw a deregulatory plus in dropping ascertainment requirements. Ferris told Rep. Swift (D-Wash.) that Commission is talking about a trial deregulation of radio because of controversy over how far it can go, and in what areas, without legislation. (3) Ferris said Congress shouldn't—"not at this time"—legislate mandatory access to cable systems. Fogarty said it's strictly a legislative problem and "I would rather defer to your judgment." (4) Ferris expects change in cable rules by end of year as result of economic inquiry.

(5) Commissioners generally agreed that ex parte rules and sunshine law have restricted them in gathering information and exchanging thoughts among themselves. "There are times when we need frank discussions without voting," Lee said. "Three of us can meet, but 4 can't. . . Aren't we citizens? Don't we have any privacy?" Ferris said that rules do cause hardships, that when he was Hill aide there were private meetings "in the men's room. . . by telephone. . . We do the same thing, but we do it one on one." Shooshan & Van Deerlin contended FCC's lawyers have interpreted ex parte laws too rigidly. Fogarty: "I certainly would welcome some relaxation."

At end, Van Deerlin charged commissioners with talking about deregulation, then doing little or nothing about it. "My eye is still on the center ring. . . and I can just tell from what I heard today that there's just going to be an outpouring" of deregulatory moves, he said. Ferris promised that Congress and industry will witness some positive FCC moves within 6 weeks.

VAN DEERLIN VS. FCC: Rep. Van Deerlin (D-Cal.), Communications Subcommittee chmn., last week spoke before Ky. Bcstrs. Assn. and he sounded like a broadcaster. He let fly raft of heavy criticisms of FCC, decrying bureaucracy, delays, ignorance.

It was Van Deerlin's heaviest criticism ever of FCC, and it comes at time when he wants to reduce its size significantly through Rewrite II. Catching considerable heat was Chmn. Ferris, whose performance during oversight hearings last week (see above) was deficient, in Van Deerlin's opinion.

Van Deerlin said he was "astonished" during hearing when Ferris said Commission had no indication that 9-kHz AM proposal—backed by NTIA & WARC Ambassador Glen Robinson—was preferred U.S. position.

"This is an important proposal," Van Deerlin said. "If it were implemented, it would make the U.S. compatible for the first time with the system used by the rest of the world. But the Commission hasn't decided on the petition... When we asked why, we were told by one commissioner [Lee] that the change might present problems... Had the commissioner checked with an engineer about those technical problems, we asked. No, the commissioner had not. Furthermore, he could not say with any real certainty that technical problems were the principal obstacle... He just didn't know."

Other Van Deerlin comments on FCC: (1) Cable deregulation—"It will have taken the FCC a total of 2-1/2 years just to investigate the possible deregulation of one part of the industry... This seems ridiculous." (2) Del. signal carriage—"Recently, a citizens' group from Delaware spent 15 months and \$22,000 trying to persuade the FCC to adjust its signal carriage rules for cable... That's the way the proper channels work, we were told. No wonder bureaucrats have a bad name."

(3) Children's TV—"We asked the commissioners about their inquiry into children's TV. Were they going to regulate programming content, we wondered. No, a commissioner [Ferris] replied. Although, he added, the FCC might require broadcasters to air specific amounts of programming expressly for children in certain age groups. But didn't that constitute government regulation of programming, we countered. Well, perhaps it did, the commissioner conceded. He had never thought of it that way before. And that, my friends, is the regulatory thicket we find ourselves in. Although, in fairness to the FCC I must admit they have a mammoth task—perhaps a job so large and complex that no one could handle it responsibly."

Van Deerlin also questioned Ferris's program of "zero-based" regulation. "No regulatory agency can afford to 'zero-base' itself out of existence—even if that might be best for the public and the industry. In short, I've suspected that only Congress could effect a truly decisive zero-based regulation. Everything I heard [during oversight hearing] confirmed my suspicions." (One commissioner told us Van Deerlin's attack on FCC was "a cheap shot.")

Amount Ky. stations would pay in yearly spectrum fees, using recent earnings figures, was discussed by Van Deerlin. He said once fee plan is fully phased in after 10 years Lexington TV stations would pay average of \$45,000 each. In Louisville, average TV would pay \$114,500. Radios in Lexington would average \$1,100; Louisville, \$1,800.

CBS NET DOWN 48%, RCA UP 13%: As predicted, CBS Inc. first quarter net income dropped 48% while revenue increased 11%, with lower earnings by all major divisions. RCA's first quarter net rose 13% on 20% sales gain.

With last year's figure in parentheses, CBS net income fell to \$17.8 million (\$33.8 million) while revenue rose to \$828.3 million (\$744.2 million). Earnings per share were 64¢ (\$1.22). Lower profits for broadcast segment were due to "specially targeted expenditures for network programming" plus higher than anticipated news costs, CBS said. Its stockholders meet April 18 in Nashville.

Profit of NBC fell while revenue rose as result of "stronger demand" for time, RCA said. Earnings per share were 81¢ (72¢), with Hertz again leading all divisions with record profit & revenue. RCA American Communications (satellite division) improved revenues by 80%, was profitable for first time. RCA income was record \$62.1 million (\$54.9 million); sales were \$1.8 billion (\$1.5 billion).

WAEO-TV Rhinelander, Wis. "distress sale" has been okayed by FCC. It grants owner Alvin O'Konski authority to sell to Seaway Communications, 100% minority-owned, at 54% of assessed fair value. Decision will announce that future distress sale requests require 2 professional appraisals.

Roscoe Long is out as chief of Policy & Rules Div. of FCC Bcst. Bureau, and here's what happened: Effective July 1, Office of Personnel Management (formerly Civil Service Commission) requires that supergrade (grade 16-18) employees be certified for advancement into new "senior executive service" category. Without consulting other commissioners—or asking Long's superior, Bcst. Bureau Chief Wallace Johnson, for recommendation—FCC Chmn. Ferris told Long that he wouldn't be certified. Ferris suggested that Long resign, or subject would be taken to commissioners. Long resigned, effective May 6, and promptly was designated acting Bcst. Bureau chief while Johnson and Deputy Martin Levy were out of town. Expected to succeed Long: Richard Shiben, chief of Renewals & Transfer Div.

FCC is "painfully aware" of Bcst. Bureau paper-work backlog, is planning to deal with it, FCC Chmn. Charles Ferris has written to NAB Pres. Vincent Wasilewski. Contending that problem hasn't "any single magic solution," Ferris said approaches under consideration include: (1) Increased data automation. (2) Deregulation. (3) Staff reassignment. (4) Up to 18 more people, if Congress approves. Ferris said report prepared by Max Paglin on streamlining procedures in comparative hearings will be subject of public symposium April 17. "I assure you that resolution of these matters has one of my highest managerial priorities," he wrote.

PUBLIC BROADCASTERS & ADS: Immediate reaction of public TV & radio managers to proposal that would permit advertising was mixed, some strongly in favor, others highly skeptical. Widely held belief: Idea is bait to distract broadcast lobbyists from spectrum fee.

Ad idea, incorporated by Communications Subcommittee Chmn. Van Deerlin (D-Cal.) in rewrite of 1934 Act, would permit PBS & NPR commercials in 3 clusters up to 3% of broadcast day—in practice, up to 30 min. daily, not interrupting programs.

Noted by many in public broadcasting community: Idea could spark battle equal to that precipitated by proposed Wagner-Hatfield amendment to Communications Act in 1934. Wagner-Hatfield, which failed in Senate, proposed funding non-profit broadcasting by time sales.

Donald Zeifang, NAB lobbyist, says his exec. committee hasn't yet taken final position on ad idea but: "I expect we will take a strong and active stand. We really are going to have to dig in on that one."

Within PBS system there is wide variety of opinion with William McCarter, WTTW Chicago head, outspoken in support; David Ives, pres., WGBH-TV Boston, concerned about possible effect on "ideals" of public system; PBS executive staff non-committal, "studying" idea.

Why advertising? McCarter explains: "The question is to be asked is how do you put a funding base under public broadcasting. There is no other answer. Philanthropy is pushed to its absolute limits. Very few will tell you there is much more there." Public service, non-profit broadcasters, accept advertising in both Italy and Canada, McCarter said. Equivalent advertising funding here is only place left to find much more money for public broadcasting.

Comment from one PBS staffer: "We don't know if this proposal is a political ploy to get the spectrum fee passed or a real approach to funding. We don't know how much money it would really bring in, and how it could affect the amount we get from other sources. We wonder whether it's a boon or a bust."

Public radio reaction to proposal was mixed. Susan Harmon, station mgr., WAMU-AM-FM Washington, speculated that Van Deerlin might be using idea as bait for spectrum fee. Harmon worried that ads "might put us head to head with commercial broadcasters who will then ask why so much government money" goes to service that had been billed as non-commercial. Harmon said TV genesis of proposal means radio stations haven't thought through their positions yet. "People are going to be scrambling."

"There's hardly anything more calculated to set public broadcasting at war with the commercial broadcasters," complained NPR Pres. Frank Mankiewicz. "I know of no support in public radio for selling time. Once a public broadcasting station has a rate card you might as well put the station mgr. on commission."

Harry Shooshan, counsel to House Subcommittee, firmly denies advertising measure is political or a

bargaining chip. Crediting WTTW's McCarter, among others, for raising issue, Shooshan said advertising solves "great unanswered question" in Carnegie II (which proposed increased funding but gave little guidance on where it would come from).

Shooshan said objections from commercial sector are expected because: "They're going to object to anything that strengthens public broadcasting." Hearings on public broadcasting part of Rewrite II are slated for June 25. PBS exec. committee will consider stand May 11.

FLA., OHIO COURTS OPEN TO CAMERAS: Fla. State Supreme Court last week unanimously allowed cameras & recorders into courtrooms permanently starting May 1, while Ohio Supreme Court authorized one-year test.

Equipment is allowed into Fla. proceedings unless judge prohibits it. Fla.'s new rule is broadest in country, approached only by N.H. in openness. RTNDA Pres. Paul Davis said Fla. action was "particularly welcome," stated ruling is important because: (1) It eliminates "crippling restrictions." (2) Machinery for appeal has been set up if judge bars coverage. There are 8 states which allow open coverage of courts permanently. Addition of Ohio brings to 16 total number of states which have experimented or plan to experiment with electronic coverage.

Meanwhile, NAB, RTNDA & ABA have come to tentative agreement, now plan to hold demonstration of electronic coverage at ABA's 1979 convention in Dallas, action viewed as key to prospects for nationwide coverage. ABA board, meanwhile, voted at recent Memphis meeting to maintain own control of press coverage of future ABA functions. That's viewed as signal to Chief Justice Warren Burger, strong opponent of cameras in courts, that he no longer may prohibit TV coverage when he speaks to ABA.

NBC board has been halved to 9 members—including 5 outsiders. Continuing as dirs. are Pres. Fred Silverman, Chmn. Jane Pfeiffer and RCA Pres. Edgar Griffiths; Richard Salant will join board when he becomes vice chmn. May 1. Resigning dirs.: David Adams, James Alic, Lester Crystal, Corydon Dunham, David Gardam, Robert Mulholland, Irwin Segelstein, Chester Simmons, Theodore Walworth, Mike Weinblatt.

Plans for hemispheric AM radio conference include: (1) Notice of inquiry is to be issued by FCC seeking comments on U.S. position at talks. (2) Tentative dates for conference are April 1980 & Nov. 1981. (3) Working group from FCC Broadcast Bureau has started draft of technical standards and proposed regional agreement. Conference is to be held under provisions of ITU & Inter-American Telecommunications Conference.

INTV plans monthly marketing newsletter through newly formed Marketing Advisory Committee under Chmn. Robert Hartman. WUAB(TV) Cleveland. Group also plans to reform Research Committee and is searching for fulltime Washington lobbyist.

PBS CHALLENGED IN DALLAS: Influential Inter-regional Council of PTV managers has approved manifesto for radical restructuring of PBS, including: (1) No single executive or governing authority. (2) Multiple program services. (3) Each service controlled by a small board. Plan is direct challenge to centralized operational style of current PBS management, with some insiders calling it vote of "no confidence" in PBS Pres. Larry Grossman.

IRC took action at Dallas meeting April 5-6. Manifesto how goes to PBS Exec. Committee meeting April 17 in Chicago, then to PBS board meeting in L. A. in June. Both meeting are expected to be lively.

Multi-channel proposal parallels that of PBS Vice Chmn. Hartford Gunn, who intends to discuss plan for red, blue & green services at Chicago meeting. Services are seen as national, regional and instructional in nature, would be distributed via PBS satellite interconnect system.

A key to IRC displeasure with central PBS executives is 1980 budget, currently exceeding projected revenues by \$1 million, with possibility of added deficit of \$1.6 million should CPB fail to pay PBS's copyright bill. "The stations are tired of paying the big bills," we're told. "They want PBS to get rid of many things it's now doing." PBS Chmn. Newton Minow, in China, and Grossman, on vacation, could not be reached for comment.

Control of Teleprompter continues with Jack Kent Cooke. In divorce settlement with his ex-wife Barbara, to whom he had been married 42 years, she acquired his 1,709,292 shares—but he immediately reacquired them, terms not disclosed. He also keeps pro teams L. A. Lakers & Kings, Washington Redskins. Earlier news reports "didn't go far enough," said Cooke, by failing to mention his reacquisition. Cooke stock amounts to about 10% of TPT; he also controls the 2% held in trust by 2 sons (Vol. 19:11 p6). Value of Cooke's TPT shares is almost \$29 million.

HBO forms new div., HBO Program Services, for mini-pay "Take 2" and potential new pay services, with Angela Schapiro vp-gen. mgr. Program dir. is George Krieger, sales dir. Kathryn Cass. Schapiro remains pres. of TPS, Krieger promoted to TPS gen. mgr. Company also creates regional dirs.: Leslie Read, Northeast; Edward Horowitz, Mid-Atlantic; Richard McCaffery, Metro Mid-Atlantic; Dennis Garcher, Southeast; William Grumbles, Mid-Central; Michael Welch, N. Central; Larry Carlson, Northwest.

Arbitron is moving part of operations from Beltsville, Md. to Arbitron Bldg., Laurel, Md. 20810, 301-441-4600. Moving: Research TV, radio, client orders & services, accounting. Remaining in Beltsville: Computers, field operations, personnel & administration, printing, promotion.

Nader's NCCB has asked networks to devote at least 4 prime-time hours to communications issues. Letter was signed by 15, including Sen. Pressler (R-S.D.), Reps. Maguire (D-N.J.), Ottinger (D-N.Y.), Leland (D-Tex.), Moffett (D-Conn.).

"We must be careful to use wisely our tax certificate authority—which grants in effect public funds by deferring income the government would otherwise receive," FCC Chmn. Ferris said in explaining his vote not to grant tax certificate in sale of KVVU-TV in Henderson, Nev. Commission has authority to grant certificates in sales to minorities or women. New KVVU-TV owners are headed by NBC entertainer Johnny Carson, include 30% minority ownership. This, FCC majority ruled, doesn't constitute "minority" ownership for tax purposes. Added Ferris: "Minorities must have sufficient ownership interest or operational control of a station that their participation cannot evaporate at the whim of a majority of the board of directors or a change in the station's general manager."

CP for WRHT (Ch. 31) Ann Arbor, Mich. is being bought by Southern Syndicated Systems, parent of Southern Satellite, which serves cable systems; price hasn't been disclosed. Station plans May start. SSS will lease to Wometco, intending to reach Detroit area with STV service. National Subscription TV (Perenchio) holds STV authorization for WXON Detroit. SSS also is buying out Holiday Inn's 81% of Satellite Communication Systems, of which SSS holds 19%. SSS now feeds WTCG Atlanta & KTVU San Francisco to cable on RCA's TR-6 & TR-1, respectively, will add KPIX San Francisco on TR-1 starting May 1, for hours when KTVU and Satellite Programming Network (SPN) are off air. SPN carries Home Theater Network, et al. On May 1. SPN will add 7 a.m. -8 p.m. service on TR-21.

Baseball-cable deal gives UA-Columbia Cable-vision rights to weekly Thurs. night game to dis-tribute to non-major league cities. Ads will be sold. UA will use TR-9 on Satcom 1, leasing it from Madison Square Garden. This can be a great promotional vehicle for baseball," said Baseball Comr. Bowie Kuhn.

D.C. Appeals Court has upheld 1976 FCC action refusing to renew licenses of WMOU(AM)-WXLQ(FM) Berlin, N.H. because of double billing. Court said double billing by stations "consisted of a fraudulent course of conduct" over 5-1/2 years and that Commission had "again and again warned against" practice.

Meltdown possibility was nature of special report broadcast inadvertently by WKBS-TV Philadelphia last week—2 weeks after it was scheduled. Warning brought raft of frightened callers, who were told of error.

Station sales: WICS Springfield, Ill. to group headed by Larry Israel, for \$10.7 million. . . Gordon McClendon sells KNUS(FM) Dallas to SJR Communications, for \$3.75 million, approved by FCC.

Fairness petition—against NBC and 13 southern TV affiliates for allegedly not giving scores or tele-casting games of black colleges—has been dismissed by FCC.

First sale of 'Nickelodeon,' Warner's children's series, is to United Cable, which is compiling record of "firsts" in taking satellite-fed services.

Personals

Robert Schmidt, vp-gen. mgr., KAYS-TV, Hays, Kan., elected chmn. of CBS TV Network Affiliates Assn., replacing Charles McAbee, resigned to devote full time to new post as Meredith Bcstg. senior vp; James Babb, Jefferson Pilot Bcstg. exec. vp, succeeds Schmidt as secy. . . A. Robert Bonagura advanced at CBS TV Network to business admin. sales vp; John Gray promoted to vp, central sales, Chicago, succeeding Bonagura.

New ABC PR vps: Rick Giacalone, visual communications; Patti Matson, planning & development; Julie Hoover will be advanced to vp-east coast broadcast standards, succeeding Rick Getter, resigned. . . Jack Thayer, NBC Radio exec. vp-special projects and former radio network pres., resigns "to pursue other opportunities."

Julian Rush, ex-FCC Cable Bureau, appointed secy.-gen. counsel, Horizon Communications, Washington hq. . . Eric Ober, ex-WCAU-TV Philadelphia, appointed news dir., WBBM-TV Chicago. . . Martin Beck, WBLI(AM) Patchogue, elected N.Y. State Bcstrs. Assn. pres.

Ronald Coleman, minority counsel to House Communications Subcommittee, becomes partner in Washington law firm Leighton, Conklin & Lemov May 1. . . Donald Williams, ex-Mission Cable, San Diego, named exec. vp-chief operating officer, Cox Cable, succeeding Henry Harris, former pres., now head of Newhouse-backed cable group (Vol. 19:14 p10). . . Kenneth Gorman promoted to pres., new Viacom Entertainment Group (including Enterprises & Showtime). . . CPI Regional Mgrs. W. D. Arnold, Al Bloom, Ronald Dorchester & John Schmuhl promoted to vps.

M. Richard Swender, ex-Westinghouse Electric, appointed Magnavox CATV facilities mgr. . . Elected Scientific-Atlanta vps: John Levergood, communications group; Mack Burt, industrial products group; Allen Ecker, research & development; Howard Crispin, senior vp-marketing, adds responsibilities for worldwide marketing and field sales offices.

Edward Cowling, ex-Republican National Committee and onetime FCC attorney, joins Washington office (2033 M St. NW, 20036, 202-293-2505) of Detroit law firm Jenkins, Nystrom & Sterlacci. . . Bill Hart promoted to dir. of communications, Republican National Committee, succeeding Peter Teeley, now working in George Bush campaign for Presidnet.

Norman Powell, ex-CBS, appointed vp in charge of production, Wrather Entertainment. . . Peter Grad, ex-Time-Life Films, named vp-program development, Columbia Pictures TV. . . Robert Teach, ex-Palomar Pictures, joins Reeves Teletape as financial planning dir.

Donald Reinert named mktg. mgr., RCA Cable-vision; regional sales mgrs.: Warren Reiths, N. Hollywood, West; Ray Pastie, Kansas City, Midwest; Peter Chunka, Syracuse, Northeast; P.G. Walters, Atlanta, Southeast.

WEEKLY Television Digest

with
Consumer Electronics . . .

PUBLISHED BY TELEVISION DIGEST, INC.

