

WEEKLY

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Broadcast

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CABLE, REWRITE, UHF GET NAB ATTENTION: While few major decisions were made, lots of talk was generated last week during 5 days of NAB board meetings in Washington, and much of it centered on CATV, UHF, legislative proposals in Congress and future telecommunications. Actions taken included campaign to attract UHF members, "aggressive public service campaigns" by stations to promote conservation of energy, \$50,000 one-time grant to INTV for legal expenses and the normal resolution on cable, to wit:

"NAB hereby reaffirms its support of the present national communications policy of promoting free over-the-air broadcast service to the public and of integrating new communications technology in a way that preserves the present nationwide system of locally oriented broadcast service and, in particular, that protects broadcast market integrity with respect to the exclusivity of network and syndicated programming and ensures carriage of local broadcast stations on their local market cable systems."

On same subject, radio board approved formation of committee to study "the problems & opportunities" of radio cable carriage. As for rewrite, "no trade-offs, no fall-back positions" were adopted, we were told.

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Consumer Electronics

COLOR SALES for year at record with one week to go in first half, but uncertainties over petroleum prices, gas shortage & economic downturn cloud future. (P. 7)

COMPACT TV DUMPING enforcement suit against Treasury dismissed by D.C. Federal Court; appeal possible. Japan's TV & VCR exports to U.S. declined in May. (P. 8)

KEY COLOR PRICES SAME: Competition between U.S. and low-end Taiwan & Korean TV makers kept median color prices in key 13" & 19" categories below 1978 levels or unchanged. (P. 8)

COLOR TUBE SALES set record last year, continuing growth in 1979, EIA figures show. Tube production capacity expanding in Far East. (P. 10)

FIRST TI COMPUTER distributors will be specialized firms dealing with professional-hobby stores. Radio Shack plans 100 computer sales depts. Atari out of dedicated games. (P. 10)

CCD CAMERAS CLOSER: NEC shows single-chip unit. Home version may be marketed next year. RCA plans 3-CCD-unit availability. (P. 11)

NO 'STANDARD' VCR on horizon, Sony's Morita tells analysts, saying product obsolescence is nature of industry. Matsushita reports first-half records. (P. 11)

In significant move to attract 138 UHF stations (most of them non-commercial) which are not members, NAB agreed to waive all dues for such stations for first 6 months, charge 50% next 6 months. Commercial U's pay on basis of rate card, PBS stations pay \$360 per year.

Majority of INTV members are commercial UHF stations, and NAB made strong move in their direction, too, through agreement to pay \$50,000 of group's legal fees of \$150,000 in fight against proposed FTC restrictions on advertising in children's programs. Successful pitch to increase grant of \$20,000 approved by Exec. Committee (Vol. 19:25 p4) was made by TV Dir. Donald Curran of Field Communications, which owns 6 independent UHF's.

NAB dirs. didn't like what they heard from Philip Verveer, chief of FCC Common Carrier Bureau and former head of both Cable & Bcst. Bureaus. Speaking at mini-forum ahead of formal board meetings, Verveer said: "As regulators... part of what we want to do is raise the anxiety levels of the people we regulate on the theory that they give better service to consumers... I mean, that is, the more scared all of the regulated entities run, I think, the better off consumers are going to be."

On cable & new technology, Verveer said FCC is "very anxious not to permit any regulatory barriers to entry... We're particularly anxious not to permit any governmentally or privately imposed restrictions... There's little, if any, reason to protect the commercial broadcasting industry from the competition which cable TV may bring. And there's also little, if any, reason to fear that... the importation of additional distant signals is going to make much, if any, difference to the sort of things that viewers of commercial TV are able to enjoy." His contentions were disputed by NAB Pres. Wasilewski and Curran.

In uncontested elections, Thomas Bolger, Forward Communications, was named NAB chmn., succeeding Donald Thurston, WMNB-AM-FM N. Adams, Mass., who remains on Exec. Committee, and Robert King, Capital Cities, succeeded Bolger as TV chmn. Mark Smith, KLAS-TV Las Vegas (who got votes of all 3 TV networks), was elected TV vice chmn. over Walter Windsor, WFTV Orlando, on 8-6 vote. On radio side, Arnold Lerner, WLLH(AM)-WSSH(FM) Lowell, Mass., won chairmanship 20-10 over outgoing Vice Chmn. Carl Venters, Durham Life Bcstg.; Edward Fritts, Fritts Bcstg., defeated Cullie Tarleton, WBT(AM)-WBCY(FM) Charlotte, 17-13.