Copyright © 1979 by Television Digest, Inc. Reproduction in any form, without written permission, is prohibited.

Also publishers of annual *Television Factbook* and weekly *TV, AM-FM & Cable Addenda*, *Cable Atlas*, biweekly *Public Broadcasting Report* and other special publications

EDITORIAL & BUSINESS HEADQUARTERS

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

WASHINGTON HEADQUARTERS

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

Television Factbook

Mary Appel Editorial Director
Sean P. Maloney . . . Managing Editor

Business

Edward L. Sellers Sales Dir.
Roy W. Easley III . . . Business Mgr.
Barbara J. Pratt Asst. Sales Dir.
John W. Thompson . . . Circulation Mgr.

NEW YORK BUREAU

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

David Lachenbruch . . . Editorial Dir.
Robert E. Gerson Senior Editor
Christopher Kelly . . . Assistant Editor

JAPAN REPRESENTATIVE (Editorial & Business)

John H. Nakamura

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

David Newborg promoted to mgr.-antenna engineering, RCA Bcst. Systems; John Williamson, ex-International Nickel, named RCA Americom public affairs dir., succeeding Donald Quinn, now Americom vp for Alascom relations. . . Arno Penzias, 1964 Nobel laureate & ex-Radio Research Lab dir., promoted to research dir., Communications Sciences Div., Bell Laboratories, succeeding William Boyle, retired.

Benton Everett, ex-Spin Physics Inc., appointed Sony Bcst. Div. sales engineer, Edison, N.J. hq. . . Thomas Rasmussen, ex-PBS, joins Robert Wold Co.

Gregory Liptak promoted to senior vp-marketing, Communications Properties; Jerry Lindauer, asst. to pres., advanced to vp. . . James McCormick promoted to vp-Southwest Div., Viacom Enterprises, Dallas; Donald Toye to domestic sales dir.-North-east Div.; Richard Moran to dir.-national sales.

Warren Miller joins United Video as treas.-controller. . . Katherine Edwards, ex-KENS-TV San Antonio, appointed mgr. of affiliate publicity, HBO. . . Danny Carnett advanced to gen. mgr.-Scientific-Atlanta Canada, Toronto. . . Anthony Vogelpoel, ex-N. American Philips, moves to subsidiary Magnavox CATV as mgr.-product assurance.

Current NAB TV Chmn. Thomas Bolger, WMTV Madison pres.-gen. mgr. and vp of parent Forward Communications, formally announced candidacy for NAB joint board chmn. in letters to board members last week. Election will be at June meeting in Washington, and Bolger isn't expected to be opposed; he'll replace Donald Thurston, WMNB-AM-FM N. Adams, Mass. For TV & radio leadership candidates, see (Vol. 19:13 p4).

Consumer Electronics®

A Section of Television Digest with Consumer Electronics

MANUFACTURING & SALES • TV • PHONOGRAPHS • TAPE PRODUCTS • RADIO • COMPONENTS • NEW PRODUCTS • FINANCE

STATE OF THE INDUSTRY

Sales to dealers (total market), from EIA, for week ended March 30 (13th week of 1979):

	March 24-30	1978 week	% change	March 17-23	1st qtr. 1979	1st qtr. 1978	% change
Total TV.	380,368	352,194	+8.0	300,426	3,790,042	3,607,587	+5.1
color	227,806*	211,783	+7.6	191,581	2,360,170**	2,287,802	+3.2
monochrome . . .	152,562*	140,411	+8.7	108,845	1,429,872	1,319,785	+8.3
Home VCR	8,453	—	—	7,935	99,346**	55,936	+77.6
Total radio	725,331	1,180,542	-38.6	642,136	9,396,761	10,412,441	-9.8
home, portable .	456,585	905,126	-49.6	373,825	5,744,820	7,207,450	-20.3
AM-only	101,079	379,008	-73.3	103,992	1,722,921	2,174,932	-20.8
FM & FM-AM .	355,506	526,118	-32.4	269,833	4,021,899	5,032,518	-20.1
auto	268,746	275,416	-2.4	268,311	3,651,941	3,204,991	+13.9

Color TV 5-week moving average: 1979—205,330***; 1978—193,265 (up 6.2%).

*Highest week of year to date. **Record for period. ***Highest week of year and record for period.

BETA RECORDING TIME UPPED TO 5 HOURS: New chapter in VCR recording-time saga unfolds today (April 16) as 4-1/2-hour Beta recorders are upgraded to 5 hours before they're even introduced—thanks to new longer-playing L-830 cassette. Toshiba was first to announce "5-hour VCR system"—combination of L-830 cassette and new dual-speed programmable recorder.

L-830 cassette has about 10.7% more tape than L-750, will record for 3.3 hours at standard X2 speed and 5 hours at new speed 33% slower than X2, which will be introduced on new models by Sanyo, Sony, Toshiba and, presumably, Sears & Zenith. With L-750 cassette, new speed provides 4-1/2 hours recording. There have been informal indications from both Sanyo & Sony—both presumably subject to change—that their new machines will be identified as "4-1/2-hour" units.

Although Toshiba obviously intends to make capital out of 1/2-hour recording time advantage over other new Beta models (as well as one-hour advantage over VHS), it's evident that any Beta recorder can use L-830 when it comes on market. In fact, Toshiba's L-830 cassette is believed to be made by Sony, which has manufactured all previous OEM Beta tapes. Toshiba says new tape will be priced about 12% above its L-750 cassette (now \$20.95), so it should list at about \$23.50. (Beta tape model numbers refer to number of feet of tape in cassette.) New deck, Toshiba's 4th, is scheduled for sale this summer, will list for about \$1,400. It may be programmed to record 3 different shows up to week in advance, has freeze-frame, visual fast-forward & reverse "picture search."

Sony is expected to announce new super-deluxe VCR next week (Vol. 19:19 p9) as well as new videocassettes with playing times of 15 (for portables) & 90 min. (feature films). New VHS lengths of one & 3 hours (in LP mode) are also expected to appear this spring. Tape manufacturers also are working on 6-hour VHS tape, which may or may not come before fall.

While EIA reported first-quarter VCR sales to dealers of 99,346 units (see above), Commerce figures last week showed imports of 79,025 units in Jan.-Feb. (up 34.6% from last year), with Feb. imports totaling 34,127 (up 32.5%). Color camera imports appear ready to pass monochrome—in Feb., 7,606 color cameras arrived (up some 556%), along with 7,789 b&w

cameras (up just 2.5%). For year's first 2 months, color cameras totaled 15,475 (up 546%), monochrome 16,120 (up 22%). Figures include broadcast & commercial as well as consumer VCRs & cameras.

1ST-QUARTER BOOM—WILL IT GO ON? It may be the extraordinary values or soaring demand for replacements, but color's fantastic boom in first quarter exceeded all industry forecasts. As one observer noted: "It looks like everybody's selling below cost and trying to make it up in volume" (see ITC's average-price data, p. 9).

Like other industries, TV makers heaved sigh of relief at quick end to trucking strike-lock-out just before severe effects would have been felt. Typical comments: RCA—"We lucked out. It cost us, but special charters covered most of our shipments. If it had gone on just a couple of days longer we would have been in trouble. It was also fortunate that it came early in the month, when orders are light." Sylvania—"It was pretty severe—we were shipping only about half our normal output, and incoming shipments were affected about the same. Some production lines were shut down. If the trucks are rolling again Monday, we hope to be able to ship our April goals—or anyway not to fall short more than about 10%." Zenith—"We prepared before the stoppage, used our own trucks and other alternate means, and had no major problems, either incoming or outgoing."

Even if there had been no strike-caused aggravations, April 1978 would be tough month to beat, and 2-month winning streak of new records could stop this month. April 1978 was best month in history in terms of annualized sales rate (11.52 million, based on our seasonal factors).

March came in just below last April in annualized sales—11.46 million—making it 2nd best month in history in terms of sales rate. First quarter's momentum built up month by month: Jan., up 0.5% from 1978 at 9.63-million annual rate; Feb., up 1.3%, 10.28-million-rate; March, up 6.2%, 11.46-million rate.

Color TV inventories continued to look healthy considering sales pace. At end of March, total distributor-factory stocks stood at about 2,321,000, up 4.8% from year earlier and 1.5% from end of Feb. Factory inventories at 1,376,000 were up 8.2% in year and down 1.7% in month. At distributor level, increase was 0.2% in year and 6.7% in month.

VCR sales were up 77.6% for quarter and 57.3% for month. March marked major inventory liquidation in VCRs—factory plus distributor inventories dropped by some 19,800 during month, indicating 46% of March sales were made out of inventory. During month, home VCR factory-distributor inventories dropped 19.7%, factories cutting down by 17%, distributors by 25.7%. At total factory-distributor level, end of March saw some 94,500 VCRs in inventory, down 14.6% from year earlier; at factory, 54,100, up 5.5%; at distributors, 40,400, down 42.1%. VCR inventories seem to be at rock bottom now.

First-quarter sales totals are in State of the Industry box. Here are EIA's sales-to-dealers figures for March:

Product	March 1979	March 1978	% change	March 1977
Total TV	1,646,125	1,572,295	+4.7	1,273,546
color	1,026,648	966,326	+6.2	770,977
monochrome	619,477	605,969	+2.2	502,569
Home VCR	43,135	27,415	+57.3	—
Total radio	3,469,213	4,593,033	-24.5	3,990,035
home, portable	2,131,427	3,310,381	-35.6	2,769,093
AM-only	550,686	1,097,690	-49.8	583,227
FM & FM-AM	1,580,741	2,212,691	-28.6	2,185,866
auto	1,337,786	1,282,652	+4.3	1,220,942

TV DUMPING SHOWDOWN MAY 1—MAYBE: It will be May 1 at earliest before Treasury learns whether Japanese TV importers go along with its demand for partial cash payments on dumping duty assessments made in March 1978. Announcement of controversial down-payment procedure

was sent to importers in mid-March, but follow-up notice specifying cash amount due has been held up.

"There've been some problems calculating the percentages [of total dumping bill] certain companies will be asked to pay in cash," Customs staffer told us, adding yet another chapter to history of Treasury delay in 10-year-old case. Agency wants all notices to go out at same time, so processing snag on some meant none could be mailed, he said, adding that importers could be receiving them this week.

Treasury normally would allow importers at least a week to respond to notices before taking punitive collection action. "In this case, we can expect Treasury to lean over backwards" before applying pressure, he said. Payment plan calls for importers' cash payment to equal portion of dumping duties they will owe if Custom grants all requests for reductions from original assessments. Balance of potential liability is to be covered by demand note, and importers are to get word on final sum due Aug. 1 (Vol. 19:11 p8). Reductions claimed by Japanese, based on differences between home-market & export selling & production costs, would cut dumping levies on sets imported through June 1973 by 45-90%, depending on company involved.

In related developments: (1) Impact of dumping and yen problems is evident in Commerce figures showing complete color imports from Japan in first 2 months were down 60%; similar shipments from Taiwan dropped 54%, reflecting end of Admiral activities there (see p. 11). (2) U.S. and other major trading nations initialed new GATT trade agreement in Geneva last week. Pact calls for gradual 30% cut in duties on most finished products, sets guidelines for valuation of imports, imposition of countervailing duties. Still pending is supplemental agreement which would permit nations to take restrictive action against specific imports by country, rather than against all countries. House Trade Subcommittee will take pact up next week.

COLOR TV INDUSTRY IN RED IN 1978: Domestic color TV industry's desperate need for substantial price increase, and intense competition that's keeping those prices down, is spotlighted in ITC report which shows U.S. set makers posted aggregate net loss last year while setting production & sales records. ITC keeps tabs on industry to monitor effectiveness of color TV import quotas.

While EIA data indicate average color TV value rose at total-market level (production plus imports), response to ITC questionnaire by producers & importers shows actual average selling prices dropped, while production costs soared. Result was sharp drop in domestic plants' net operating profit to 1.5% of sales, down from 2.8% in 1977, 3.7% in 1976, and overall net loss of \$1.63 million, against estimated \$28-\$32-million profit in 1977. That loss total, however, includes high start-up costs for Toshiba's Tenn. color plant plus other unusual expenses & write-offs of U.S. & foreign-owned plants, particularly in first quarter.

On more meaningful operating basis, ITC reports U.S. color plant sales rose 3.8% to \$3.02 billion, while cost of goods sold jumped 6.2% to \$2.58 billion. Aggregate gross profit dropped 8.4% to \$440.7 million, as gross margin dropped to 14.6% from 16.5% in 1977, 17.1% in 1976. Cost-cutting trimmed sales & administrative expenses 1% to \$396 million, leaving industry with \$44.7 million operating profit, down 44.8% from 1977, off 53.6% from 1976.

Domestic industry's operating net was off \$36.3 million. (Our analysis of annual reports shows, partially, how it broke out by company. Admiral, Wells-Gardner & Zenith combined for overall \$24-million operating profit improvement; Magnavox & Sanyo had \$10 million decline. So collectively, operating net of remaining producers [GE, MGA, Quasar, RCA, Sony, Sylvania & Toshiba] was down by \$50 million.)

Single-shift U.S. color plant capacity rose to 17.9 million last year, from 16.3 million in 1977, 15.9 million in 1976, with \$12.1 million invested in buildings, triple 1977's total, \$42.5 million in new production equipment, up 33.3%. At same time, \$10.6 million was spent for building & new equipment for foreign facilities to produce color sets & parts for export to U.S., up from \$8.7 million in 1977. In addition, \$112.2 million was spent on color-related R&D, up 23.8%.

ITC lost handle on import segment of color market last year, mainly because of 2nd-half

surge in shipments from Korea. Until then, Koreans weren't significant market factor, so their importers didn't get questionnaires. But while ITC figures understate imports by some 430,000 through exclusion of many Korean & Taiwan-made sets, they do show what happened to traditional independent importers last year.

While Japanese importers generally hiked prices 3 times last year, those increases aren't reflected in ITC's average-price compilation (data exclude sets imported through U.S. factories). ITC says quarterly average prices of 19" imports last year ranged \$303.31-\$334.97, down from \$325.93-\$353.79 in 1977; in 16"-17", range was \$264.61-\$320.15, against \$291.64-\$329.96, and in 13" was \$235.65-\$278.81 vs. \$237.86-\$269.38. In both 19" & 13", average price of imports was significantly higher than domestic sets (Vol. 19:9 p8).

Table below shows color TV sales results for 1978 as derived from ITC figures along with EIA production-plus-import totals for comparison. U.S. factory figures from ITC include shipments of both U.S.-made & imported sets. Sharp difference between U.S. factory & importer pricing is traceable to fact that importers handle virtually no consoles:

		Units (000)	% change	Value (000)	% change	Average Value	% change
U.S. Factory. . .	1978	8,217	+15.4	\$2,802,690	+12.4	\$341.06	-2.6
	1977	7,122		2,493,388		350.11	
Importer.	1978	1,771	-21.8	523,777	-24.7	295.76	-3.6
	1977	2,266		695,566		306.96	
ITC Total	1978	9,988	+6.4	3,326,467	+4.3	333.03	-2.0
	1977	9,388		3,188,954		339.70	
EIA Total	1978	10,674	+14.2	3,736,000	+14.3	350.01	+0.01
	1977	9,341		3,269,000		349.96	

Video Duplication Inc., L.A. tape duplicator, will be acquired for about \$2,640,000 in stock by DSI Corp., Nashville, parent of U.S. Datacorp (computer output microfilm). Agreement in principle calls for exchange of all VDI stock for 440,000 DSI common shares (recent bid, \$6). DSI Pres. Richard McCall said VDI will continue operation under current management and its services will be marketed through Datacorp's 41 service centers. Privately owned VDI reported unaudited revenues of \$2,354,000 and pre-tax earnings of \$272,000 for 6 months to Feb. 28, and audited pre-tax earnings of \$120,000 on \$2,471,000 revenues for fiscal year to Aug. 31, 1978. . . . Allied Artists Video, like its parent Allied Artists Pictures, has filed for bankruptcy under Chapter XI. Spokesman said video firm was profitable.

Car radio antitrust trial date in CASA's suit against GM (Vol. 19:14 p16) has been set for May 14 by Federal Court Judge Oren Lewis, Alexandria, Va. Decision on preliminary injunction to force GM to make radios optional on new X-cars is expected soon. During opening arguments, GM said it was phasing in AM radios as standard equipment to remain competitive with foreign car manufacturers. Chevrolet Div. Gen. Mgr. Robert Lund testified that more than 50,000 X-cars have been shipped to dealers, and delay of April 19 introduction date would cost GM more than any damage to radio distributors.

ITT will make Trinitron color tubes in its German plant for Sony's U.K.-made TV sets. Company becomes first other than Sony to make Trinitrons. First production will be of 60,000 21" tubes.

Personal computers will get heavy opening-day seminar coverage at Electro 79 (IEEE Show) in N.Y. April 24-26. Morning session on marketing will feature Lew Kornfeld, Radio Shack; Gene Carter, Apple Computer; Elliott Greene, Computerland; analyst Ben Rosen. Afternoon session on consumer uses includes Phil Roybal, Apple; Thomas Carpenter, Bell Labs; Robert Berkovitz, AR; Dan Slystra, Personal Software; Steve Storman, Nasco; broker Max Ule. Special session on worldwide marketing opportunities, also April 24, will be chaired by Texas Instruments Pres. J. Fred Bucy. Engineers are invited to enter MPU-controlled robots in daily "Micro-Mouse Maze" races, and ideas of finalists in international MPU product concept contest will be on view.

IHF has agreed to explore affiliation with EIA Consumer Electronics Group's Audio Div. IHF board voted to let Pres. Jerry Kalov, Jensen, begin discussions with EIA under 3 conditions: Formal agreement must permit IHF to retain name, N.Y. staff for one year, control of audio component standards. Recent EIA-CEG success in recruiting hi-fi manufacturers for Audio Div. (Vol. 19:15 p10) prompted action, IHF board member told us.

Kloss Video's Novabeam projection TV (Vol. 19:5 p9) will have 6.5-ft. screen. System is being demonstrated in Boston area to prospective dealers. Production is scheduled to start in June, reaching full 100-a-month output in fall. Price is "under \$2,500." Kloss Video's plant in Cambridge is across street from Advent.

FEB. TV IMPORTS: Total TV imports dipped 0.8% in Feb. to 828,700, as color slipped 1.9% to 374,600, b&w edged up 0.2% to 454,100, Commerce reports. In year to date, total imports of 1.72 million were up 18.2%, color up 11.4% to 750,600, b&w up 24.3% to 964,600.

In color, Feb. imports of complete sets dropped 16.8% to 149,100, for 2-month total of 335,100, down 11.2%; incompletes rose 11.4% in month to 225,400, for 2-month total of 415,500, up 10.1%.

Feb. imports by country, with 2-month results in parentheses: Japan total 121,000, down 47% (329, -300, down 30.2%); color 60,900, down 49.1% (134,600, down 50.5%); b&w 60,000, down 44.7% (194,700, down 2.8%). Taiwan total 369,200, down 4% (725, -500, up 15.1%); color 81,400, down 34.3% (192,400, up 4.5%); b&w 287,800, up 10.4% (533,200, up 19.4%). Korea total 175,300, up 89.2% (368,000, up 154.4%); color 69,600, up 394.3% (133,900, up 355.4%); b&w 105,700, up 34.5% (234,100, up 103.2%). Singapore color 3,660, up 103.3% (14,400, up 497%). Canada color 18,900, down 4.5% (34,800, down 14.5%). Mexico incomplete color 139,700, up 37.4% (232,700, up 64.1%).

Quota on color exports from Taiwan & Korea went into effect Feb. 1, so impact won't start showing until March figures. It's reasonable assumption that bulk of 53.6% decline to 21,300 in Feb. imports of complete color from Taiwan, and 22.9% drop in incompletes to 60,100, can be traced to end of shipments from former Admiral plant there—RCA is now only major Taiwan exporter of incomplete color. For 2 months, complete color imports from Taiwan were down 15.7% to 64,400, with incompletes at 128,000, up 18.8%. Complete imports from Japan of 38,500 in Feb., 90,200 for 2 months, were each off 60%, with imports down 1.4% in Feb. to 22,400, down 1.8% for Jan. -Feb. to 44,300.