Bolger said, during expected 2 years as chmn., he'll attempt closer liaison with other industry trade assns.—including NARB, which has been source of friction for some time. Last time attempt was made to get broadcast trade groups together by NATPE, NAB attended but put quietus on further attempts for closer liaison. Bolger said he'll attend many state association meetings, has commitment from other NAB Exec. Committee members to attend at least 4 each year. "This won't be in lieu of NAB staff participation," he said.

Board authorized Exec. Committee to provide "seed" money for First Amendment conference (sponsored by several organizations) in Philadelphia Jan. 17 and follow-up session in Williamsburg, Va. March 16-18. Board also approved hiring of Washington antitrust law firm Howry & Simon to defend Justice Dept. suit against TV Code (Vol. 19:25 p1). NAB plans to keep firm hand on expenses (expected to approach \$250,000 if case goes through trial), will require monthly bill to be approved by Exec. Committee. In other actions, board:

(1) Renamed Dept. of Community Affairs (under Station Services) the Dept. of Minority & Special Services, will change emphasis from employment services to management & technical assistance for emerging minority owners. (2) Approved ad hoc committee to determine how NAB is perceived by broadcasters—members & non-members alike. (3) Established new associate category of membership to embrace "other telecommunication technologies"—including CATV systems (because a system applied). (4) Endorsed RAB's "Radio is Red Hot" campaign and agreed to coordinate Radio Month with RAB effort but refused to allocate any money since NAB isn't "sales" organization.

(5) Approved change in by-laws to require ex-directors to remain off board for full term of 2 years, instead of one year as currently (3 of present dirs. were off board only year before winning another 2-year term). (6) Rejected most other proposals by By-Laws Committee,

including plan to elect 6 TV dirs. by districts. (7) Ordered that plan to renovate hq building be scaled down from proposed \$250,000 to maximum of \$190,000. (8) Told staff to "continue to press" FCC for activation of joint industry-govt. committee to study ways to provide fulltime service for daytime-only AMs. (9) "In order to assure licensee stability," asked FCC to announce that it has no intention of requiring divestiture of AM-FM combinations in same market (Vol. 19:24 p4).

BORN AGAIN PBS: In what Pres. Lawrence Grossman sees as model for commercial networks, PBS last week at annual meeting in L.A. turned itself into eventual distributor of several program services to its stations (Vol. 19:25 p5), whose managers proved through hour upon hour of grinding debate just how different they are.

Membership approved multiple-service concept overwhelmingly, will see high quality "blue" service structure set up first while transition committee makes plans for additional services, 2nd of which may be ready by Jan. 1. Members also voted to get PBS out of trade association business—as Congress requested—spinning off representation and planning to separate organization.

While foregoing actions were clearly most important, most controversial and time-consuming items concerned strength of presidency (members voted to keep it powerful) and how large PBS board should be (it was reduced from 52 to about 36, exact number to be determined).

For those who have read year-long reorganization process as aimed at showing unhappiness with Grossman and top staffers, membership's strong vote was clearly one of confidence.

Membership, in voting for strong president and reduced board, overturned opposite decisions by board day before, which had passed by narrow votes. Independence of the membership caught some by surprise, since in past membership has often simply okayed whatever board did.

Many details of new multi-serviced PBS and Public TV Center (for representation & planning) will be handled by 2 committees to be appointed by Chmn. Newton Minow—Transition Committee and Incorporation Committee. They'll put together reports to be presented in fall, with aim of new structures being in place as early as Jan. 1. Consensus at membership meeting appeared that next service should be instructional.

"I think this is a very positive step forward. It brings us into the satellite age. Our restructuring puts us at the vanguard," said Grossman after membership meeting.

Members appeared in optimistic mood, reacted with vigorous applause to Grossman's State of System speech which summarized year's successes. He said year was one "of considerable achievement in almost every way."