U.K. color TV sales to distributors rose 6% last year to 1.74 million, with domestic-made sets up 3% to 1.37 million, imports up 18% to 367,000, BREMA reports. Total b&w sales of 1.27 million were up 23%, as domestic volume rose 35% to 687,000, imports edged up 11% to 582,000. Imports increased share of U.K. color market to 21% from 19%, but slipped to 46% from 51% in b&w. Figures exclude U.K. color production of Matsushita & Sony, so shipment figures are somewhat understated. Other U.K. market totals for year: Portable radios 4.3 million, up 1%; other radios, including phono & tape combinations, 3.59 million, up 37.4%; phonos & turntables 516,000, down 8%.

Audio noise reduction system from National Semiconductor could pose serious competition for Dolby. "NR-2" uses 2 standard ICs, adaptable to FM & AM, adds only \$5 to cost of hi-fi component. NS claims performance equal to or better than Dolby, with which it's incompatible. System will be available as \$50 kit from Advanced Audio Systems in June.

Spain's electronics industry is detailed in just-issued yearbook from SECARTYS. For free copy: Avda. Jose Antonio 456, Barcelona 15.

METAL TAPE (Cont.): Sprint for finish line in metal tape race is under way as Panasonic, Sony & TDK join rush to bring product to market either here or in Japan. Panasonic will show \$450 3-head metal tape deck at press preview this week, in addition to \$1,300 unit shown at WCES; both are scheduled to reach dealers in June. Sony has sample pre-production metal tape decks in U.S. now, may show them as sidelight next week at N.Y. conference, where main event is debut of its micro components. Sony metal tape decks are on sale in Japan for \$285, \$370 & \$750 (59,800, 73,800 & 158,000 yen).

TDK announced it will have metal tape for Japanese market in April, U.S. in June. TDK tape has 1,050-oersted coercivity level with 4-micron coating, 12-micron backing. Japanese standards committee will announce metal tape standards soon.

Metal tape action extends to microcassette field, where main advantage is longer playing time. Sony 3-hour metal tape microcassette is hot item in Japan; it will be on sale here before year end. Matsushita is entering metal tape microcassette market in Japan, intends to produce 10,000 a month by Aug.

Digital audio disc guidelines have been issued by Digital Audio Disc Council, multinational manufacturer group headquartered in Japan seeking standardization (Vol. 18:41 p10). Guidelines call for signal band range up to 20 kHz, dynamic range more than 90 dB, 4-channel capability, playing time not more than 40 min. per side, disc size less than 12" diameter. Guidelines aren't binding, but members have been asked to submit proposals needed to arrive at final specs. Goal is standard in less than 2 years. Philips demonstrated its 4.3" Compact Disc (Vol. 18:21 p8, 18:40 p11) to standards group, said laser-player could sell for \$250 when marketing starts in 1985.

Videonotes: Sanyo has introduced Beta VCR in Japan with 72-hour electronic timer, visible cue & review at 5 times normal speed, dual-channel sound at about \$1,225 (258,000 yen)...MGA, which now offers JVC-built VCR, will switch to completely new Mitsubishi unit this spring...Grundig will offer new VCR on European market (in both PAL & SECAM color systems) which will be 10-day programmable to record 2 different shows on different channels...JVC videodisc demonstration in U.S. (Vol. 19:15 p14) hasn't been canceled, but postponed, according to spokesman. New date probably will be in June.

Magnavision videodisc player wholesale prices don't differ so much from dealer to dealer as might appear from our report on Atlanta March 26 (Vol. 19:13 p9), Magnavox officials say. Price range of \$487-\$525 is partly due to inclusion of floor-plan financing in some of figures quoted, according to company.

Prerecorded videocassettes will beat out video-discs in both annual & cumulative sales through 1983, according to Kalba-Bowen study, "Home Video Programming Market, 1979-1983," sponsored by CBS, Magnavox, McGraw-Hill, Pickwick, Xerox & others (available for \$9,000).

Consumer Electronics Personals

Seth Willenson, ex-Films Inc., joins RCA in new corp. staff post of Selectavision videodisc feature film programs dir., responsible for evaluation & licensing, reporting to Exec. Vp Herbert Schlosser... James Williams, ex-International Harvester, named personnel dir., Sharp Mfg., firm formed to operate Sharp's Memphis plant... Tony Garcia named Zenith N.Y. parts & accessories dir.

Charles King, ex-Panasonic, joins Sharp as TV mktg. service mgr... Robert Wold, ex-Motorola, named Craig product development dir... William Gattis joins Radio Shack Computer Div. as educational products mgr... Roy Martin appointed Apple Computer software applications mgr... R. W. King advanced at PTS from national sales mgr. to mktg. vp.

Timothy Huber, ex-Gillette, appointed Mattel Electronics mktg. dir... Michael Hyde, ex-Dynascan, joins Melco Sales as Mitsubishi car audio national sales mgr., succeeding Larry Scott, who takes same title with Alpine Electronics, recently formed U.S. subsidiary of Japan's Alps... Dan Cagle, ex-Craig, now Kraco Frontier Div. gen. mgr... T. Adachi, pres. of Japanese trading firm Sunrise House, assumes same duties with U.S. subsidiary Roadster, succeeding Sid Gordon, resigned... Mike Golacinski, ex-Capitol, named Maxell mktg. & sales field coordinator... Larry Wizenberg resigns as Lafayette senior product mgr.

Ronald Whigham promoted at Westinghouse Components to gen. mgr., succeeding Harry Murray, now pension investments & investor relations vp... Richard Evans advanced at 3M Electronic Products to European product mgr... Hiroe Osafune, NEC Electron Device Group vp, named chmn.-pres. of new U.S. components marketing subsidiary, NEC Electron; Jason Stewart is chief operating officer... Robert Novis promoted at Motorola Semiconductor to Asia Pacific strategic mktg. mgr., succeeding Steve Co, now gen. mgr. of Hong Kong test facility.

Irwin (Skip) Tarr, Matsushita America vp & ITA chmn., named ITA Man of Year... Lillian Janik re-joins EIA Consumer Electronics Group as administrative asst. for CES... Ernest Welling promoted at Maclean-Hunter Publications to editor, Canadian Electronics Engineering.

RCA RESULTS: RCA reported record sales & earnings in first quarter (see financial table), said color sales were record for period, and market share & earnings for color improved. Color tube plants in U.S., Brazil, Canada & Mexico operated at capacity, had higher earnings. Net was down for Records & Solid State Divs.

Magnavox dropped back into red last year despite 16.5% sales gain and increased share of portable color TV market, as shown by figures in annual report of parent North American Philips. NAP blamed performance on combination of factors including higher costs, severe price competition and market shift to lower-priced units. Report gives first 5-year breakout for consumer electronics, virtually all Magnavox, shows business segment was

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
APF Electronics			
1978-year to Dec. 31	30,997,286	116,677	.10
1977-year to Dec. 31	33,489,899	(1,391,386)	--
CBS			
1979-qtr. to March 31	828,300,000	17,800,000	.64
1978-qtr. to March 31	744,200,000	33,800,000	1.22
GE			
1979-qtr. to March 31	5,081,600,000	303,400,000 ^a	1.33
1978-qtr. to March 31	4,443,400,000	247,800,000	1.09
General Instrument			
1979-year to Feb. 28	550,648,002	34,085,522	4.22
1978-year to Feb. 28	502,848,173	24,315,819	3.03
1979-qtr. to Feb. 28	153,465,902	9,040,383	1.11
1978-qtr. to Feb. 28	124,657,781	5,404,257	.67
Multimedia			
1979-qtr. to March 31	26,988,279	3,249,000	.49
1978-qtr. to March 31	23,056,774	2,789,000	.42
North American Philips			
1979-qtr. to March 31	546,129,000	14,804,000 ^b	1.14
1978-qtr. to March 31	464,036,000	10,866,000	.84
Owens-Illinois			
1979-qtr. to March 31	816,599,000	17,988,000	.60
1978-qtr. to March 31	696,469,000	9,135,000	.29
Raytheon			
1979-qtr. to April 1	897,698,000	42,991,000	1.38
1978-qtr. to April 2	769,426,000	32,609,000	1.05
RCA			
1979-qtr. to March 31	1,799,900,000	62,100,000	.81
1978-qtr. to March 31	1,504,000,000	54,900,000	.72
Walt Disney Productions			
1979-6 mo. to March 31	341,357,000	43,750,000	1.35
1978-6 mo. to March 31	307,026,000	36,381,000	1.12
1979-qtr. to March 31	186,685,000	25,743,000	.79
1978-qtr. to March 31	169,920,000	23,028,000	.71

Notes: ^aRecord. ^bIncludes special credit.

turned to money maker from money loser in 1976. Here are totals (in millions):

	1978	1977	1976	1975	1974*
Sales ..	\$379.2	\$323.6	\$303.5	\$255.4	\$77.1
Oper.					
net ...	(\$2.1)	\$7.2	\$19.3	(\$3.1)	(\$9.3)

*Magnavox included from Oct. 1.

In audio, Magnavox increased share of radio market, held level in compact stereo, lost market share in consoles. Report notes Magnavox has launched consolidation & automation program at Tenn. production facilities. NAP also says sales of electronic & electrical components rose 25.5% last year to \$443.9 million, operating net was up 22.6% to \$74.2 million.

Lloyd's said inability to raise prices in face of rising costs and failure of suppliers to make deliveries on time resulted in loss of some \$3 million in final quarter to March 31 and 13% sales drop to about \$18 million. For year, company expects to show \$2.8-\$3-million loss, with sales down about 7% to \$108 million.

WEEKLY

Television Digest®

with
consumer
electronics®

34th YEAR OF PUBLICATION
34
1945 - 1979

The authoritative service for broadcasting, consumer electronics & allied fields

APRIL 23, 1979

VOL. 19, NO. 17

SUMMARY-INDEX OF WEEK'S NEWS

Broadcast

'MIND-PROBING' DECISION by Supreme Court dis-mays journalists. CBS producer must disclose thoughts on 'actual malice' in libel case. (P. 1)

CABLE BUILDING UP TO SHOWDOWN: NAB-NCTA meeting seeks common ground, but broadcasters press for retransmission consent. NAB copyright committee seeks all cable royalties, dealing with program producers in 'marketplace.' FCC likely to ease cable restrictions in April 25 meeting. (P. 2)

SCORE 150 FOR SMARTS: RCA satellite program has 150 interested stations; engineering test will precede earth station procurement. (P. 4)

EXPAND FM, NTIA URGES: Add more FM by adopting directional antennas, new classes of stations, NTIA asks FCC. (P. 4)

GROSSMAN's PBS PLAN: On heels of station mgrs.' plan to re-do PBS, Grossman proposes own alternative to exec. committee in Chicago. (P. 5)

TRANSLATOR REGULATION 'UNREASONABLE': NTIA's Bortz sees translators better than rural cable. (P. 5)

CARSON & SILVERMAN TO TALK; SMITH QUILTS: Carson says he's no 'Benedict Arnold,' will meet with Silverman on his plans; Howard K. Smith resigns. (P. 5)

Consumer Electronics

6-HOUR VHS with 3 tape speeds to be introduced by RCA, then others, for entire fall lines. Thinner tape could increase capacity to 9 hours. VHS over-production & price cutting seen this year. (P. 7)

JAPANESE MAY BALK at 30-40% cash down payments on dumping duties being asked by Customs. Sum is double anticipated levy. (P. 8)

ZENITH RECALLING 67,000 new 13" & 17" color portables to replace defective component, eliminate potential shock hazard. (P. 9)

VIDEOTAPE ECONOMY ratings show tape usage per hour has been cut by factor of 136 since first VTR. New VHS EP speed uses 5.5 sq. ft. per hour, Beta X3 6.9 sq. ft. (P. 10)

NEW AUDIO LINES unveiled by Panasonic & Aiwa. EIA-J metal tape standards still not finalized. (P. 10)

SONY & MCA-DISNEY sum up their cases in copyright suit, repeating main points. Sony rejected idea of jamming signal, says MCA. MCA would 'darken' & 'silence' TV-radio stores, says Sony. (P. 10)

FCC HITS FANON with \$508,000 rejection slip, turns down request for extension of 27-MHz walkie-talkie sales deadline. (P. 11)

SUPREME COURT 'MIND-PROBING' DECISION: Journalists of all kinds recoiled in shock last week as U. S. Supreme Court voted 6-3 in favor of exploring reporters' & editors' minds to determine, in libel cases, whether "actual malice" is in their thoughts as they prepare their news reports.

You've read about decision, seen editorials & cartoons—so we'll summarize briefly. Former Lt. Col. Anthony Herbert charged he was libeled in CBS's "60 Minutes." In early "discovery" stage of trial, producer Barry Lando declined to answer questions seeking to learn whether malice was on his mind. U. S. Appeals Court held that he didn't have to answer, that First Amendment protected "editorial process."

Supreme Court reversed last week, sent case back for trial. Justice White wrote decision holding that a plaintiff could scarcely be required to prove malice while prohibited from exploring journalists' state of mind. Dissenters were Marshall, Brennan & Stewart, with only Marshall totally against all aspects of mind-probing. Some reactions:

William Leonard, CBS News pres.: "[The decision] denied "constitutional protection to the journalist's most precious possession - his mind, his thoughts and his editorial judgment."

Copyright © 1979 by Television Digest, Inc. Reproduction in any form, without written permission, is a violation of Federal statute (17 USC 101 et seq.). On written request, permission will be granted liberally for reproduction of occasional articles.

Roone Arledge, ABC News pres.: "We do not intend to be discouraged...and we will continue to pursue with equal vigor our investigative reporting and our legal rights."

Washington Post editorial: "[The decision] appears to let those who claim they have been libeled launch their inquiries into the thought processes of the press before they have established that the published material was false and defamatory."

Erwin Krasnow, NAB senior vp-gen. counsel: "[The decision] cannot but severely restrict the ability not only of the press to challenge and question public officials, but the freedom of private citizens to oppose and challenge their own public officials in open debate... The members of the Supreme Court who made this decision are themselves public figures, and the out-of-court attitudes of more than one member of the Court toward the press raise serious questions about the detachment and propriety of the decision handed down today."

Paul Davis, RTNDA pres.: "[Court was] insensitive to First Amendment protections of the editorial process. [It's subject to] potential abuse."

Ironic twist to case—not at all endearing journalism to Supreme Court—was fact that ABC reporter Tim O'Brien obtained leak of decision, a rare occurrence, and broadcast it 2 days before issuance. He had another one next night, reporting that Court will hold that prison inmates aren't entitled to full due process in parole hearings. That decision isn't out yet.

CABLE BUILDING UP TO SHOWDOWN: Cable pot boiled furiously last week as: (1) NAB & NCTA principals, staff excluded, met quietly to explore whether they have any common grounds, and cablemen assured broadcasters they have—and it's called "AT&T." (2) NAB exec. committee adopted tough resolution supporting retransmission consent. (3) NAB ad hoc copyright committee called in broadcast lawyers to hear its proposal, viz., let broadcasters collect all cable fees, with producers to get their share via "marketplace," by dickering with broadcasters on program prices. (4) FCC prepared for major April 25 session, and prospects are for rule-making to ease cable restrictions.

NAB-NCTA meeting consisted mainly of cablemen's pitch to effect that Rewrite II would open door to AT&T to supplant both cable & stations with its massive network, as it converts to broadband facilities. NAB Chmn. Donald Thurston led NAB contingent, which included Thomas Bolger (Forward), Robert King (CapCities), Eugene Cowen (ABC) & Rae Evans (CBS). Teleprompter's Russell Karp was honcho for cablemen, who included incoming NCTA Chmn. Douglas Dittrick, Barry Simon (TPT), Terrence Elkes (Viacom), Frank Drendel (Valtec).

Some broadcasters appeared somewhat impressed by cable's argument. Said one: "We've been concentrating on the broadcasting issues in HR-3333. They called the common carrier issue to our attention sooner than we might have looked into it otherwise. It was helpful. But the meeting was exploratory. It's premature to draw conclusions." Another broadcaster was unimpressed: "They made a pitch about AT&T, but when we asked for them to give something on retransmission consent, well..."

Cable operators at meeting felt they made some impression. Said one: "AT&T is a ruthless competitor. I think the broadcasters are also concerned. The union of hardware & software in the largest company in the world is a disaster for society. We're much more sensitive to it than the broadcasters are—we've dealt with the phone company." Others of cable group thought meeting a good start. Groups plan joint committee, further meetings, no dates set.

Whether or not foregoing broadcasters were concerned about AT&T, it didn't stop NAB exec. committee last week from resolving support of 3 points—favoring retransmission consent, requiring that cable carry all local signals, obtaining "adequate safeguards" to protect smaller-market TV stations.

NAB cable copyright committee, under David Polinger, outlined its basically simple recommendation, which has been endorsed by NAB exec. committee: Broadcasters will collect all cable copyright fees, and program producers presumably will get their cut by charging stations more for programs. Said ad hoc committee report: "Claims could be filed on a simple signal-by-signal basis with appropriate weighting to reflect the relative amounts of non-network programming carried by independent stations, network affiliates and public broadcast stations..."

Broadcast stations initially would receive all cable royalties, but the proportionate shares of the various other copyright owners would then be determined by the marketplace."

That's NAB's ultimate goal, and it's now rounding up station support authorizing it to negotiate for it. But, for interim, because of existing program & sports contracts, NAB proposed that each station get royalties for: (1) All locally produced programs, including sports. (2) Distant signals carried by systems within 35 miles of affected station which holds exclusive exhibition rights in its market. (3) Station's entire broadcast day as a "compilation"—for which it would get royalties in addition to those for individual programs.

And what does MPAA's Jack Valenti think of this? "Absurd. Totally absurd. Absurd on the face of it, and they know it. They don't own the entertainment. This would create a horrendous snarl at the Copyright Tribunal. We'll fight it with every means at our command."

FCC's meeting this week will weigh Cable Bureau's finding that cable doesn't hurt stations—said a Broadcast Bureau official, "we can't fault their findings"—and odds appear to be that Commission will start rulemaking to abolish restrictions on distant signals and syndicated exclusivity. Probability, too, is that FCC will reject retransmission consent—saying it's a copyright issue, therefore up to Congress—and decline to curb superstations. But these aren't a sure thing; some commissioners are on fence on some issues.

NCTA Pres. Robert Schmidt repeated cable's anti-AT&T stand in speech before FCBA last week, urged station lawyers to beware. He also warned them of program syndicators, saying they'll pit stations against cable. "The syndication business is a used car business," he said. "We'll get one good program, maybe, and 15 dogs—and that to me does not benefit the public."

GE & Cox merger-forced disposal of stations works this way: (1) GE divests WRGB(TV) Schenectady to Group Six Bcstg.; WGFM(FM) Schenectady to October Mountain Bcstg. Co.; WNGE-TV Nashville to Nashville TV (N. C. Mutual Life); WSIX-AM-FM Nashville to Katz Agency; KFOG(FM) San Francisco to Cardinal Communications. (2) Cox divests WSB(AM) Atlanta to Metromedia; WSB(FM) Atlanta to Atlanta OK Bcstg.; WSOC-AM-FM Charlotte to Charlotte Bcstg. (N. C. Mutual Life); WHIO-TV Dayton to Ohio Valley Bcstg. (Dyson-Kissner Assoc., N. Y. M&M Bcstg., Dayton). (3) Retained in merged operation are KOA-TV Denver; WIC-TV Pittsburgh; KTVU(TV) San Francisco; WGY(AM) Schenectady; KOA(AM) & KOAQ(FM) Denver; WJIB(FM) Boston; WHIO-AM-FM Dayton; KFI(AM) & KOST(FM) L. A.; WIOD(AM) & WAIA(FM) Miami; WWSH(FM) Philadelphia; WLIF(FM) Baltimore. Of stations divested, GE & Cox announced: "More than 1/2 would be locally-owned, more than 3/4 would have minority participation. Over 1/2 would have minority control."

Scientific-Atlanta has organized subsidiary Homesat Inc. to market earth terminals for private reception of satellite TV. "It's only for people who can't receive programs off the air and can't receive cable and who have enough money to buy it," Exec. Vp Jack Kelley said. Cost will be about \$20,000, with Homesat securing govt. approval, frequency coordination.

MIP-TV opened 15th convention April 20 with record 102 countries distributing TV programs. On hand were reps from 230 networks and TV stations and more than 3,000 worldwide broadcasters. Festivities opened with lunch hosted by MIP founder Bernard Chevry and featuring address by Jean-Philippe Lecat, French minister of culture and communications.

Wallace Johnson, chief of FCC Broadcast Bureau for almost 8 years, retires May 1 after 37 years with Commission. Chmn. Ferris, to dispel rumors that he was "firing" Johnson, recently offered him ranking in "senior executive service"—new govt. "super-supergrade" designation. Martin Levy, deputy chief, is regarded as natural successor—but it has been Ferris's practice to go outside bureaus and Commission itself for top staffers. Johnson is 59, an engineer, says he'll "take it easy for a few months, then I don't know—I have no plans." He's bound to receive many offers.

BMI & ASCAP aren't engaged in price fixing, U.S. Supreme Court ruled in challenge by CBS. Decision isn't final word in BMI-ASCAP antitrust case, now in 10th year, as court remanded case to lower court for determination whether blanket fee levied by copyright houses constitutes restraint of trade. In his analysis, Justice White said current license system is economically efficient for both broadcasters & copyright owners. Justice Stevens dissented, concluding there was evidence of restraint of trade without remanding case (Vol. 18:49 p3).

Unusual spate of TV applications: Three for Ch. 66, Vallejo, Cal., bringing total to 4 there; 3 for Ch. 16, Ventura, Cal., bringing total to 4 there, too; 2 for Ch. 20, New Orleans, both seeking STV. There were 2 CPs: Ch. 54, Baltimore, which also seeks STV; Ch. 32, Abilene. (For details, see this week's Addenda to Television Factbook.)

Special NAB board meeting is scheduled April 30, Stouffer Inn, near National Airport, to consider Communications Act rewrite, preparing for May hearings. Generally, ABC & NBC lean toward Goldwater bill, CBS toward Van Deerlin—except for spectrum fee.

SCORE 150 FOR 'SMARTS': Stations signed up and waiting for RCA SMARTS satellite distribution service (Vol. 19:14 p9) now number 150. RCA plans engineering test before ordering bulk of earth segment. This is word from Americom Pres. Andrew Inglis in Washington session with AFCCE.

Said Inglis: (1) SMARTS can't compete with AT&T facilities—"I don't think the major networks will be affected by this very much." (2) Economics for stations are "little bit fuzzy" with "jury still out" on costs compared to bicycle system. "Our studies show there should be significant savings... Intangible benefits include higher quality, elimination of shipping errors, immediacy." (3) RCA has "many prospects" as potential SMARTS customers, including new networks for news, sports, foreign language, regional service.

Inglis disclosed prototype SMARTS terminal has 52-dB noise ratio with 5-meter dish, 100-degree LNA. Dish isn't yet FCC-approved for broadcast use; noise figure is below 54-dB EIA recommendation. Petition to FCC for engineering test of system will be filed "shortly" with start-up in Oct., test slated to last 6 months. Options for lower noise include bigger dish, better LNA.

Inglis said SMARTS demonstration at NAB was prototype equipment. Operational terminals will use more sophisticated scrambling to prevent unauthorized use of signal, scrambling is "privacy" not "security" system. SMARTS will start with 4 transponders; if it catches on, it may expand to entire satellite. RCA will "tell the world" about SMARTS through promotional campaign later this year. Decision to proceed with operational system remains "probably 95% but we still have that 5%."

NAB has asked GAO not to approve FCC's revised Annual Employment Report (Form 395) until it's simplified. NAB also told GAO it's "strongly opposed" to provision in FCC's proposed refund form requiring licensees to waive rights to further claims. NAB disputed FCC claim that employment report could be completed in 63 min., saying that's how long it takes just to read form and instructions.

Jerrold will introduce at NCTA convention a video game for cable systems, "Playcable," developed with Mattel, capable of offering variety of sports, poker, blackjack, exercise & calorie-counting, etc. Games carry imprimatur of pro leagues—NFL, NBA, etc. Prices of headend and subscriber equipment haven't been disclosed.

Prime Cable Corp. is new organization established by Robert Hughes, NCTA chmn., ex-CPI pres.; first purchase is 2,000-subscriber system in Jackson Hole, Wyo. Hughes is pres. of new company, with 46%; Jack Crosby, ex-CPI chmn., 26%; balance held by other former CPI officers. Address: 1500 City National Bank Bldg., Austin, Tex. 78701.

NCTA hasn't heard yet whether President Carter will appear at convention. H. Marshall McLuhan, communications specialist, has been added for May 22.

EXPAND FM, NTIA URGES: NTIA has petitioned FCC for 2-phase plan to expand FM minority ownership: (1) Add stations through separation reduction made possible by DAs, terrain study, new classes of stations. (2) Launch long-range inquiry into technical issues.

Petition contained detailed justification of adding new stations, including analysis of effect of antenna height on co-channel interference. Included was computer simulation of addition of FM station to Spartanburg, S.C., NTIA stating that simulation "demonstrated" feasibility of a new station there. It suggested reducing channel width from 200 kHz to 150 or 100 kHz. Petition also cited improvements in receivers, especially alternate channel selectivity, since FM assignments table was developed in 1963. "The FM table of assignments has served the public well," NTIA said, and "only incremental additions are proposed."

S-622 FEES—THE NUMBERS: FCC has completed study of revenues to be collected from spectrum users under S-622 Communications Act amendments offered by Sens. Goldwater (R-Ariz.) & Schmitt (R-N.M.). Total estimated collections based on 1979 costs would be \$34.8 million, with more than \$7 million from broadcasters.

Estimates for each FCC bureau: (1) Cable, \$601,169. (2) Science & Technology, \$2.2 million. (3) Private Radio, \$17.3 million. (4) Field Operations, \$1.4 million. (5) Broadcast, \$7.4 million. (6) Common Carrier, \$5.9 million. Goldwater-Schmitt bill provides for fees covering only costs of regulation (Vol. 19:12 p2).

USSR Popov Society Congress, annual meeting in Moscow in honor of electronics pioneer Aleksandr Popov, is May 20-24, and U.S. is sending delegation of 10 IEEE members headed by Washington consulting engineer Howard Head. Only other countries invited, normally, are Eastern European. U.S. group leaves for meeting May 12, and tour includes Leningrad & Kiev. On way back, several are stopping off at May 21-June 1 Montreux TV Symposium.

Broadcasters Census Committee of 80 has been formed, with Jack Harris, KPRC-TV Houston, chmn., to increase participation of minorities in 1980 Census. Richard Krolik, ex-staffer, House Communications Subcommittee, formerly with Time and NBC, is full-time on project at Census Bureau. Consultant is Donald Kearney, currently with Broadcast Pioneers, formerly with Corinthian and TvB.

CBS executives say they're "confident" profit and revenue for 1979 will exceed 1978 record of \$198 million on revenue of \$3.29 billion. John Backe, CBS pres., said he "fully expects to make up" first quarter profit drop of 47%. CBS declared dividend of 65¢ per share on common stock, 25¢ on preferred.

NAB has opposed expansion of FCC Form 303 to include category for "youth & teenage" programs as requested by Altman Productions. Citing "dearth of evidence" that amendment is needed, NAB urges "swift... rejection."

GROSSMAN'S PBS PLAN: PBS Pres. Lawrence Grossman, under fire from influential Interregional Council (Vol. 19:16 p5), has proposed restructuring PBS by decentralizing, creating 2nd program service, retaining single chief exec. with no programming duties.

Grossman made proposal to PBS exec. committee in Chicago last week after harried weekend sessions with top staff. His plan is clearly aimed at diffusing that of the station mgrs., who called for abolition of central exec., creation of multiple program services with small, independent boards.

Grossman's plan drew little strong reaction at exec. meeting, but there appeared to be consensus in committee in 2 areas: (1) PBS must be reorganized. (2) There must be more than one program service. Said Chmn. Newton Minow, noting uncertainties and need to make decisions soon: "We do need basic changes... This is a very rough time for PBS management and staff. Nobody knows if they're going to have a job. We have to resolve this."

Grossman proposal calls for 2 services: PTV 1 would be highly visible, top-notch programming and PTV 2 would carry ITV, regional & special interest programming. And he says PTV 3 could be possible further down road. Big question some in PTV were asking: Would Grossman want to keep presidency under proposal, since program control would be taken from presidency and given to separate PTV 1 & 2 boards and program dirs.?

In making proposal, Grossman cited need to "avoid establishing a single program 'czar' or unresponsive central authority; but we also need to avoid a programming structure that is so unfocused as to be without effective leadership, authority or direction."

"Amazingly unreasonable" translator regulation was theme of NTIA Deputy Secy. Paul Bortz talk to NTA Denver meeting. Bortz, saying views are his own, not official policy, claimed translators are better idea than govt. loans for rural cable. "I now think such an effort may produce nothing but blue-sky promises and some makeshift services that people might or might not want. What's more, it will result in a govt. subsidy to foster even further what is already an uneconomic technology to meet rural needs."

Canadian Cable TV Assn. has attacked Clyne Committee report on TV in Canada which calls for limiting cable to 4 U.S. channels, levying \$1 monthly fee on cable subscribers, postponement of pay-TV authorization. "It smacks more of cultural elitism than cultural sovereignty," CCTA charged.

Home Box Office has acquired pre-release world premiere pay-cable rights to 4-hour TV adaptation of John Jakes novel "The Seekers" from Universal. HBO called deal "very significant in that it will be our first experience with a novel for TV."

Viacom reports it achieved \$2.1 million net gain from sale of 50% in Showtime to Teleprompter. (For first-quarter revenues & earnings, see financial table.)

CARSON & SILVERMAN TO TALK; SMITH QUIT: In turbulent week, Johnny Carson was reported planning to leave NBC "Tonight Show" on Sept. 30 (Carson denied it) and Howard K. Smith quit ABC.

Carson's desire to leave after 17 years on show—one of network's biggest money-makers—drew hard-line response in official NBC statement: "Johnny Carson's contract runs through the spring of 1981 and we expect him to honor it." Carson took to NBC "Nightly News" to announce he'd meet with network Pres. Fred Silverman, but left little doubt he wanted out: "I'm getting a little tired. I don't think I can bring anything new to the show. I'm no Benedict Arnold. After 17 years, I can hardly be called a deserter."

Smith announced departure from ABC with note pinned to bulletin board of Washington bureau. He had irritated network brass with comment that ABC management had turned "World News Tonight" into "Punch & Judy" show. He didn't disclose plans.

Knight-Ridder Newspapers has created subsidiary Viewdata Corp. of America to test market British-developed Prestel system of teletext using phone lines connected to TV receivers. Test involving 150-200 families in Miami area is slated for spring 1980. Project, to be called Viewtron, is to include news, weather, sports, calendars of events, advertising. Albert Gillen is Viewdata pres.; Vp Jim Batten will supervise editorial functions; ex-Detroit Free Press newsman John Wooley is editor. Test is to cost about \$1.3 million during next 2 years; if successful, system could be marketed nationally.

Cox Cable receives franchise of Oklahoma City, says it will take some 3 years to build 1,800-mile, 35-channel plant passing 160,000 homes... In Denver area, United Cable buys major interest in Mountain States Video from Daniels & Assoc., acquiring franchises with about 200,000 homes—price undisclosed.

KSL-TV Salt Lake City has backed CBS's refusal to participate in HEW-supported deaf-caption program. Pres. Arch Madsen, in letter to HEW Secy. Joseph Califano, called HEW move "a serious premature action... highly ineffective and wasteful of both money and spectrum resources in the long run."

NRBA has applauded Rewrite II, as it did Rewrite I, but still emphasizing opposition to spectrum fee. Group said amount of fee isn't problem, but rather it's the concept. NRBA said fee could be used "by the govt. to further its efforts to intimidate a free broadcast press."

NBC has dismissed 8 more in probe of embezzlement, expense account fraud. Firings came as Asst. U.S. Attorney Henry Brenner disclosed continuing grand jury probe of "a series of conspiracies" involving network funds.

NRBA plans 4 seminars during "Radio Month": May 2 in L.A., May 16 in N.Y., May 23 in Atlanta, May 24 in Chicago.

Personals

Jerry Golod, ex-CBS vp, children's programs & variety development, named NBC vp & national program dir., NBC Entertainment, responsible for west coast late night programs, daytime & children's programs, specials, variety.

W. Russell Barry elected 20th Century Fox-TV pres., replacing **Sy Salkowitz**, who resigned... **Walt Wurfel**, ex-White House press office, named information dir.-Washington, Gannett... **Hans Schmid** promoted to mgr. of TV quality control, ABC; **Pamela Warford** to new position of community relations dir., PR Dept.

Phil Boyer promoted at ABC to WABC-TV N. Y. vp-gen. mgr., succeeding **Kenneth MacQueen**, now with Katz TV; **Peter Desones**, former ABC owned TV stations sales & mktg. vp, advanced to WLS-TV Chicago vp-gen. mgr., replacing **Boyer**.

Peter Schruth promoted to group sales mgr. for N. Y., Storer... **Robert Cheeseman**, ex-Warner Cable, named engineering dir., WDRB-TV Louisville... **Jack Garrison**, ex-Metromedia Producers Corp., appointed midwestern sales mgr., Time-Life TV... **Leo Bluestein**, ex-Mitre Corp., named corp. research dir., Oak Industries.

Robert Mackin promoted to credit mgr., Magnavox CATV... **James Delehanty** named eastern ad mgr., TV Guide, succeeding **Robert Baulmer**, now ad dir. at proposed magazine *Panorama*... **Joel Nixon**, ex-Madison Square Garden, becomes broadcasting dir., NHL.

Robert Knudson promoted to technical operations mgr., WGN-TV-AM Chicago; **Robert Splithoff** chief engineer, WGN-TV; **James Carollo** chief engineer, WGN radio.

James Collins named vp & gen. mgr., Cablevision Construction Corp... **Harry Quillian**, ex-Federal Home Loan Bank Board, appointed legal asst. to FCC Comr. **Jones**... **Mark Young**, ex-WXEX-TV Richmond, named southeastern mgr., Arbitron TV Sales... **William Lawlor**, ex-WABC-TV N. Y., appointed news dir., WCAU-TV Philadelphia... **Melvin Baker**, ex-Mktg. Services Inc., named vp, communications & member relations, AAF, succeeding **Irving Sloan**, now with **Henry J. Kaufman & Assoc.**... **Joe Sands** appointed special projects vp, Worldvision Enterprises.

Russell McFall, chmn. & chief exec., Western Union, retires, succeeded by **Robert Flanagan**... **Peter Andrews**, ex-NBC Entertainment, named senior vp for TV, Begelman/Fields... New vps at Blair TV: **Steve Castellaw**, Charlotte; **Dave Herman**, N. Y. Green team; **James O'Neill**, Chicago (NBC); **Robert Saracen**, Minneapolis; **John Thackaberry**, L. A. (NBC).

Richard Broadhead promoted to antenna product mgmt. mgr., RCA Bcst. Systems... **Philip Jones**, ex-WGR-TV Buffalo, designated gen. mgr., KCMO-TV Kansas City... **Terry Maguire**, ex-aide to former FCC Chmn. **Burch**, becomes assoc. gen. counsel, ANPA... **Ron Newman**, ex-Madison Square Garden

Sports, appointed vp, Entertainment & Sports Programming Network.

New appointments at Viacom Communications: **Joseph Van Loan**, vp, engineering, West Coast; **Kurt Jorgensen**, vp-gen. mgr., Nashville franchise; **Ron George**, operations dir., Nashville; **Kent Rasmussen**, gen. mgr., North Bay Region; **David Wilson**, Delta Area mgr.; **Len Smith**, vp, Viacom Canada Ltd. **Ben Hughes** resigns as Utility Tool sales mgr., plans own venture in cable field.

Gerbner study on TV violence found violence in weekend children's shows rose near record levels on networks last fall. Study, conducted at U. of Pa.'s Annenberg School, found women & minorities are often shown as victims, and young people who watch TV are often concerned about own safety and are more likely to see others as mean & selfish. Study found late evening violence up, but down during family hour. **George Gerbner** said findings were "surprising" because of previous year's decline in violence but "the clear message of unequal power and victimization is even more striking. The incitement of a few to imitative violence may be the price a society pays for the control and pacification of the many through the unequal burden of fear imposed on them by symbolic violence." Unlike last year, House Communications Subcommittee members are focusing attention on report, although hearings on it aren't expected.

State pay-TV regulation was barred by U. S. Supreme Court in decision on N. Y. case. Ruling upholds finding by U. S. Appeals Court in N. Y. that pay-TV regulation is exclusively federal. Decision was victory for cable industry & FCC. N. Y. in 1976 required pay-TV rates to be set in municipal franchises, questioning "the legality of the FCC's preemptive policy." Decision is 2nd court victory this month for cable following ruling prohibiting FCC from requiring public access channels (Vol. 19:15 p4).

NAB exec. committee has reaffirmed opposition to any FCC radio deregulation "experiment," calling for total radio deregulation. Committee said experiment would be "wasteful exercise which would exclude the small market radio stations that make up the overwhelming majority of stations... and are most in need of relief."

Direct broadcast satellite threat to national security is subject of letter from Sen. **Pressler** (R-S.D.) to President **Carter**. "A foreign satellite, at the hands of enemy forces, could broadcast false information... which would threaten our national security," **Pressler** warned.

ESPN has signed intent letter with major MSO, Tele-Communications, for its full-time college sports network. TCI has 700,000 subscribers in 32 states. ESPN plans Sept. start on Satcom 1 (TR-7).

SMPTE opens sales of exhibit space for Oct. 21-26 conference in L. A., offering 300 booths; record is 220 in 1977.

Consumer Electronics®

A Section of Television Digest with Consumer Electronics

MANUFACTURING & SALES • TV • PHONOGRAPHS • TAPE PRODUCTS • RADIO • COMPONENTS • NEW PRODUCTS • FINANCE

STATE OF THE INDUSTRY

Sales to dealers (total market), from EIA, for week ended April 6 (14th week of 1979):

	March 31- April 6	1978 week	% change	March 24-30	1979 to date	1978 to date	% change
Total TV.	245,041	253,698	-3.4	380,368	4,035,083	3,861,285	+4.5
color	151,561	165,363	-8.3	227,806	2,511,731*	2,453,165	+2.4
monochrome	93,480	88,335	+5.8	152,562	1,523,352	1,408,120	+8.2
Home VCR	6,057	—	—	8,453	105,403*	—	—
Total radio	515,573	632,420	-18.5	725,331	9,912,334	11,044,861	-10.3
home, portable . .	275,855	366,860	-24.8	456,585	6,020,675	7,574,310	-20.5
AM-only	95,772	146,625	-34.7	101,079	1,818,693	2,315,397	-21.5
FM & FM-AM . .	180,083	220,235	-18.2	355,506	4,201,982	5,258,913	-20.1
auto	239,718	265,560	-9.7	268,746	3,891,659	3,470,551	+12.1

Color TV 5-week moving average: 1979—193,255*; 1978—188,779 (up 2.4%).

*Record for period.

VHS's 3RD SPEED FOR 6 HOURS: "Anything you can do I can do better." That seems to be Matsushita's taunt to Beta VCR group, if you equate "more" with "better." Even before formal introduction this week of new 3rd & slowest Beta speed, permitting 4-1/2 or 5 hours recording on single cassette (Vol. 19:16 p7), we've learned entire line of Matsushita-made VHS recorders also will add slow speed, increasing recording time to 6 hours on current "4-hour" cassette.

This increase in playing time doesn't depend on long-awaited thinner tape, which still is expected to make appearance this year. That new tape now will expand VHS recording time to 9 hours per cassette. Sony's longer recording time is result of slower speed plus thinner tape.

RCA is expected to make first announcement of new speed at distributor convention in Las Vegas next month, just as it had first crack at Matsushita's programmable VCRs & color cameras last year (Vol. 18:20 p7, 18:21 p6), despite fact that Matsushita subsidiary Panasonic will introduce its other new products next week. Neither RCA nor Panasonic would comment on situation last week.

New speed will be added throughout line as models change, from low-end mechanically-tuned recorder with simple on-off timer to portables & programmables. New speed obviously was developed to extend utility of programmer (as well as to confound Beta group). First 3-speed VHS decks are expected to be available in Oct. Change will result in general price increase for Matsushita-made VCRs. Matsushita is charging 1,800-yen premium (a little over \$8) for addition of new speed, which involves mechanical & electronic changes.