Also getting strong applause was FCC Comr. Tyrone Brown, who urged PBS to build an audience in "businesslike way." He said cable, VCRs, et al., mean "further fractionalization of the viewing audience... If public TV stands still as the new technologies are introduced, it may have a very bleak future."

Rep. Van Deerlin (D-Cal.), Communications Subcommittee chmn., made pitch for Rewrite II in audio tape sent when he couldn't make meeting himself. Said he: "Our legislation would keep your internal structure wide open, from your national and regional organizations to the individual stations. As you know, institutions can become just as restrictive, just as outmoded, as any technology. HR-3333 maintains your ability to respond to the need for changes in your own organizational structures both now and in future."

Van Deerlin also told group that "public broadcasting is sure to be a misnomer some day—if not already. Satellites, superstations, videocassette catalogs, and cable TV are already changing the way you operate. There's no reason to assume that public broadcasters won't become cable TV programmers or managers of superstations, or packagers of videocassette courses. The technology, the hardware is all there."

CAPITOL COUNTDOWN: With Congress due back from recess July 9, much jockeying is underway on both sides of Capitol in preparation for crucial mark-up phase of communications law revision. Two years and 1,200 witnesses after process started, broadcasters are in healthy shape with status quo—good for most—unlikely to be seriously challenged in opinion of most who have been watching process.

On House side, mark-up start July 11 comes as members of House Communications Subcommittee continue to lack consensus on any major portions of broadcasting provisions of HR-3333. Subcommittee Democrats caucused once more last week, again without reaching substantial agreement on spectrum fees, indeterminate license terms, deregulation. House Commerce Committee Chmn. Staggers (D-W. Va.) is reported skeptical that "clean" bill can be reported this session.

At Senate, mark-up date isn't set, but AT&T is pushing hard for work to start as soon as possible after recess. "AT&T is the engineer driving this train," broadcast observer tells us. Senate majority & minority staffs met last week to thrash out respective positions. No agreements were reported, but scenario painted for us by one participant suggests compromise cutting spectrum fees to cover only costs of regulation, longer license terms, retention of equal-time rule, language prodding FCC to increase deregulation efforts, particularly for radio.

"Our goal should be to take a clean bill to mark-up," Sen. Goldwater (R-Ariz.) said on last day of hearings. "Hopefully, we can resolve many of the issues prior to that time and after mark-up be in a position to take a bill to the Senate floor on which there is widespread agreement."

Said Sen. Schmitt (R-N.M.): "In writing this legislation, we can benefit from our experience with airline deregulation. Let's don't make some of the same mistakes. This bill must establish clear policy objectives and provide a carefully delineated transition plan."

Last witness on Senate side was FCC Chmn. Ferris, in pitch for deregulation in common carrier area—not mentioning broadcasting. On House side, testimony concluded with parade of witnesses on public telecommunications portion of HR-3333 (see p. 5)—unlikely to find its way into legislation this year.

FCC Network Inquiry has asked for—and received—sanitized versions of minutes of meetings over last 4 years of affiliate associations of TV networks. Groups asked that contents be kept confidential, deleted names, dollar figures and information not deemed pertinent to inquiry or embarrassing to individuals. Co-Inquiry Dirs. Stanley Besen & Thomas Krattenmaker expect to recommend to Commission in early Sept. on directions they believe inquiry should take.

PKO TV Limited has been formed by Paul Klein, who resigned in Feb. as exec. vp-programs, NBC Entertainment, and has entered into exclusive agreement with Osmond Communications to co-produce programs for NBC TV. First of several feature-length programs will be based on life of Hitler, produced in association with Kleinerman/Kalser Assoc.

WARC study by Congressional Research Service warns that U.S. may be forced to exercise reservations to final agreement to a "far greater extent than it ever has in the past." Report, commissioned by Sens. Goldwater (R-Ariz.) & Schmitt (R-N.M.), says "degree of optimism" that prevailed about WARC up to May has changed to "cautious apprehension" to reflect "third world intractability" and possibility that some of 154 nations at conference may insist on proposals "not in the best interests" of U.S. Report says East-West conflicts are likely to be moderate—with U.S., USSR & China "in basic agreement" on major issues. Most likely sticking points are U.S. proposals to share frequencies and extend services to new frequencies. Other WARC development: Squabble between State Dept. & FCC over who pays costs of FCC representatives on WARC delegation. FCC staff of 15 is to attend conference at average cost of \$9,000 each. Negotiations between State & FCC are underway with cost-sharing deal likely. Money is also being sought by State to pay costs of public interest members of WARC team.