Like Beta group's "X3" speed, new extended-play (EP) on VHS is 1/3 slower than current slowest speed. All VHS speeds are slower than comparable Beta speeds; tape moves at 0.44 ips at VHS EP speed vs. 0.53 at Beta X3 (see tape economy table, p. 10). It's believed new signal-processing circuits in both models will be used to minimize picture degradation. Sound quality, marginal at best in previous slow speeds (LP & X2), could well be limiting factor in any attempts to reduce speed further by slowing down tape movement—unless completely new method of sound recording is used (for example, helical rather than longitudinal).

Matsushita plans to follow what it hopes will be no-obsolescence approach to new speed—all new sets to have all 3 speeds for maximum compatibility of old & new models. Beta group

already has dropped original X1 speed, will have only X2 & X3 speeds on new sets. While Beta will use extra-long playing time as step-up feature, Matsushita VHS group will add new speed across-board. Beta group's action in continuing machines without new speed raises fear in some quarters of dumping & price-cutting this fall—which could also occur with outgoing 2-speed VHS models.

Compounding this fear is apparent over-capacity of Japanese VCR industry, which could turn out 2 million this year against maximum expected U. S. & Japanese sales of 600,000 machines in each country, far lower number in Europe. Add to this the hesitancy & indecision prompted by exposure later this year of small portable VCRs such as BASF's LVR & Toshiba's fixed-head machines.

Other manufacturers on VHS team—Hitachi, JVC, Mitsubishi, NEC, Sharp—aren't likely to be overjoyed with Matsushita move. It's known that at least some have designed their new models without 3rd speed. It's believed JVC, which previously has been opposed in principle even to adding 2nd speed, will come around this year to multi-speed model, but it's not known which speeds or how many. This spring is expected to see first U. S. showings of VHS decks by Mitsubishi & Sharp, possibly NEC.

Sony is expected to introduce 2 new high-end decks with X3 speed this week, both programmable and both with features of Japanese J-7 super-deck, probably without much pricing or availability information. At week's end Zenith confirmed it will introduce programmable X3 decks at distributor convention next month under logo "Zenith Video Director," and plans to offer 5-hour L-830 cassettes this summer.

VHS's playing-time advantage over Beta seems to be built-in, simply because its cassette is bigger and holds more tape and runs slightly slower to begin with. To review playing-time race (for those who came in late or forgot): Original Beta deck put one hour playing time on longest-playing cassette. This was followed by VHS which got 2 hours onto larger cassette. Beta pulled up even by adding 2nd speed, which was half of original. VHS then used same technique to double recording time again. Sony countered with thinner Beta tape (L-750 cassette), extending all playing times by 50%, getting 3 hours from former 2-hour speed. All Beta companies then added 3rd speed, bringing recording time on L-750 to 4-1/2 hours. Toshiba is about to introduce Sony-made L-830 cassette containing more (but not thinner) tape, to bring time to 5 hours.

If you assume longer playing time means anything after a certain point (for example, length of longest broadcast), Sony may have last word with optional accessory it plans to introduce—perhaps next week, maybe later. That's an electronic cassette changer, which conceivably could bring unattended recording time up to 24 hours or so.

JAPANESE MAY BALK AT DUMPING BILLS: Shock was reaction of most major Japanese TV importers to dumping duty bills they received from Customs last week when agency demanded interim cash payment of 30-40% of assessments, instead of anticipated 15-20%. Notices dated April 12 set May 14 compliance deadline. Expressions of outrage were voiced in Japan, but Japanese representatives in U. S. were holding off comment pending decision whether to fight or pay up.

Customs notices covered down payments on aggregate \$40.6 million unpaid remainder of \$46 million in dumping duties levied March 31, 1978 on TVs imported before July 1973. Japanese have come to understand that cash percentage each importer would be asked to pay would be close to actual amount owed if Customs granted all requests for adjustments. They've also assumed that similar reductions would be made against dumping duties assessed on later imports.

With potential dumping liability through last year in \$550-million area, Japanese face probability of \$165-\$200 million in actual penalties, as against expected \$80-\$100 million maximum. And even that higher total isn't guaranteed ceiling. Customs is slated to send verification team to Japan next week to determine if set makers can adequately document their claim that dumping duties should be cut because it costs more to make & sell home-market than export TVs.

Customs payment notice warns that failure to submit partial cash payment along with promis-

sory note covering balance by deadline "will result in administrative collection action and the possible referral of the debt" to Justice. Along with note, importers must submit statements from their bonding agents acknowledging continuing liability if they fail to pay any additional duties assessed. Customs is slated to issue final payment demands in Aug. Demands were sent to 43 companies, down from 122 who got original bills last year (Vol. 18:16 p15). Most of those excluded this time were U. S. manufacturers who imported only minimal quantities, and some retailers. Sears paid \$5.5 million under protest last Dec. (for roster see p. 7).

Japanese may hold back decision on what to do until after new Prime Minister Masayoshi Ohira meets with President Carter in Washington next month. Trade problems will be No. 1 issue, and while TV case isn't specifically on agenda, it's expected to come up. Meanwhile, U.S. trade officials are assuring Congress that import-sensitive domestic industries, including electronics, will not be further injured by concessions in just-completed GATT trade negotiations (Vol. 19:16 p9).

ZENITH TV RECALL: In first such action by TV manufacturer since 1976, Zenith last week issued safety recall for 67,000 1980-model color sets produced between Jan. 1 & April 16 this year. Involved are three 13" & four 17" models introduced at distributor meetings last Dec. & Feb.

Zenith says problem is defective component which may be in only small percentage of involved sets. Malfunction could result in insulation failure, creating transient shock hazard at exposed metal parts, such as on-off switch. Actual hazard duration is short, about 150 milliseconds, Zenith states. Substantial number of sets are still in pipeline, and Zenith says it's telling distributors & dealers to freeze inventories until corrective action is taken. Owners are being notified of hazard. Consumers will have sets modified in-home. Zenith completed corrective action program, is awaiting UL approval of planned circuit changes to launch it.

Car hi-fi makers produced draft agreement on car stereo standards in informal meeting in Chicago. Altus, Audiovox, Craig, Panasonic, Pioneer America & Sanyo were among 10 manufacturers who attended meeting organized by Jensen. Details on standards are available from Mack Brown, Craig, who will accept comments on draft through May 1. Group plans to finalize standards at CES meeting June 3. Group probably will remain informal and is awaiting resolution of EIA-IHF discussions (Vol. 19:15 p10) before making organizational plans, according to Jensen Mktg. Vp Jim Twerdahl.

GM began selling new X-cars with AM radios as standard equipment last week as federal judge denied CASA request for temporary injunction against sales (Vol. 19:16 p10). Judge said that disruption of \$115-million GM ad campaign would cost more than possible damage to car radio industry, and other remedies would be considered in antitrust suit trial which begins May 14.

Ad notes: Sharp shifts Industrial Equipment Div. PR from Rowland Co. to Cunningham & Walsh. C&W already has Consumer Electronics Div. Rowland recently picked up Sony corporate & consumer electronics accounts. . . Litton appoints Leo Burnett for \$21-million microwave oven account, replacing Campbell-Mithun.

TV DUMPING ROSTER: Customs' current TV dumping duty roster, covering those who imported allegedly undervalued sets from Japan before July 1973, is down 60% from number on list last year (see p. 8).

Japanese TV makers whose U.S. affiliates received April 12 payment demands: Hitachi, JVC, Matsushita, NEC, Sanyo, Sharp, Sony, Toshiba. Trading companies: C. Itoh (General), Mitsubishi, Nichimen. Only active independent importer to get notice was Midland, though bills also went to defunct Delmonico & Milovac, as well as Channel Master, Consolidated Mdse. (Webcor) & Olympic, which have stopped handling TVs.

U.S. manufacturers still on list are Curtis Mathes, GE (not now importing), Teledyne (out of TV). Retailers billed were Alexander's, Gambles, J.C. Penney, Jewel Stores, Montgomery Ward, White Stores, bankrupt W.T. Grant. Also still on list were 10 freight forwarders.

Sony becomes full-line TV company in U.S. with 1980 line, to be introduced this week. It's expected to feature company's first 26" TV sets here— 2 consoles & table model, all remote—consoles at \$995 & \$1,149. Portable TV line will include new-design sets, extremely compact, with pushbuttons and channel indicators lined up horizontally above screen (similar Sony configuration, on Japanese market, is called "Citation" line). Almost all sets have electronic tuning. There will be 2 new high-end VCRs with new slower speed (see p. 7), possibly demonstration of electronic cassette changer. Company will make first offerings in car stereo market and introduce complete line of micro-component stereo.

Admiral brand rights will belong totally to Magic Chef under agreement to acquire Admiral's appliance business from Rockwell. Magic Chef spokesman said Admiral TV brand is part of package it's buying and company hasn't thought about sublicensing. Rockwell received offers from U.S. & foreign companies for Admiral TV brand name after it pulled Admiral out of TV business last Sept.

FCC extended FM quad proceeding comments deadline 30 days to May 16, replies to June 18. RCA, GE, Muzak & National Research Development Corp. all said they needed more time to handle questions FCC raised in inquiry notice issued last Jan. (Vol. 19:4 p9).

VIDEOTAPE ECONOMY RANKINGS: With coming introductions of 3rd VHS & Beta speeds (see p. 7)—both 1/3 slower than previous slow speed—VCRs reach new heights of tape economy and actual dollar economy despite price increases on blank cassettes. We've updated our table of tape economy to cover recent developments, as well as future ones so far as we can foresee them.

We've added to table the original broadcast-type quad machines which use 2" tape, just to show how far video recording has progressed—reduction in tape usage per hour by factor of 136 from quad to new VHS speed (which we identify as "EP" in table). Tape usage in table below is given in sq. ft. per hour. Speed & sq. ft. figures are rounded. Cost per hour is based on lowest suggested list price for longest-playing tape. Playing time (in hours) is longest tape available. Formats are listed in descending order of tape economy.

System	Speed (ips)	Tape width	Sq.ft./ hour	Cost hour	Play time
BASF LVR*..	157.5	8mm	4.5	—	3
VHS-EP.....	0.44	1/2"	5.5	\$4.33	6
Beta X3**...	0.53	1/2"	6.9	4.70	5
VHS-LP.....	0.66	1/2"	8.2	6.50	4
Beta X2.....	0.79	1/2"	10.3	7.00	3
Toshiba					
FHR*.....	236.0	1/2"	13.7	—	1
VHS-SP.....	1.31	1/2"	16.4	13.00	2
V-Cord II					
(skip-field) .	1.45	1/2"	18.2	10.00	2
Beta X1.....	1.57	1/2"	20.5	14.00	1.5
VX-2000	2.05	1/2"	25.6	8.50	2
U-Matic					
(1/2-speed) .	1.88	1/2"	35.2	10.00	2
V-Cord II ...	1.45	1/2"	36.4	20.00	1
U-Matic.....	3.75	3/4"	70.3	20.00	1
EIA-J Type I.	7.5	1/2"	93.8	40.00	1
Quad (half-					
speed)	7.5	2"	375.0	134.63	4.2
Quad	15.0	2"	750.0	269.27	2.1

* Figures for BASF LVR (Longitudinal Video Recorder) & Toshiba fixed-head recorder are based on latest information available and are subject to change.

** Playing time listed is with Toshiba L-830 cassette. With commonly available L-750, playing time will be 4.5 hours, cost \$4.67 per hour. Playing time for other Beta VCRs listed are based on L-750.

China scaled down color TV plant acquisition plans. Japanese sources say China had been seeking bidders to supply 3 color plants with total capacity of million sets annually, but are trimming project by more than 50% because of financing problems.

Distribution notes: Interstate Supply, St. Louis (RCA) advances Walter Cain from senior vp-gen. sales mgr. to exec. vp... Sanyo appoints Dean Cooper Co. as SE area consumer electronics sales rep.

Mid-priced cassette decks are focus of study in May Consumer Reports magazine. CU-recommended decks in \$250-\$390 range include Onkyo, Aiwa, BIC & MPU-programmable Sharp unit.

SPRING AUDIO: First wave of audio introductions has Panasonic showing new Technics lines and Aiwa announcing components to be shown at CES. Technics Div. Gen. Mgr. Jeff Berkowitz predicted soft audio market in 1979, said first-quarter Technics sales were 25% above last year. Panasonic is replacing turntable line with 11 new units, rounding out other lines by adding amp, tuner, equalizer, 3 speakers, 8 cassette decks including 2 metal tape units (Vol. 19:16 p11).

Aiwa will jump on micro-component bandwagon at CES with tiny tuner, pre-amp, amp & cassette deck. Other new components include regular-sized amp, tuner, turntable, 4 cassette decks, 3 portable radio-cassette recorders, 2 microcassette recorders. Premiere Aiwa product may be MPU-programmable straight-arm tracking turntable (price undisclosed).

Japan metal tape standards—3180 microseconds & 70 microseconds equalization, 1050 oersteds coercivity—remain "tentative," but with even Sony, which heads Metal Tape Working Group, announcing product, final standards appear mere formality. Tape itself is in tight supply in Japan & U.S. 3M's Bob Burnette claimed Metafine had been shipped to "less than 100" dealers in U.S. who were selling compatible hardware (mostly Nakamichi), but survey of Nakamichi dealers in N.Y. who had metal tape decks found none who had received Metafine.

SONY, MCA SUM UP: Summary briefs filed with L.A. federal court in Universal Pictures-Disney Studios copyright infringement suit repeat points made in depositions and during trial, indicate completely opposing views of copyright law. Movie makers say Sony and other defendants are responsible for inducing infringement, infringing and are causing injury. Sony insists that both law and legislative history indicate taping off air for personal use doesn't infringe—and even if it did, Sony can't be held responsible since it merely makes machines and hasn't induced anyone to violate copyrights, and plaintiffs haven't been able to prove damage anyway.

Plaintiffs point to fact that Sony recognized that it could have cooperated with broadcasters to devise jamming signal to prevent recording of copyright programs. They ask court to "require Sony to remove the recording heads from the Betamax... [or] order Sony to remove the built-in tuner... [making] diligent effort to recall all Betamax VTRs previously sold to disable them from further recording." As to Sony's competitors, if plaintiffs win suit they promised to go after "non-Sony VTRs in the future." Sony estimates in its brief that 130,000 of the 750,000 home VCRs in U.S. (17.3%) are Betamax.

TV hi-fi tuner sales have been disappointing, according to Pioneer Pres. Bernie Mitchell. Sales of \$250 Pioneer unit peaked last summer at Pioneer goal of 3,000 a month but have since dropped off to 1,200 a month. New \$185 Marantz TV audio tuner (Vol. 19:15 p11) is due at retailers in July.

Will satellite earth stations become new consumer electronics business? Scientific-Atlanta is offering equipment for direct reception to consumers for \$20,000. Details on p. 3.

Consumer Electronics Personals

William Anderson, ex-Sharp, one-time RCA, appointed Advent pres. & chief exec., responsible for U. S. & international operations. Post had been held by Chmn. **Peter Sprague** since May 1977 departure of **Pierre Lamond**, now vp of National Semiconductor, also headed by Sprague... **Philip Wolf** shifts at Sylvania from Electronic Components Group vp-control-ler to same title with Entertainment Products Group... **Horst Ankermann** advanced at Sennheiser (U. S.) from engineering vp to pres... **Phil Baird** resigns as PRB Industries pres. (ICP audio products), to head new firm formed to take over U. S. marketing of Conic line.

Jim Berk, ex-Kelvinator, joins Midland International as corp. mktg. vp... **Gary Kolman**, ex-Gamble Import Corp., joins Sanyo as radio & tape recorder national sales mgr... **Timothy Holl** promoted at AR from international engineering & development dir. to engineering vp... **James Guthrie** named Sony Industries Professional Audio Div. technical field sales mgr... **John Conti**, ex-Olivetti, appointed Leisurecraft (Webcor, Mercury Time) Communications Div. national sales dir.; **Gerry Barnstone** named SE Div. sales mgr.

Bob Jones, Magnavox, named chmn., EIA Consumer Electronics Group Industry Development Committee, succeeding **Frank McCann**, RCA; **David Feir**, BSR, named CES Advisory Committee chmn., replacing **Norman Robinson**, Lloyd's.

Clinton Hartman, CTS chmn., adds post of pres., following resignation of **Norman Weldon**, who joins out-of-industry firm; **Joseph Digrolamo**, exec. vp, named chief operating officer; **Robert Hostetler** promoted from group vp to exec. vp... **James von Harz**, ITT N. American Components Group gen. mgr., adds responsibility for Cannon connector domestic & foreign operations... **Dan Newton** advanced at TRW Semiconductors to RF device operations mgr., **Chuck Thompson** appointed power operations mgr., assuming former duties of **Robert Deinhammer**, resigned as chief operations mgr. **R. A. Baker** named gen. mgr. of new SBE business radio div.

FCC SOCKS IT TO FANON: Saying it won't bail out manufacturers who make bad marketing decision, FCC flatly rejected Fanon/Courier request for 12-month extension of Dec. 31, 1978 "ban on sale of low-power" 27-MHz walkie talkies. Verdict apparently means Fanon is stuck with 45,500-unit, \$508,000 inventory.

FCC noted it ordered shift of unlicensed communication devices to 49 MHz in 1976, and that it extended sale cut-off for 27-MHz units from original Sept. 18, 1978 date at request of marketers who claimed they needed Christmas season to clear inventory. Pointing out that all of Fanon's units were imported or produced before Nov. 19, 1977, FCC said that rules-change notice was announced "well in advance" of Fanon's commitments, so "their decision to buy so many of these units must be construed as a market decision that didn't work out." Granting Fanon request now would be unfair to companies which liquidated their inventories by deadline, raise questions about "the credibility of this agency," FCC said.

WEEKLY Television Digest

with
Consumer Electronics...

PUBLISHED BY TELEVISION DIGEST, INC.

Copyright © 1979 by Television Digest, Inc. Reproduction in any form, without written permission, is prohibited.

Also publishers of annual *Television Factbook* and weekly *TV, AM-FM & Cable Addenda*, *Cable Atlas*, biweekly *Public Broadcasting Report* and other special publications

EDITORIAL & BUSINESS HEADQUARTERS

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

WASHINGTON HEADQUARTERS

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

Television Factbook

Mary Appel ... Editorial Director
Sean P. Maloney ... Managing Editor

Business

Edward L. Sellers ... Sales Dir.
Roy W. Easley III ... Business Mgr.
Barbara J. Pratt ... Asst. Sales Dir.
John W. Thompson ... Circulation Mgr.

NEW YORK BUREAU

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

David Lachenbruch ... Editorial Dir.
Robert E. Gerson ... Senior Editor
Christopher Kelly ... Assistant Editor

JAPAN REPRESENTATIVE (Editorial & Business)

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

ZENITH NET JUMPS: Zenith first quarter net tripled on 11% sales gain (see financial table). Report shows cost of sales rose 8.9% to \$202.2 million, while rise in sales, ad & administrative expenses was held to 2%, at \$20.3 million.

Sylvania had higher color TV sales, but continued to suffer from intense price competition, parent GTE said in announcing first-quarter results. U.S. TV sales increase was primary factor in 32.1% revenue gain to \$120.4 million reported for GTE Consumer Electronics. Unit's \$734,000 loss, against \$1.3-million profit in same 1978 period, was attributed mainly to drop in European demand for color.

Rockwell 2nd-quarter report shows that getting out of TV may be cheaper than staying in. Net includes \$10.1-million credit representing adjustment of \$25-million it reserved last Sept. to cover estimated cost of dropping Admiral TV line. This was offset by \$11.4-million loss from Admiral appliance business which is being sold to Magic Chef.

North American Phillips results for first quarter include \$1.54-million gain on sale of interest in Magnavox of Mexico.

E. F. Johnson attributed sharp drop in first-quarter net to liquidation of "excess inventories of 40-channel CB radios at very low prices." Company said liquidation sales total was \$3.5 million.

Coleco blamed video games for \$22.3-million 1978 loss, said it carried \$15-million game inventory at high interest for much of year, had excessive returns, was forced to sell below cost and took accelerated depreciation on game-related assets.

Allied Artists changed its mind about filing bankruptcy petition for its profitable Allied Artists Video unit after determining such action isn't necessary at this time.

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
Bell & Howell			
1979-qtr. to March 31	136,394,000	1,023,000	.18
1978-qtr. to March 31	123,971,000	3,102,000	.55
Buckbee-Mears			
1979-qtr. to March 31	17,243,000	818,000	.27
1978-qtr. to March 31	15,804,000	526,000	.17
Clarostat			
1979-qtr. to March 31	4,928,500	140,700	.25
1978-qtr. to March 31	3,921,900	116,100	.21
Combined Communications			
1979-qtr. to March 31	68,407,000	5,383,000	.51 ^a
1978-qtr. to March 31	61,719,000	4,113,000	.41 ^a
Conrac			
1979-qtr. to March 31	31,900,000	917,000	.40 ^a
1978-qtr. to March 31	30,170,000	978,000 ^b	.44 ^a
Craig			
1979-9 mo. to March 31	88,643,000	2,482,000	.81
1978-9 mo. to March 31	85,034,000	5,022,000	1.62
1979-qtr. to March 31	24,477,000	236,000	.09
1978-qtr. to March 31	23,370,000	1,005,000	.32
CTS			
1979-qtr. to April 1	46,688,695	2,974,341	.65
1978-qtr. to April 1	40,013,838	2,682,590	.60
GTE			
1979-qtr. to March 31	2,253,051,000	150,080,000	1.00
1978-qtr. to March 31	1,989,393,000	155,987,000	1.08
Harte-Hanks Communications			
1979-qtr. to March 31	51,393,000	3,131,000	.34 ^a
1978-qtr. to March 31	38,434,000	2,742,000	.30 ^a
International Rectifier			
1979-39 wk. to April 1	89,772,000	4,310,000	1.62
1978-39 wk. to April 2	74,407,000	2,249,000 ^c	.86
1979-13 wk. to April 1	31,757,000	1,783,000	.67
1978-13-wk. to April 2	26,208,000	1,037,000	.39
E. F. Johnson			
1979-qtr. to March 31	9,238,000	160,000 ^b	.06
1978-qtr. to March 31	11,659,000	117,000	.05
Lee Enterprises			
1979-6 mo. to March 31	57,382,000	6,722,000	.93
1978-6 mo. to March 31	50,106,000	8,504,000 ^b	1.15 ^a
1979-qtr. to March 31	26,265,000	2,429,000	.34
1978-qtr. to March 31	23,574,000	2,334,000	.32
LIN Bcstg.			
1979-qtr. to March 31	11,186,000	2,168,000	.79
1978-qtr. to March 31	10,524,000	1,861,000	.66
Meredith			
1979-9 mo. to March 31	240,942,000	12,394,000	4.01
1978-9 mo. to March 31	214,069,000	11,530,000	3.75
1979-qtr. to March 31	83,571,000	4,780,000	1.54
1978-qtr. to March 31	77,030,000	4,342,000	1.41
Metromedia			
1979-qtr. to April 1	95,343,000	6,883,000	1.50
1978-qtr. to April 2	80,613,000	6,361,000	1.05
3M			
1979-qtr. to March 31	1,305,000,000	152,100,000	1.30
1978-qtr. to March 31	1,084,000,000	119,300,000	1.03
Motorola			
1979-qtr. to March 31 ^d	612,561,000	36,135,000	1.16
1978-qtr. to March 31	495,976,000	27,997,000	.90
Rockwell International			
1979-6 mo. to March 31 ^d	2,981,100,000 ^e	129,600,000	3.66
1978-6 mo. to March 31 ^d	2,548,400,000 ^e	83,600,000	2.38
1979-qtr. to March 31 ^d	1,546,600,000 ^e	64,900,000	1.83
1978-qtr. to March 31 ^d	1,304,800,000 ^e	43,500,000	1.23

Company & Period	Revenues	Net Earnings	Per Share
Sanyo Mfg.			
1979-qtr. to Feb. 28	9,405,000	(887,000)	--
1978-qtr. to Feb. 28	44,255,000	646,000	.15
Scientific-Atlanta			
1979-9 mo. to March 31	85,990,000	5,009,000	1.85
1978-9 mo. to March 31	66,484,000	3,653,000	1.50
1979-qtr. to March 31	31,761,000	1,893,000	.67
1978-qtr. to March 31	24,534,000	1,309,000	.54
Storer Bcstg.			
1979-qtr. to March 31	36,100,000	3,252,000	.64
1978-qtr. to March 31	29,765,000	2,333,000	.48
Tandy			
1979-9 mo. to March 31	934,369,000	63,227,000	2.47
1978-9 mo. to March 31	809,235,000	49,125,000	2.04
1979-qtr. to March 31	276,117,000	12,779,000	.49
1978-qtr. to March 31	243,899,000	8,664,000	.36
Texas Instruments			
1979-qtr. to March 31	720,800,000	38,181,000	1.68
1978-qtr. to March 31	557,552,000	30,699,000	1.35
Viacom International			
1979-qtr. to March 31	24,700,000	3,957,000 ^b	1.04
1978-qtr. to April 1	18,097,000	1,556,000	.41
Warner Communications			
1979-qtr. to March 31	453,795,000	30,818,000	1.57
1978-qtr. to March 31	312,497,000	20,382,000	1.13 ^a
Wells-Gardner			
1979-qtr. to March 31	3,380,000	(160,000)	--
1978-qtr. to March 31	2,290,000	(477,000)	--
Wometco Enterprises			
1979-qtr. to March 24	63,953,000	3,398,000	.40
1978-qtr. to March 25	56,104,000	2,775,000	.33

Notes: ^aAdjusted. ^bIncludes special credit. ^cAfter special charge. ^dRestated. ^eFrom continuing operations

Radio performance standards proposal is slated for presentation by NAB June 5 at Chicago's McCormick Place during CES. Idea surfaced last month at NAB convention (Vol. 19:14 p16). NAB engineer Christopher Payne said just-formed AM-FM Receiver Performance Standards Committee will offer proposals for AM-mono, AM-stereo, FM-mono & FM-stereo home & portable radios, mono & stereo car radios. He said producers have attended preliminary meetings, including Magnavox, Motorola, Delco & Pioneer. Payne said plan involves labeling radios as Grade A, B, or C to denote relative quality. Program would be voluntary, cover only radios designed to retail at \$35 & up. NAB has retained outside anti-trust counsel to oversee program, he said. EIA said it would observe NAB effort, wouldn't get directly involved. Project appears most directly aimed at car radios, isn't expected to get support of many radio marketers.

CB antenna safety standard will be developed in-house by Consumer Product Safety Commission, which voted \$348,000 for staff effort. Work on mandatory standard, intended to protect consumers from electrocution hazard when installing base-station antennas, could be halted in Sept. if EIA Communications Div. comes up with adequate proposal for voluntary standard.

Sixty-day extension on UHF comparability proceeding, sought by McKenna, Wilkinson & Kittner, has been denied by FCC.

WEEKLY

Television Digest[®]

with
consumer
electronics[®]

34th YEAR OF PUBLICATION
34
1945 - 1979

The authoritative service for broadcasting, consumer electronics & allied fields

APRIL 30 1979

VOL. 19, NO. 18

SUMMARY-INDEX OF WEEK'S NEWS

Broadcast

CABLE TAKES EARLY LEAD in close FCC vote for rulemaking aimed at eliminating wraps on distant signals, syndicated exclusivity. But minority keeps invitation for comments on retransmission consent & superstations. (P. 1)

MIP TV —'LIKE A SUPERMARKET': International program buyers & sellers gather in Cannes from all over world. American companies pleased with sales. NATPE's Gingold takes close look. (P. 2)

AT&T RULES OUT CATV ROLE: Brown tells House Subcommittee Bell isn't interested in 'what's now called CATV.' (P. 3)

GOLDWATER OPPOSES FEDERAL FUNDS: Ranking Republican on Senate Communications Subcommittee requests phaseout of federal funding of public broadcasting. (P. 5)

ABC-TV & PUBLISHING LEAD record quarter—with revenues up 9%, earnings 19%. Drag of leisure activities & Records relieved by sell-offs. (P. 6)

Consumer Electronics

SONY 1980 LINE features return to higher price levels, new 26" consoles, electronic tuning in all but 2 color sets. Sony plans aggressive campaign on new 'Beta-scan' feature in 2 slow-speed VCRs. (Pp. 7 & 11)

HITACHI COLOR PLANT planned for Compton, Cal. Company to assemble at 3,000-4,000 monthly rate in temporary location to ease shortage until new operation goes on stream. (P. 8)

DUMPING DEADLINE extension to late June sought by Japanese TV makers who look for settlement at govt.-to-govt. level. Japanese TV exports to U.S. in March hit 12-year low. VCR shipments up. (P. 9)

DISC DELAYED FOR SEATTLE: Magnavision disc debut in 2nd market, Seattle-Tacoma, was postponed again, result of heavy Atlanta demand. (P. 10)

SANYO U.S. COLOR production jumped 79% last year, as average selling price dropped. Output estimated at 551,660. Fotomat net drops. Lloyd to report 4th-quarter loss. (P. 11)

CABLE TAKES EARLY LEAD AT FCC: Cable won an important round—though not a final one—as FCC voted 4-3 last week to start rulemaking looking toward removing restrictions on carriage of distant signals and syndicated programs. At same time, Commission turned down NTIA's petition, supported by NAB, to start rulemaking aimed at requiring cable systems to get retransmission consent from stations. Retransmission is still barely alive at FCC, after a fashion, since Commission is inviting comments on it.

Until FCC acts finally on proposals—which will take many months—broadcasters will shift emphasis to Capitol Hill, where retransmission consent is included in Van Deerlin bill. As NAB Chmn. Donald Thurston said last week: "The FCC doesn't leave us much choice but to go to Congress." Not that broadcasters and cable won't deluge FCC with mass of comments—you can bet they will.

Guts of Cable Bureau's presentation was conclusion by corps of 5 economic consultants that broadcasters aren't losing more than 1% of audience because of cable, won't lose more than 9% in long run—"maybe the year 2000," said Cable Bureau Chief Phillip Verveer. Commission minority—Lee, Quello, Washburn—didn't attempt to refute economics, but said they thought other economists might, if they had a chance. Majority argued that broadcasters have had time to do this, haven't succeeded. It was an experienced bevy of economists employed by Cable Bureau, many of whom have been publishing papers on cable audience impact for years: Robert Crandall, Roger Noll, Bruce Owen, Rolla Park, James Rosse.

Comr. Jones turned out to be swing vote—as many thought she might. She was under enormous pressure as Chmn. Ferris called for votes in rapid fire, at end of 3-hour debate. Actu-

Copyright © 1979 by Television Digest, Inc. Reproduction in any form, without written permission, is a violation of Federal statute (17 USC 101 et seq.). On written request, permission will be granted liberally for reproduction of occasional articles.

ally, it wasn't too clear how vote went for some time, as various drafts of decision and public notice circulated & recirculated among commissioners. Upshot, finally, was as we stated—but after 1-1/2 days of haggling, no public notice of decision had been issued at week's end.

Lee was sole member to dissent completely. Washburn & Quello went along with rulemaking, and, while objecting to failure to propose rulemaking on retransmission consent and superstations, they concurred because comments on those issues will be invited.

Jones's vote left people wondering about her relationship with Ferris. On one hand, there was view by Commission official that Ferris "slipped one by her with a fast gavel." On other hand, one waggish lawyer termed her "Charlie's Angel."

Illustrating confusion of decision are separate statements issued by Quello & Washburn (jointly) welcoming "comments & viewpoints on the legality and desirability of requesting retransmission consent... and related matters," while Lee's dissent said: "Rather than leap to a rulemaking proposal so heavily weighted toward one result, I would like to have public comment on the 2 [economic] studies." Fogarty's statement included: "With these actions, the burden of proof is now where it properly belongs—on those seeking protection against competition, diversity & innovation."

NAB & NCTA reactions were as might be anticipated. NAB—"Results of proposal adopted today... would not only adversely affect all broadcast TV, particularly small-market VHF & UHF stations, but would be counter-productive to the FCC's own efforts to promote the development of UHF TV and improve broadcast service to the entire public." NCTA—"A major victory for the viewing public. They are the first step toward abandoning policies which have limited consumers' viewing choices in order to protect broadcasters and the networks from competition."

Meanwhile, NAB's Thurston said that recent meeting of broadcasters & cable operators—without NAB & NCTA staff (Vol. 19:17 p2)—was "beginning of search... I hope the dialog continues." Teleprompter's Russell Karp described meeting as "exploratory." Thurston also noted that at recent Canadian Assn. of Bcstrs. meeting, cable operator Ted Rogers made similar plea vis-a-vis phone company. By the way, we're advised that following broadcasters also attended meeting: Robert Hines, Walter May & Carl Venters—while Rae Evans of CBS didn't.

MIP TV—"LIKE A SUPERMARKET": "This is a marketplace. It's much easier for buyers and sellers... It's like going to a supermarket... The overseas market is extremely important and that's why you see more and more U.S. companies over here to both buy and sell." That's summation of week-long MIP TV (which ended April 26) in Cannes, France by program consultant Fred Cohen, ex-PBS, onetime FCC staffer.

Nobody from any U.S. distribution company—at MIP in record numbers to both buy & sell programming, and we talked to a lot of them there—disputed Cohen's evaluation. Such adjectives as "fantastic," "unbelievable" & "incredible" were used to describe business. Time-Life TV's Robert Peyton said company sold \$5 million in programs (all to overseas buyers), expects about that much in follow-up sales from contacts made there.

NTA's Arthur Gross added "They're here to do business... There's no pap." Several U.S. sellers noted that many foreign buyers represented govt.-owned systems and "they're here with money to buy." Also playing major role in discussions was co-production agreements between U.S. & foreign companies, and many such deals were made because of costs and pre-sale guarantees, according to Cohen.

MIP founder & owner Bernard Chevry runs show with iron hand, prohibits screenings or open hospitality suites in hotels. He sponsors 3 other international shows—MIDEM in Jan. for music publishers, IAM (advertising) in May, CISCO (theater equipment) in Oct.—all at Cannes except CISCO (Paris), all a strictly commercial enterprise to make money.

Chevry expressed pleasure at large increase in participating American companies (115 this year), which first started coming in large numbers 3 years ago. "They aren't coming here only to sell, sell, sell... but also to buy," he said. He's somewhat disappointed that more American TV station people weren't on hand to buy, is expected to push for more in 1980. Program "buyers"—including those from U.S. stations—pay \$416 fee and, in turn, their hotel

rooms are paid by Chevy.

Only U.S. station operator we found who actually purchased programming was Michael McKinnon, KIII Corpus Christi, who acquired 2 music specials. He also wants U.S. distribution rights to overseas shows, expressed "surprise" that there aren't more U.S. station people at MIP.

Also much in evidence at MIP were HBO, Showtime & Telese (over-air pay TV)—all seeking to buy product. HBO's Frank Biondi said company was looking for sports & children's shows in Europe.

ARP Films bought 4 Japanese children's shows and Scottish TV rock series for U.S. sale, reported great success in selling its "Spiderman" to European networks. ARP's Robert Marcella said "it's unbelievable the money that's being offered" for merchandising rights to the Japanese shows—including \$2 million for one series. Telepictures Pres. Michael Solomon was among happiest of U.S. programmers in Cannes. After 14 years at MCA, he and associates formed Telepictures last fall, reported over \$1 million in sales for American film package and "The Sacketts." Telepictures also was active in acquiring product.

WGBH-TV Boston, WNET N.Y. & WQED Pittsburgh co-hosted "U.S. Public TV" booth, and about 120 attended screening of "Scarlet Letter." Children's TV Workshop didn't co-sponsor public TV booth this year, instead had boat to entertain buyers. PBS officials also were in Cannes looking for product.

Syndicator Sandy Frank attended first MIP, hadn't been before "because I didn't have anything good to sell." This year, he sponsored 2 booths to peddle "Battle of the Planets," told us "I'm sitting out many closes." He said Europeans were looking for "hound's teeth clean" programming without violence.

Very much in evidence at MIP was NATPE Pres. Chuck Gingold, KATU Portland, Ore.—who was there on official visit, met with Chevy; so did NATPE PR consultant Robert Bernstein. Chevy had attended his first NATPE in March, said he had "good exchange of ideas" with Gingold, offered to help NATPE run its "marketplace." MIP is set up in permanent-type booths with exhibitors covering 5 floors (up one from last year). Despite continuing growth of international participation in NATPE, neither Gingold or Chevy see this having an adverse impact on MIP. Latter has no panels, speeches, etc.; NATPE is loaded with them.

NATPE suites in past have been spread throughout hotel and there has been much criticism of clustering of major syndicators, thus hurting traffic of smaller companies. "There'll never be another 26th floor"—Gingold pledged, referring to grouping of major companies on top floor this year at MGM Grand in Las Vegas. San Francisco Hilton Hotel has agreed to clear furniture from 2-1/2 floors for 1980 convention, thus permitting grouping of many small and medium companies, he said. Majors will be dispersed on separate floors with smaller companies assigned nearby, he said. N.Y. Hilton hosts 1981 NATPE, and syndicators will be put in ballroom in MIP-type set-up. NATPE board meets next week in L.A.—during ABC affiliates convention.

Of record 104 countries attending MIP this year, 9 were there for first time. Of 863 companies attending, 246 were TV organizations, 615 production & distribution firms. France had largest contingent with 154 companies, U.K. 119, U.S. 115. There were 2,015 participants, plus 240 reporters from 24 countries. MIP estimated that more than \$23.8 million in deals were made, up 50% from 1978.

BELL RULES OUT CATV ROLE: AT&T Chmn. Charles Brown last week seemed to rule out, unequivocally, Bell System entry into traditional CATV & pay-TV markets. "Do we object to the status quo? No, we don't," Brown told House Communications Subcommittee in first week of hearings into HR-3333—Van Deerlin bill.

In response to questions from Chief Counsel Harry Shooshan, Brown said: "I don't think I'd object" to amending HR-3333 to bar AT&T from traditional cable video services, adding: "As long as it does not prevent us from going into other things... As long as you're talking about what's now called CATV."

"This is probably the most important development that has come out of our first week," Subcommittee Chmn. Van Deerlin (D-Cal.) told us, calling Brown's attitude "just what is needed."

No decision has been made on adding ban on AT&T CATV entry to HR-3333, though such move is thought "highly probable" by Shooshan. Van Deerlin said Brown's comments should put to rest cable fears of an "American Telephone & Television Co.," leaving major cable issue in bill that of program retransmission consent.

But cable reaction to Brown was unconvinced. "We don't regard it as any conclusive evidence that the cable industry should lay down its arms and go away," said NCTA Pres. Robert Schmidt. Calling Brown's comments "a very positive step," Schmidt warned that "independent telcos have a much different posture."

Possibility of amendment to HR-3333 keeping AT&T out of CATV is "concession that doesn't go far enough," said Schmidt. "By talking and focusing on AT&T, what Chip is saying is good, but he's got to go further to be consistent." Schmidt said NCTA doesn't believe AT&T or other carriers should be barred from broadbanding, but says he doesn't trust them to set fair rates for access to outsiders.

"There are other services that fit into the broadband category—facsimile, security systems, data transmission... as long as the phone companies are given the opportunity to pursue all those things there's going to be a problem."

Cablemen didn't testify before House Subcommittee last week, but did appear on Senate side where they made plain their fears of AT&T as a TV carrier. Richard Loftus, AmVideo pres., said provisions in S-611 & S-622 (majority & minority Communications Act amendments) proposing to regulate cable on same basis as AT&T would be "equally stifling" to previous scheme in which cable was "forced into a federal regulatory system designed to govern broadcast."

William Bresnan, pres. of Teleprompter Cable Div., said allowing AT&T into CATV "means that only one man... the head of the phone company" would make determination on viewing for all Americans. Bresnan said cable didn't object to "one wire" concept in which telephone carriers use broadband.

"If it turns out that such a one-wire concept is cheaper than our present dual system, then we will take our chances as packagers and marketers of programming on such a system in competition with any similarly franchised competitor. But... allowing the phone company to own both the hardware and software is to invite cross-subsidization and predatory practices which will surely drive out competition and deliver the entire TV industry into the hands of the monopolist."

Elsewhere on Hill last week, FCC Chmn. Ferris told Senate Govt. Affairs Committee: "We at the regulatory agencies have gotten the message, loud and clear, that reform is warranted. We have also learned... that we need not always adopt a detailed rule to solve every perceived problem." Ferris was testifying on S-262, Senate regulatory reform bill, and S-755, regulation reform proposal of Carter Administration. Ferris testifies on Senate communications proposals May 8.