Criticizing Rewrite II, Carnegie II Chmn. William McGill told House Communications Subcommittee last week that proposed PTV program endowment (Vol. 19:6 p3) centralizes too much power. "It was the goal of our recommendations for the structuring of programming authority to place most of the power to produce programs with the local stations." On advertising, McGill said: "Our notion of public trust implies that those who make decisions in public broadcasting have and should always have only one group to answer to—the people."

Additional \$740,000 in FCC budget to study ways to provide fulltime service for daytime AMs will be supported by Senate Appropriations Subcommittee Chmn. Hollings (D-S.C.). Money would provide 5 staffers, plus research and computer models. "Due to the severe constraints on this year's overall budget, I intend generally to hold the line," Hollings wrote NAB, which is seeking study. "However, I will see what we can do to come up with the amount required to establish this study," he added.

Citing "an aura of misuse and abuse that has grown up around petitions to deny," NRBA has asked FCC to conduct inquiry. Assn. said "petitioners frequently file frivolous and unsupported petitions which serve only to delay the processing of applications and burden the Commission's staff." NRBA also questioned whether some petitions are filed for "personal profit" in some reimbursement cases.

Tyrone Brown sailed through Senate hearing on his renomination to FCC with no hostile questions, many plaudits swapped between Brown and Sens. Hollings (D-S.C.), Magnuson (D-Wash.) & Schmitt (R-N.M.). Similar treatment was experienced by CPB nominees. Nominations are expected to be put on consent calendar in mid July with no opposition foreseen.

Jerrold contracts: Boise, United Cable, \$8 million, 750 miles; Cleveland, O. & St. Claire Shores, Mich., Cox Cable, 650 miles, price unspecified; SW Iowa, Heritage, \$750,000.

RURAL CABLE—WHO SERVES? Agreement between telephone & cable operators to stay out of each other's hair (Vol. 19:26 p1)—but which left rural service as most contentious issue—got more contentious over same issue last week.

It now appears that some phone parties weren't fully agreed to language of "Principles of Agreement" presented to Rep. Van Deerlin (D-Cal.) & Sen. Hollings (D-S.C.) by Paul Henson of United Telecommunications and Robert Schmidt of NCTA. Various phone companies are proposing changes, and all-industry Policy Council meets again July 2 to discuss them.

Original agreement included, among other provisions: "I. Telephone carriers shall not provide cable TV service... within their local exchange area except that: (a) The FCC may by rule permit telephone carriers to provide cable TV service in rural areas if the FCC finds that the public in such areas would not otherwise receive cable TV services."

Continental is now proposing that (a) be changed to permit phone companies to provide cable TV "if the population of a core center does not exceed 25,000 inhabitants or if the average density of the entire local exchange area does not exceed 30 subscribers per route mile."

GTE would like (a) to read simply: "The FCC may by rule permit telephone carriers to provide cable TV service in rural areas." Furthermore, GTE would define cable TV to exclude "interactive" (2-way) services—apparently would allow cable TV operators to provide 2-way services only as common carriers. In addition, GTE wants pole attachment rates to be "based on the proportionate share of the annual costs of the poles to which attachments are made, including the common space necessary to provide clearances. In the case of duct occupancy, just rates shall include the past carrying charges paid by the utility owning or controlling the duct systems. Cable TV system companies shall, alternatively and on a prospective basis, participate with telephone and electric utilities in the ownership of poles & conduits."

OPASTCO (Organization for the Preservation & Advancement of Small Telephone Companies)—very small outfits—would permit phone companies to serve rural areas, and it would define such areas as those where telcos are financed through REA or those with no town larger than 10,000 population.

National Telephone Cooperative Assn. is boycotting whole business, isn't attending Policy Council meetings.

Reports seeping out of FCC are that final decision on rural cable service will allow telcos to provide cable TV in areas with home density under 10 per mile. Since telcos would like figure to be 30 or more, they're bound to concentrate on Congress if they can't do better at Commission. And, since many members of Congress have rural constituencies, their chances aren't bad.