Storer will expand cable acquisition program to \$250 million through 1983, replacing \$100 million 1979-1980 plan, Chmn. Bill Michaels told stockholders. He reported that first-quarter cable operating profits were up 58% to \$2,175,000, broadcasting up 20% to \$5,357,000. He said that \$120 million in financing is being arranged through long-term loan of \$60 million and revolving credit of \$60 million. Sale of all radio stations is grossing almost \$42 million, and company's cash flow is more than \$40 million before depreciation. Storer recently bought General TV, is buying "major system" in Conn., will begin construction in Houston in "very near future."

Small-market radio stations average programming 25.4% non-entertainment—13.3% news, 2.8% public affairs, 9.3% "other"—according to NAB study. Figures are well above FCC required "minimums," according to NAB Exec. vp-Gen. Mgr. John Summers, and show that "if the FCC would simply analyze its own files, it will see that small-market radio should be deregulated immediately."

Free-to-cable SPN network expands to 13 hours daily, reports parent Southern Satellite Systems. Third uplink will be added to SSS Douglasville, Ga. earth station as backup to WTCG & SPN uplinks.

TURNER—ON 'QUALITY': Saying he's going to offer "quality programs" starting April 30, Ted Turner, owner of WTCG Atlanta, said satellite feeds to cable will offer Mon.-Fri. children's programs 8:30 a. m. & 3 p. m., general programs weekdays 10 p. m. Most children's programs have been carried by PBS, and most general programs were produced by BBC and shown by PBS.

Children's shows are "Discovery," "Infinity Factory" & "Rebop." General programs include "Ascent of Man," "Fight Against Slavery," "The Commanders," etc. Among other Turner statements at news conference (taped & telecast by his station):

(1) One sponsor, Bristol-Myers, has been obtained for new general series. Sponsors are sought for children's shows, and commercials will be clustered fore & aft.

(2) Station's 7 a. m.-1 a. m. commercial schedule will be limited to 210 min., 21% below NAB standards. Station has had trouble filling availabilities.

(3) A 24-hour news service is still planned, will take 12-18 months to implement, involve \$50 million investment, will need cable-system payments because "it can't be supported solely by advertising at first."

(4) "We're doing all right financially." In first quarter, company grossed \$5,500,000, lost about \$600,000—with pro teams losing some, station "making a little."

(5) Some 800 systems are carrying station—with 3.5 million subscribers fulltime, 1.2 million night only.

(6) Film producers are engaging in "a little bit of collusion—they better watch out for antitrust" in withholding programs from Turner and other stations in Atlanta. He asserted that Paramount will sell "Laverne & Shirley" in Atlanta. "They wanted to see just how much I would pay."

(7) "I don't intend to compete with the movie industry" by offering service to TV stations. RCA's satellite plan for stations is good because "the networks total grip on stations will be somewhat lessened."

(8) Whole nation will be wired in 10 years. (9) Retransmission consent "would wipe us out."

TvB board rejected proposals for extending local TV market viewing sweeps. In unanimously turning down idea of either continuous or expanded sweeps, board said its action was supported by Booz, Allen & Hamilton study, conducted last Nov., showing broadcasters favored current 4-week measurement periods and that advertisers current data was adequate for buying & planning purposes.

Ad revenue of TV networks rose 14.7% in March to \$371 million, bringing first quarter total to \$1.08 billion, up 15.2%, TvB reports. For full period, ABC was highest grosser at \$388.5 million, followed by CBS at \$351.2 million, NBC with \$344.2 million, TvB says.

PBS 'COMMON CARRIAGE': PBS staff has proposed 5-month test of national prime-time same-night schedule starting this fall, if stations approve plan. Idea, originally called "core scheduling," was first proposed at PBS' New Orleans program conference in Jan.

CC details, as outlined by PBS staff: (1) Would be used about 2 hours per night, 4 nights per week. Exceptions could occur with blockbuster special events. (2) Programs used should be top-notch. (3) Programs would require sequential and same-night carriage, but not same-time carriage. (4) First phase of concept requires commitment by at least 120 licensees for 5 months, probably Oct. 1-March 1. First phase would be an experiment, "a kind of off-broadway run." (5) Concept would be most effective if done on consecutive evenings. (6) Evenings and hours of common carriage should be constant, season to season.

Staff states it's generally agreed CC can't work well "if it isn't supported by a significant advertising and promotion plan." Rationale for plan is this, according to staff: "Though public TV's mandate doesn't include the attraction of mass audiences, we are producing and acquiring programs that deserve larger audiences than we have. That's the fundamental problem. It appears to some in the system that a simple and reasonable assault on that problem is common carriage of a limited prime-time national schedule." CC also is seen as generating added underwriter support.

GOLDWATER VS. FEDERAL FUNDS: Ranking Republican on Senate Communications Subcommittee, Sen. Goldwater (Ariz.), last week called for phasing out federal funding of public broadcasting, saying system has been too "susceptible to political pressure."

Goldwater made statement at opening of hearings on 2 Senate bills aimed at restructuring Communications Act, saying: "I believe we must get the federal government completely out of public broadcasting and return public broadcasting to the people." He said that before he could vote for amendments to Communications Act, his proposal must be explored.

Goldwater's statements, coupled with similar sentiment expressed by ranking Republican on House Communications Subcommittee, Collins (Tex.), don't bode well for system, although some see Goldwater's recent criticisms of PBS as simply attempts to embarrass Carter Administration.

Goldwater has been most persistent critic of public TV in Congress, centering most allegations on what he views as unhealthy PBS-Carter Administration relationship.

NAB TV Code Board meets May 2-4 in Washington on children's programs & advertising and clutter. ANA-AAAA ad hoc group on children's ads will report; on hand as observers will be officials of Independent Bcstg. Authority, London.

ABC News (11.2 rating) for first time slipped past NBC (11.1) during regular ratings week—of April 20. Leader was CBS (13.6).

Personals

Ave Butensky dismissed as Viacom Enterprises Div. pres., plans & successor unannounced.

Allen Neuharth, Gannett chmn., re-elected chmn. & pres., ANPA... Broadcasters elected to AP board: **Ralph Renick**, Wometco; **William Leonard**, CBS; **Charles Whitehurst**, WFMY-TV Greensboro.

John Sivatko, ex-McGraw Hill, named mgr., program services, AAF... **Wesley Williams**, Covington & Burling law firm, appointed a trustee of Minority Bcst. Investment Fund of NAB... **Joe Barnes**, ex-WXYZ-TV Detroit, named news dir., KGO-TV San Francisco... **Dick Groat** promoted to gen. sales mgr., WOTV Grand Rapids... **William Colvin** advances to to senior vp., Buford TV broadcast group.

Bruce McKay promoted at NBC Entertainment from west coast variety programs dir. to variety programs vp... **Jeffrey Tolvin** advanced to ABC PR dir., business information... **Susan Bresnan**, ex-ABC Sports Div., named client relations mgr., NBC-TV Sports sales... **Thomas Josephsen**, ex-WSFA-TV Montgomery, named gen. mgr., KFVS-TV Cape Girardeau, Mo... **Carolyn Wood**, ex-WKBT-TV, La-Crosse, named personnel dir., WJLA-TV Washington.

Robert Johnson advanced to NCTA govt. relations vp from pay-cable vp; **Thomas Patterson**, former worker in Carter & Va. gov. campaigns, and **Reesa Motley**, ex-Blair Lee campaign in Md., join govt. relations staff.

Robert Miller, ex-FCC Common Carrier Bureau, joins Washington law firm Peabody, Rivlin, Lambert & Meyers... **Michael Penzell**, ex-ABC-TV Network, appointed sales vp., Mutual Bcstg... **Francine Proulx**, ex-exec. dir., AWRT, sets up consultancy in PR & association management, 409 James Court, Falls Church, Va. 22046, 703-532-3178.

Jerry Pinks, advances to domestic sales services mgr., Viacom... **Gary Wilcox** moves up to mgr., Pay TV & Jerrold Products Sales, Anixter's Pruzan Div... **John Dozier** advances to engineering mgr., Hughes Aircraft Microwave Communications Products.

Greater "physical presence" of N. Y. stations in N. J., in form of substantial studios, failed to get FCC approval as Commission tied 3-3, Jones absent. In favor of more N. J. "presence" were Ferris, Quello & Fogarty, with Lee, Washburn & Brown opposed. Ferris & Washburn switched votes from last Nov. 9, when those in favor were Quello, Washburn, Fogarty & White, with Lee absent. Last week, Lee suggested that public TV's WNET, which operates in N. Y. on Newark's commercial Ch. 13, shift to WNYC-TV's Ch. 31, which city owns and wants to give up—then let Ch. 13 go back to N. J. Presumably, WNET could sell Ch. 13. Said Lee: "I don't know what it's worth—\$50 million?" Fogarty urged colleagues to reconsider, requiring "presence"—unless it's prepared to "reallocate some or all of the area's licenses."

Correction: We were misinformed. CBS's Rae Evans didn't attend broadcaster-cable meeting seeking "common ground" (Vol. 19:17 p2).

WEEKLY Television Digest

with
Consumer Electronics ...

PUBLISHED BY TELEVISION DIGEST, INC.

Copyright © 1979 by Television Digest, Inc. Reproduction in any form, without written permission, is prohibited.

Also publishers of annual *Television Factbook* and weekly *TV, AM-FM & Cable Addenda*, *Cable Atlas*, biweekly *Public Broadcasting Report* and other special publications

EDITORIAL & BUSINESS HEADQUARTERS

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

WASHINGTON HEADQUARTERS

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

Television Factbook

Mary Appel ... Editorial Director
Sean P. Maloney ... Managing Editor

Business

Edward L. Sellers ... Sales Dir.
Roy W. Easley III ... Business Mgr.
Barbara J. Pratt ... Asst. Sales Dir.
John W. Thompson Circulation Mgr.

NEW YORK BUREAU

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

David Lachenbruch ... Editorial Dir.
Robert E. Gerson ... Senior Editor
Christopher Kelly ... Assistant Editor

JAPAN REPRESENTATIVE (Editorial & Business)

John H. Nakamura

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

ABC-TV & PUBLISHING LEAD: First quarter was record for ABC, as anticipated, and TV & publishing dominated—as total revenues rose 9% to \$451.6 million, earnings 19% to \$25.5 million (see financial table).

Network said radio revenues rose but profit dropped, while leisure attractions had "modest loss," mostly because of poor performance of Historic Towne, Smithville, which is being sold for \$15 million. Losses of ABC Records increased during quarter, before March 5 sale.

Struggle over new chief of FCC Broadcast Bureau to succeed Wallace Johnson may be developing. At least Comrs. Lee, Quello & Washburn favor Martin Levy, now deputy chief, have told Chmn. Ferris so. In fact, Quello sent Ferris memo of "strong, urgent recommendation" for Levy, saying appointment "will bolster a sagging morale problem caused in part by unprecedented, massive replacement of department & sub-department heads." Levy would like job—but not if Ferris doesn't want him. NAB Pres. Wasilewski last week told Pa. Assn. of Bcstrs. there are rumors that Ferris wants to give job to Frank Lloyd, his assistant, noted that Lloyd once headed Citizens Communications Center, "an organization active in petitioning to deny license renewals." Further, Wasilewski said, Lloyd has "expressed definite bias versus small-market radio broadcasters and opposed their deregulation."

Qube development expense in 1978 ran \$11 million, after net revenues of \$5.9 million, Warner Cable states in annual report. Total Warner cable revenues increased 19% to \$66 million, operating income rose 13% to \$17.8 million. Subtraction of Qube cost left total cable operating income of \$6.8 million. Since 1974, Qube expenses have run \$20 million, according to annual report.

Consumer Electronics®

A Section of Television Digest with Consumer Electronics

MANUFACTURING & SALES • TV • PHONOGRAPHS • TAPE PRODUCTS • RADIO • COMPONENTS • NEW PRODUCTS • FINANCE

STATE OF THE INDUSTRY

Sales to dealers (total market), from EIA, for week ended April 13 (15th week of 1979):

	April 7-13	1978 week	% change	March 31- April 6	1979 to date	1978 to date	% change
Total TV.	237,175	239,093	-0.8	245,041	4,272,258	4,100,378	+4.2
color	146,884	153,858	-4.5	151,561	2,658,615*	2,607,023	+2.0
monochrome	90,291	85,235	+5.9	93,480	1,613,643	1,493,355	+8.1
Home VCR	5,190	—	—	6,057	110,593*	—	—
Total radio	563,694	690,247	-18.3	515,573	10,476,028	11,735,108	-10.7
home, portable	332,955	402,064	-17.2	275,855	6,353,630	7,976,374	-20.3
AM-only	99,878	156,587	-36.2	95,772	1,918,571	2,471,984	-22.4
FM & FM-AM	233,077	245,477	-5.1	180,083	4,435,059	5,504,390	-19.4
auto	230,739	288,183	-19.9	239,718	4,122,398	3,758,734	+9.7

Color TV 5-week moving average: 1979—182,333; 1978—184,472 (down 1.2%).

*Record for period.

SONY 1980—RETURN TO ELEGANCE: Its strategy of becoming more price-competitive having collapsed with value of dollar into 3 price increases on 1979 models, Sony last week unveiled 1980 line unabashedly designed to appeal to upper levels of marketplace, with almost all new models priced above those they replace.

Direct-view TV sets in new line run to \$1,150, b&w to \$330, pocket radios to \$130, portable cassette recorders to \$650, component ensembles in regular consumer-product line to \$2,695. In Sony Industries audio line, top-end turntable is \$1,800.

Most lines received major overhaul, and this was nowhere more apparent than in color TV, where 4 new & different front-end escutcheon treatments were introduced, electronic tuning moving to all models except 8" & 9" holdovers, all remote-control units (except holdover 21") switching to random-access 14-button infra red system. New chassis is claimed to use less power, contain fewer discrete components for more reliability. Distributors & dealers apparently liked Sony's return to elegance. Consumer products Pres. Joseph Lagore told us at week's end that orders at convention exceeded last year's by about 50%.

TV star of elaborate introductory show in Hot Springs, Va. was Sony's entry into console business with 26" set (Vol. 19:17 p9), marking 10th anniversary of Trinitron. Two remote-control models are \$1,150, non-remote \$1,000. The 100-degree tube, made in San Diego, has 341-sq.-in. area (vs. 315 for 25" tube), weighs about 80 lb. New set uses Sony's velocity modulation system, designed to improve contrast, color & resolution by varying electron-beam scanning speed according to picture content (Vol. 16:38 p10), has MPU automatic pushbutton setting, separate fluorescent displays for digital clock & channel. With 8 color screen sizes, Sony now has industry's widest variety, according to Product Vp Masa Namiki. San Diego plant will make about 600,000 color sets (15" & up) this year, Sony (Japan) Pres. Kazuo Iwama, told us.

As expected, Sony introduced deluxe new VCR deck with slower speed which records 4-1/2 hours on L-750 cassette (Vol. 19:13 p9). It has many features of Sony Japan's J-7 deck, but doesn't resemble it in design. Headline feature of new SL-5400 is "Betascan"—ability to retain picture in fast-forward & rewind modes—valuable for locating selected programs or for speeding accurately through commercials while viewing. Sony will play up these functions, which

can't be accomplished in VHS system where tape returns to cassette for rewind & fast-forward. Visible fast-forward & rewind and stop-motion pause can be accomplished with wired remote-control unit. Unique feature is ability to move from "play" to fast-forward or reverse without pushing "stop" button.

Other features include 14-button random-access electronic tuner, 3-times-normal viewing speed for quick review without loss of comprehension, timer which can be preset up to 3 days in advance to record single event. Sony gave no price for unit, said delivery would start this summer. Zenith is expected to introduce similar unit May 24 with more definite information on price & delivery (Vol. 19:17 p7). Before year's end, Sony will offer SL-7600, similar machine with 2-week, 4-event programmer. As observed, there was little or no degradation in new slower-speed mode.

Sony officials were indefinite on when (or whether) they'd offer L-830 cassette to bring recording time up to 5 hours, although Sony will make that tape for Zenith & Toshiba. Namiki said Sony is "investigating longer tape," and Iwama added there was "no theoretical limit" to recording time per cassette, suggesting 6 hours was clearly possible. But Sony believes playing time is no longer an issue. Said Lagore: "Once you pass 4 hours, it's like the horsepower race—it no longer is significant."

Sony promised no-holds-barred campaign against VHS, gave preview of TV commercial showing VHS & Beta recorders side-by-side with voice-over saying: "Before we invented our system—the Beta system—we invented theirs." Said Lagore: "We invented this market. We may not be the biggest volume seller and may never be again...but we will be the leader."

Current single-speed SL-8600 deck will remain in line, although new step-up decks have 2 speeds (now called "BII" & "BIII"). Sony indicated it would use various promotions to move SL-8600, starting with over \$100 in cassette rentals from VidAmerica club, intended to help sell up to 50,000 decks. In answer to our question, Namiki conceded "frankly it won't be easy" to dispose of low-end decks, but said Sony hoped to keep manufacturing them.

Sony Pres. Iwama, answering news conference questions, said company isn't investigating longitudinal recording. As for videodisc, he forecast it would coexist with VCR, but made this candid assessment: "From Sony's standpoint, the timing is bad because of our investment in VCR. We hope the disc will come as late as possible." He indicated Sony could make any type of player dictated by standards, but said produceability of disc was problem which "needs a couple of years to solve."

Sony color TV price ranges by screen sizes (vs. latest prices on 1979 line): 26", \$1,000-\$1,500; 21", \$860 (vs. \$670-\$860); 19", \$630-\$790 (vs. \$600-\$730); 17", \$560-\$670 (vs. \$480-\$660); 15", \$510-\$630 (vs. \$510-\$600); 12", \$460-\$530 (vs. \$460-\$490). For highlights of Sony lines, see p. 11.

At stockholder meeting, Zenith Chmn. John Nevin said company would hike color TV prices 3% (\$10-\$20) in new line.

HITACHI SETS U.S. COLOR PLANT PLANS: Faced with squeeze on shipments from Taiwan and Justice rejection of venture with GE, Hitachi decided to follow other Japanese color TV majors, build U.S. plant. It will be next to existing Hitachi Sales operation in Compton, Cal.

Hitachi will make first \$4-million investment in 970,000-sq.-ft. building where it expects to make color TV at first, expand into audio and possibly appliances. Slated for completion in Jan., it will have capacity of about 15,000 sets monthly, although output is expected to be 7,000-8,000 monthly at least through first quarter 1980. Start-up production will be 19", adding 13" at midyear. Hitachi says U.S. parts & labor will represent at least 50% of production value. Speculation is that GE has inside track as color tube supplier because of continuing technological ties with Hitachi.

New company, Hitachi Consumer Products of America, is being formed to run plant. Pres. is Kazumitsu Minami, now deputy gen. mgr. of Hitachi's Yokohama color plant. Minami, engineering dir. & finance chief are expected to be only Japanese among 120 on HCPA payroll when operation goes on stream. It won't be first such venture for Hitachi. In 1973, it built

plant in Redondo Beach, Cal. with plan for up to 20,000 monthly capacity. Output, mainly 25" consoles, never topped 3,000 monthly, and facility was closed in 1975.

To help Hitachi Sales out of immediate bind, production of 19" at 3,000-4,000 monthly rate will start in Aug. near existing Compton operation now used for compact stereo assembly. There's also possibility that as temporary step Hitachi will have one or 2 models assembled by GE.

"Everybody is aware we have a shortage of color TV," we were told by Hitachi Sales Senior Vp Ron Friedlander. He said Hitachi looked at plant sites in southeast, had narrowed choice to 2 locations. When 50-50 production venture with GE was proposed, construction program was dropped. "We were hit hard by the Taiwan quota, and when the GE arrangement was put down [by Justice] we were caught short [Vol. 18:49 p8]. Now our dealers and our competition know we are here to stay, and that's the important thing." Friedlander said Hitachi decided to expand in Compton rather than revive earlier Sun Belt plans "because we now feel we'll have tighter control if everything's in one location."