Teleprompter has signed with United Video for satellite feed of WGN-TV Chicago to systems serving some 60,000 subscribers in Fla.

CLASH OVER CPB NOMINEES: White House and NTIA have butted heads over new process for appointing CPB nominees. NTIA had prepared testimony for House Communications Subcommittee Rewrite II hearings (p. 4) including call for changes in appointment process. But when testimony went before White House Domestic Policy staffer Richard Neustadt for approval, he wrote internal memo saying NTIA shouldn't seek change.

Said memo: "This testimony should state there is no need for legislation in this area this year... CPB can do any needed structuring on its own... There is nothing improper about CPB board members being recruited by the White House staff."

NTIA head Henry Geller disagreed with Neustadt, went on to testify for change in process, thus making testimony only that of NTIA, not Administration. Neustadt memo is ironic in light of revelations of Nixon public broadcasting papers, which showed abuse of appointment process and because Carter Administration in 1977 proposed changing process to let NPR & PBS name board members to reduce President's power over board.

While Neustadt was author of memo, informed source said he and Domestic Policy head Stuart Eizenstat have been generally supportive of changing nomination process but were overruled by Presidential Personnel Dir. Arnie Miller, who didn't like idea "for reasons that had little to do with public broadcasting."

Holiday Inns has purchased 19% minority interest of Southern Satellite Systems in Satellite Communication Systems, distributor of KTVU Oakland to CATV via Satcom I. SSS Pres. Edward Taylor said previous agreement in principle for SSS to takeover SCS couldn't be completed. "We had little choice but to sell," he said. SSS tariff will be amended for combination KTVU & WTCG Atlanta service. Meanwhile, Holiday Inn TV network—HI-NET—has ordered 174 earth stations for installation at its U.S. motels. Suppliers are Scientific-Atlanta & Microdyne. Installations at HI owned & operated hotels will be followed by added earth stations at franchised hotels. S-A also announced sales of 35-50 earth stations to Warner Communications for CATV.

Monroe County, Fla. has been granted FCC authority for 25 TV translators on keys over objections from cable operator Tele-Media. FCC said most county residents lie outside grade B contour of any TV station, thus rule against use of translators as competitive weapons doesn't apply because signals won't be extended beyond primary service area into that of other stations. FCC rejected Tele-Media's contention that county operation of translators could result in censorship of news broadcasts about local corruption.

Correction: Listing for WOR-TV N.Y., on page 584-b of Television Factbook, should show ownership as RKO General, Inc., a subsidiary of General Tire & Rubber Co. Telephone: 212-764-7000. TWX No.: 710-581-4386.

Prism will start 24-hour pay-TV service July 1.

Personals

Perry Lafferty, ex-Filmways, one-time CBS TV Hollywood programs vp, joins NBC Entertainment Div. as west coast talent & programs senior vp, replacing **John McMahon**, currently in reassignment discussions; **Michael Zinberg**, ex-MTM Enterprises, joins NBC Entertainment as vp-comedy development, West Coast; **John Damiano** promoted to dir.-affiliate marketing, NBC TV, new post; **James Hicks** to dir.-participating program sales.

Martin Levy, deputy chief of FCC Bcst. Bureau and 30-year Commission staffer, retired June 29, becomes "of counsel" to Washington law firm **Cohn & Marks**, **Samuel Saady**, chief of TV Applications Branch of Bcst. Bureau, also retires. . . **Thomas Casey**, special asst. to FCC Chmn. **Charles Ferris**, and **William Ginsberg**, economic asst., named deputy chiefs for operations and policy planning, respectively, of Common Carrier Bureau—Casey for Tariff, Facilities & Services and Mobile Services Divs., Ginsberg for Policy & Rules, Economics and Accounting & Audits Divs.

Thomas Werner promoted to ABC Entertainment to vp-senior exec., prime-time development; ABC Corp. Vp **Sheldon Wool** named pres.-chief exec. of subsidiary Travel Network Corp. . . **Rick Jacobs** promoted by CBS Entertainment to talent & casting dir.; **Theodore Field** named children's program dir.