Hitachi has been relying on Taiwan for bulk of color supply, bringing in only minimal quantities from Japan. Last year we estimate Taiwan supplied Hitachi U.S. with 120,000 sets and 40-60,000 more were imported from Singapore. Under quota agreement, Hitachi can export maximum of 83,000 from Taiwan this year, could get 60,000 from Singapore, 18,000 from temporary Compton set-up. While not commenting on specific numbers, Friedlander indicated that those, plus any sourced from GE, should be enough to permit end to current dealer allocation program. If GE does assemble sets they will be of Hitachi, not GE, design, Friedlander emphasized. At June CES Hitachi will unveil an almost totally new color line, he said, stressing electronic tuning and renewed emphasis on wood cabinets.

Hitachi move leaves JVC as only Japanese color marketer without U.S. production arrangement either operating or in works. JVC is unique in another way, too: It's only company offering single-speed (2-hour maximum) VHS VCR—all others in VHS camp have 2/4-hour models and 2/4/6-hour units are on way (Vol. 19:7 p7). JVC Home Entertainment Div. Vp Harry Elias said company will have announcements covering both situations in near future. Meanwhile, spokesman for Taiwan's Sampo says it's looking into economics of setting up color assembly plant in Sun Belt and expects to show prototype color console at CES, but denied report it has contract to have consoles or any other color models assembled for it by U.S. company.

JAPAN SEEKS DUMPING PAYMENT DELAY: Japanese jawboning on TV dumping has started up again. At press briefing in Tokyo last week, Matsushita Pres. Toshihiko Yamashita, also EIA-J pres., said association members have agreed not to come with dumping duty cash down payments demanded by Customs, then softened position somewhat by adding EIA-J would seek extension of May 14 deadline (Vol. 19:17 p9). Also last week, Finance Ministry issued March export figures showing continued decline in both color & b&w shipments to U.S., with combined total at 12-year low for month, although VCRs snapped 5-month streak of declines.

In first official statement on dumping issue since Customs announcement, Yamashita said Japanese believe whole idea was politically inspired and won't go along—at least not right away. He said matter will be discussed with Customs verification team which will spend much of May & June in Japan going through manufacturer sales records.

Any payment demand should be extended at least until end of June to allow more time for negotiated settlement at govt. level, he said, pointing out that Customs' use of Japan's commodity tax to calculate dumping margin is still subject of dispute. It was noted that Prime Minister Ohira arrives in Washington for trade talks this week, and President Carter is expected to attend late-June economic summit meeting in Tokyo.

Japan's total March TV shipments to U.S., 97,600, were down 66%, color off 58.8% at 60,100, b&w down 73.5% to 37,500. For quarter, TV shipments were off 64.2% to 285,800, as color dropped 54.6% to 174,900, b&w sank 73.1% to 110,900. Month's VCR shipments of 46,700 were up 10.6%, first such increase since Sept., bringing total for quarter to 113,300, down 4.5%.

In color, March's complete set exports were down 64.5% to 49,700, for cumulative total of

126,700, down 59.9%. Kit exports jumped 84.6% in month to 10,400, but closed out quarter at 46,100, down 28.6%. In first 9 months of Japan's 2nd year [to June 30] of color export quota, total of 968,700 sets & kits have been shipped to U.S., down 27.7%. At current pace, quota-year exports would total about 1.13 million, down 35.3%, and 35.4% below authorized 1.75-million limit.

Higher export pricing has softened financial blow of TV export drop somewhat. Total yen value of TV shipments in first quarter (10.7 billion) was down 57.9%, while sum importers paid (at 237-yen-to-dollar last year against March's 213) was off 53.2% to \$50.3 million. In VCRs, yen value dropped 7.1% to 14.1 million, but importer outlays rose 3.1% to \$66.2 million. Quarter was first in which VCR export value exceeded that of TV.

Average prices paid by importers rose sharply in quarter for most video products. VCR average was up 7.9% to \$584.65 from \$541.73, complete color sets were up 26.4% to \$266.87 from \$211.01 and b&w leaped 33.2% to \$89.80 from \$67.38. Average price of color kit, however, dropped 30.4% to \$128.92 from \$185.14, probably reflecting increased use of components sourced in U.S. and elsewhere outside Japan by Japanese-owned color plants here.

Magnavision videodisc player debut in 2nd market, Seattle-Tacoma, has been postponed for 2nd time. New date is May 17-18. Magnavox official said delay was result of heavy demand in first market, Atlanta. Consumers who phone Atlanta Magnavox dealers are told orders are being accepted for delivery in about 30 days. There's been some transshipping, presumably by one or more Atlanta dealer, with players showing up in stores in Miami & elsewhere. Classified ad in N.Y. Times last week offered "Magnavision videodisc player, new, unopened, for immediate delivery, COD. Best offer." Atlanta phone number was given. Majority of players now are being assembled in U.S., Magnavox source said, but "certain percentage" will continue to be shipped assembled from Eindhoven.

First safety standard for AC-powered low-voltage video products from UL goes into effect April 1, 1980. "Standard for Safety, Low Voltage Video Products Without Cathode Ray Tube Displays" sets construction & safety performance requirements for such devices as VCRs, cameras, CATV converters, TV signal amplifiers & processors, degaussers. It also covers portable products designed for use with car or boat power supplies. Excluded are any devices containing circuits operating at peak potential of more than 2,500 volts. Copies of UL-409 are \$4.50 from U. Publications Stock Dept., 333 Pfingsten Rd., Northbrook, Ill., 60062.

Canadian Admiral is for sale. First official acknowledgment will be in letter to shareholders this week from Rockwell. Late last year, Rockwell shut down Admiral's U.S. TV operation, sold Taiwan plant; this year, it agreed to sell Admiral's U.S. appliance business and all U.S. Admiral brand rights to Magic Chef. Rockwell says it's talking with several companies interested in acquiring Canadian Admiral and keeping it as ongoing business.

Magnavox breaks ground May 4 for \$7.5-million hq east of Knoxville. Three-level 187,000-sq.-ft. structure is scheduled for occupancy in spring 1980, current Ft. Wayne hq to be empty by late summer.

Memorex announced VHS cassettes at \$28 for 2-4 hours, \$20 for 1-2 hours.

Quota talks with Taiwan trade officials were slated to open last weekend. While there's firm agreement on 373,000 annual quota for Taiwan exports of complete color to U.S., 648,000 limit on incompletes in year starting July 1 has never been accepted formally by Taiwanese; however, no problems are expected (Vol. 18:1 p10). In related action, U.S. trade officials rejected as still inadequate Japan's revised proposal for opening govt.-controlled telecommunications market to imports. Failure to come up with acceptable deal will result in Japan's exclusion from new rules permitting foreign companies to bid for U.S. govt. supply contracts.

Color TV sales to dealers for April will trail record set in 1978, but b&w sales are expected to be up smartly. Each of April's first 3 weeks was down from last year in color sales, up in monochrome—color for period totaling about 445,200 (down 9.4%) and monochrome 281,200 (up 10.4%). April also threatens to be first month of 1979 when VCR sales to dealers trailed those of same 1978 month; first 3 weeks saw sales of about 16,000 VCRs, while total for full month in 1978 was 27,221. Preliminary figures for 3rd week of April: Color TV 146,200 (down 12.9%), monochrome 97,400 (up 20.2%), VCR 4,800 (no comparable weekly data for 1978).

Hitachi Maxell tape plant will be built on 40-acre site in Conyers, Ga., near Atlanta (Vol. 19:4 p9). Company has allocated \$7.5 million for site & plant, hopes to begin audio cassette production before year's end. Other foreign-owned U.S. tape production facilities are BASF, Sony & TDK.

Proponents of multichannel TV sound and teletext systems were requested to indicate intention to submit them for analysis & test to Eb Tingley, secy. of 2 EIA subcommittees formed for purpose (Vol. 19:9 p9). EIA again appealed for engineers to participate on committees. Details: 202-457-4981.

Strike at Zenith Evansville, Ind. cabinet plant enters 3rd week April 30. Company spokesman said IUE walkout after contract negotiation stalemate so far has had no effect on Zenith deliveries. Plant makes color TV cabinets.

1980 SONY LINE: Sony's color line shows generally higher prices on replacement models, with Japan-made holdovers continuing at increased levels which went into effect April 1 (Vol. 19:12 p9). AC-DC 5" color set has been dropped, line now starting with 8" AC-DC holdover at \$550, moving to 9" AC hold-over at \$490; 12" start with holdovers at \$460 & \$490, topped by new high-end model at \$530; 15" sets are \$510 holdover, stepping to new model at \$560, new remote at \$630 (replacing \$600 set); former 17" leader at \$480 is discontinued, step-up at \$560 is being phased out, new remote is \$670 (vs. \$660 for predecessor); 19" leader continues at \$600, with \$625 step-up being phased out, new model \$650, new remotes at \$740 & \$790; only one of three 21" models remains in line—former high-end remote unit at \$860; 26" is \$1,000, 2 remotes \$1,150. Projection TVs continue at \$3,700 (50") & \$4,200 (72").

Monochrome line, all AC-DC, starts with hold-over 3" AM-FM at \$300, 4" with digital quartz clock-timer at \$300 replacing FM-AM at \$230, new FM-AM-cassette model at \$330; 5" with LCD digital quartz clock-timer is \$190, replacing \$160 unit without clock; new 7" at \$180 replaces 2 models at \$150 & \$170; new leader 12" is \$130, while \$140 model is carried over.

In audio products, Sony made major changes. Sony Consumer Products dealers will handle special line of relatively high-priced components—but they'll be sold in ensembles only. This product line includes new "Avatar" micro-component combinations, including mini-turntable and gas-cooled speaker system. Components are similar, but not identical to those being sold separately to hi-fi dealers by Sony Industries.

INSIDE SANYO MFG.: Sanyo Mfg. Corp., Forrest City, Ark. TV manufacturing subsidiary of Japan's Sanyo Electric, apparently was 3rd biggest producer of 19"-&-over color sets in U.S. last year, figures in annual report indicate. Company, which made only 19" & 25" color in fiscal 1978 to Nov. 30, says unit sales jumped 79.4% in period. Based on historic data, we translate that to 551,660 sets. International Trade Commission reports total domestic factory sales of 19"-&-over color rose 16.6% last year to 6.87 million, with value up 13% to \$2.48 billion. If figures are correct, SMC accounted for 8% of units, 6.3% of dollars in 1978, vs. 5.2% & 4.3% respectively in 1977.

Part of SMC's apparent success may be traced to fact it's a low-cost producer. Figures indicate its average per-set selling price dropped last year to \$287.62 from \$308.02, a 6.6% decline, which can be traced in part to decreased percentage of consoles in sales mix. However, industry average selling price for 19"-&-over color slipped just 3.1% last year to \$361.09 from \$372.75.

Sears, 25% owner of SMC and its biggest customer, increased purchases from company 76% to \$138.8 million, to provide 87.5% of volume, up from 83.3% in 1977. Other sales, mainly to affiliate Sanyo Electric, were up 25.4% to \$19.8 million.

Radio line includes Sony's first TV-sound radios at \$60 & \$150. Top-end clock radio at \$120 has such features as LCD display, sensor to adjust intensity of LCD background light to room lighting, clock & alarm operation in power failure, daylight saving time switch. Pocket portable (\$130) has 7 pushbuttons for tuning 14 stations, automatic scanning.

In N. Y., Sony Industries' Audio Div. showed line of "Precise" micro-components, including integrated amp & turntable, unpriced, expected to be in \$1,200-\$1,300 range excluding speakers. Sendust-ferrite head metal-type cassette decks are priced at \$400, \$500 & \$600, low-end non-metal decks at \$250 & \$320. Portable AC-DC hi-fi 3.25-lb. stereo cassette deck is \$680.

In consumer video, Sony introduced 14-channel varactor-tuned tuner-timer (TT-3000) for \$500. Earlier model with similar features but different configuration (TT-300) was introduced last fall by Sony Video for \$105 less, is still available at \$395.

TV waters are being tested by mass-market audio companies. Soundesign will offer b&w mini-combo at CES, marking re-entry into TV. In mid-1960s, it briefly marketed plug-in modular 5" battery portable and 17" portable b&w. Emerson is currently showing b&w, including mini-combos, to prospective customers but, according to Senior Vp Saul Knazick, hasn't decided to go ahead yet. Lloyd's has re-entered Canadian TV market with b&w, is expanding into color, sets being sourced in Canada. Sales & Mktg. Exec. Vp Donald Schneider, says company is looking at U.S. sales possibilities, but is far from making decision.

Share of U.S.-made parts in SMC's production dropped last year. Report shows value of color TV parts purchased from Sanyo Electric Trading (SET), presumably all imported, rose 117.4% last year to \$87.5 million, equal to 58.1% of cost of goods sold. Purchases from SET represented 45.7% of costs in 1977.

Report notes SMC ran 5 production lines until final quarter last year, when it cut back to 4 as result of decreasing demand. It expects to build up again this year when small-screen color & microwave oven production are added. SMC says it plans increase over last year's capital expenditures of \$966,000 for those new operations, plus equipment for new cabinet construction process and expansion into plastic molding & deflection yoke production. Report shows year-end inventories of \$32.96 million, up sharply from \$12.5 million at end of 1977. Virtually all of that is traceable to tenfold increase in finished-goods inventory to \$22.5 million, caused by end to arrangement providing for Sears to buy goods when produced rather than when shipped.

Effects of new contract arrangement continued in first quarter this year. SMC reported loss on 80% sales decline (see financial table). Company indicated that sales totals are expected to return to more normal level in 2nd quarter.

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
American Bcstg. Cos. 1979-qtr. to March 31 ^c 1978-qtr. to March 31 ^c	451,607,000 ^a 415,145,000 ^a	25,467,000 ^b 22,903,000	.91 ^d .84 ^d
Andrea Radio 1979-qtr. to March 31 1978-qtr. to March 31	618,362 474,558	65,116 (3,748)	.13 --
Arvin Industries 1979-qtr. to March 31 ^c 1978-qtr. to March 31 ^c	124,065,000 107,036,000	6,540,000 4,376,000	.94 .64
Automatic Radio 1979-6 mo. to March 31 ^c 1978-6 mo. to March 31 ^c 1979-qtr. to March 31 ^c 1978-qtr. to March 31 ^c	10,586,000 9,471,000 7,007,000 6,097,000	(1,618,000) (1,822,000) (1,413,000) (1,049,000)	-- -- -- --
Avnet 1979-9 mo. to March 31 1978-9 mo. to March 31 1979-qtr. to March 31 1978-qtr. to March 31	741,299,000 587,004,000 269,701,000 203,421,000	35,293,000 28,024,000 13,091,000 9,765,000	2.27 ^e 1.81 ^e .84 ^e .63 ^e
John Blair 1979-qtr. to March 31 1978-qtr. to March 31	42,795,000 38,646,000	2,362,000 1,912,000	.95 .78
Capital Cities Communications 1979-qtr. to March 31 1978-qtr. to March 31	89,795,000 79,655,000	11,970,000 10,707,000	.87 ^d .75 ^d
Cohu 1979-qtr. to March 31 1978-qtr. to March 31	5,034,143 4,297,847	204,502 79,893	.12 .05
Comsat 1979-qtr. to March 31 1978-qtr. to March 31	59,991,000 49,052,000	11,902,000 7,753,000	1.49 .97
Cowles Communications 1979-qtr. to March 31 1978-qtr. to March 31	3,367,000 3,089,000	1,130,000 951,000	.28 .24
Cox Bcstg. 1979-qtr. to March 31 1978-qtr. to March 31	55,802,000 46,815,000	9,374,000 ^f 5,292,000	1.40 .79
Dynascan 1979-qtr. to March 31 1978-qtr. to March 31	14,433,000 16,693,000	225,000 407,000	.07 ^d .13 ^d
Fuqua Industries 1979-qtr. to March 31 ^c 1978-qtr. to March 31 ^c	464,230,000 345,678,000	10,239,000 4,372,000	.78 .32
Johnson Controls 1979-6 mo. to March 31 ⁹ 1978-6 mo. to March 31 1979-qtr. to March 31 ⁹ 1978-qtr. to March 31	531,638,000 234,403,000 221,941,000 86,431,000	31,051,000 15,950,000 9,090,000 3,980,000	2.23 1.84 .65 .46
Masco 1979-qtr. to March 31 1978-qtr. to March 31	180,310,000 133,840,000	18,710,000 14,720,000	.71 .56
Regency Electronics 1979-9 mo. to March 31 1978-9 mo. to March 31 1979-qtr. to March 31 1978-qtr. to March 31	37,066,043 28,991,870 15,458,929 11,848,294	4,009,842 2,397,322 1,425,936 1,163,121	1.49 .90 .53 .44
Rollins 1979-9 mo. to March 31 1978-9 mo. to March 31 1979-qtr. to March 31 1978-qtr. to March 31	247,247,235 209,906,358 83,315,116 68,989,975	18,154,808 16,463,428 6,447,739 5,991,926	1.35 1.23 .48 .45
Technical Operations 1979-6 mo. to March 31 1978-6 mo. to March 31 1979-qtr. to March 31 1978-qtr. to March 31	59,784,000 39,828,000 31,763,000 19,009,000	860,000 ^f 362,000 ^f 390,000 ^f 246,000	.64 .27 .29 .18

Company & Period	Revenues	Net Earnings	Per Share
J. Walter Thompson 1979-qtr. to March 31 1978-qtr. to March 31	51,538,000 43,998,000	690,000 537,000	.23 .18
Times Mirror 1979-qtr. to March 25 1978-qtr. to March 26	342,560,000 305,013,000	28,299,000 26,916,000	.83 .77
Trans-Lux 1979-qtr. to March 31 1978-qtr. to March 31	3,933,746 3,739,235	530,948 ^f 352,505	.29 .17
TRW 1979-qtr. to March 31 1978-qtr. to March 31	1,064,800,000 870,400,000	43,800,000 35,800,000	1.36 1.10
20th Century-Fox 1979-qtr. to March 31 1978-qtr. to April 1	159,546,000 158,933,000	19,090,000 17,486,000	2.33 2.21
Washington Post 1979-13 wk. to April 1 1978-13 wk. to April 2	130,317,000 112,806,000	8,636,000 ^b 7,063,000	.54 ^d .43 ^d
Zenith Radio 1979-qtr. to March 31 1978-qtr. to March 31	237,400,000 213,900,000	3,700,000 1,100,000	.20 .06

Notes: ^aFrom continuing operations. ^bRecord. ^cRestated. ^dAdjusted. ^eFully diluted. ^fIncludes special credit. ⁹Includes operations of Globe-Union.

Consumer Electronics Personals

Karl Horn promoted at Zenith from engineering & CRT operations senior vp to exec. vp & gen. mgr. of picture tube & components operations in restructuring. Horn will be responsible for advanced development, engineering, manufacture & sales of color tubes & components; **Robert Hansen**, former TV engineering vp, now color TV operations senior vp-gen. mgr., responsible for color TV advanced development, engineering & mfg.; **Joseph Fiore**, former mfg. vp, named senior vp-gen. mgr., b&w TV, audio & video devices operations, with responsibility for engineering, development, manufacture & purchasing of b&w, audio, VCR & TV monitors.

Douglas Carter, ex-Zenith, joins Curtis Mathes as product planning vp... **Elji Tanaka**, ex-Sony International Div., becomes Sony Magnetic Tape Products gen. mgr. when **Teri Aoki** returns to parent in Japan this summer... **Robert Bowman**, ex-Tandberg, appointed Lux Audio sales vp, succeeding **Gerry Kaplan**, now in rep field... **Becca Bowen**, **Rodney Nock** & **Bernie Hochman** named Gusdorf dist. sales mgrs... **Kenneth Zerbe**, ex-American Microsystems, joins Apple Computer as finance & administrative vp; **Jean Richardson** named mktg. services mgr.

Else Kool, former Dutch Philips Research Labs deputy dir., named dir. of IC research facility being established at Signetics by U.S. Philips Trust; **Jose Kostelec**, ex-North American Philips Research Labs components & devices group dir., appointed deputy dir... **Wayne Etter** promoted at Mallory Components Group from vp to pres... **George Conner** advanced at GTE from telephone operations mktg. vp to vp of new business & resident telephone operation responsible for mktg., engineering & service.

Herman Schloss, JVC Professional Video Div. gen. mgr., named vp; **Michael Fleming** advanced to JVC west coast region branch mgr., **Ed Spaulding** named for Southwest, **Robert Vavra** for Midwest.