Martin Umanski, KAKE-TV Wichita, appointed to TV Information Committee (governing arm of TIO), succeeding new NAB Chmn. **Thomas Bolger** (see p. 1), resigned. . . Group W Senior Vp **George Resing** moves to programming dir., Group W productions; Group W Dir. of Information **Jay Francis** promoted to vp.

Bruce Maggin, ex-ABC, joins Ziff Corp. (recent purchaser of Rustcraft's 6 TV stations) as vp-planning & corp. development. . . **William Aber**, ex-KDKA-TV Pittsburgh, moves to KYW-TV Philadelphia as asst. gen. mgr., succeeding **Art Kern**, now vp-gen. mgr., WJZ-TV Baltimore, all Group W stations. . . **James King**, KHOU-TV Houston, promoted to exec. vp, parent Corinthian TV Stations Div.; **William Stough**, WANE-TV Ft. Wayne station mgr., named acting gen. mgr., Corinthian's WISH-TV Indianapolis, succeeding **Duane Harm**, who joins Colo. real estate firm. . . **Randy Smith**, ex-WKRC-TV Cincinnati, appointed gen. sales mgr., WDAF-TV Kansas City, succeeding **John Rose**, now gen. mgr. of WTAF-TV Philadelphia, all Taft stations.

Charles Noritz, ex-ABC News syndication, appointed managing dir., Independent TV News Assn., succeeding **Reece Schonfeld**, now pres. of Cable Network News, Atlanta. . . **Art Frankel**, Paramount TV senior vp-administration, adds responsibilities for all areas under Pres. **Gary Nardino**; **Richard Weston** promoted to vp-business affairs; **Robert Rosenbaum** advanced to vp-TV production.

Arthur Stambler joins Washington law firm Lovett, Ford & Hennessey, withdrawing from Stambler & Shrinsky which changes name to Shrinsky & Eisen. . . **Ronald Devillier** promoted to vp-programming, PBS, new post.

"Technology has already dealt a death blow to broadcasting and networking as we have known it" by creating "multi-pathways into the home," Chmn.-Pres. **Irving Kahn** of Broadband Communications told Fla. Assn. of Bcstrs. last week, urging them to form "natural alliance" with cable operators. "Whether this alliance takes the form of a joint venture with the local system operator, or positions you as a supplier of information services to the cable system, or even, should the rules change, allows you to lease your own channel on the system—whatever its ultimate form, you had better prepare for this forthcoming union," he advised. Accusing broadcasters of having "missed the target" in cable & pay TV—"while you were busy playing robot to the networks, others more enterprising than you were developing satellites & earth stations and optical fibers & communication lasers & minicomputers and sophisticated microwave set-ups,"—he urged broadcasters not to pass up 2nd chance. "It may be your last."

Arbitron mistakenly mailed about 3,000 outdated diaries to households during April-May sweeps which didn't differentiate between AM & FM stations. In separate development, BRC radio committee has asked full Council to establish formal arbitration procedure to settle disputes between stations and rating services.

In unusual move, NBC TV has filled in complete prime-time schedule (including movies, specials, "Big Events," etc.) for Sept. 17-Dec. 31. During June 28 closed circuit to affiliates, network also sketched in details of specials, etc. for Jan.-May. Other networks aren't expected to follow NBC's full disclosure lead.

Network TV ad revenues rose 12.8% to \$398.7 million in May, prime time increasing 14.8% to \$272.2 million, according to TvB-BAR. During Jan.-May, advertisers spent \$1.9 billion on network TV, ABC garnering \$678.2 million, CBS \$612.5 million, NBC \$578.1 million.

President Carter will be concluding speaker July 13 when RTNDA members come to White House for briefings on major issues facing country. Cabinet members and FCC Chmn. **Ferris** also will speak, answer questions; issues will include communications & First Amendment.

FCBA annual seminar, Cerromar Beach, P. R. Nov. 1-4, features 2 panels—(1) Superstation impact on stations & cable. (2) Supreme Court decisions' impact on First Amendment & broadcasting. **Williamsburg, Va.** has been picked for 1981 seminar.

"Blatant delaying tactics" is label NCTA put on petition of anti-cable coalition seeking "limited evidentiary" hearing before FCC (Vol. 19:25 p5). Assn. said coalition analysis of FCC economic study "reveals no substantial flaws."

Newspapers top TV in public confidence, Gallup Poll reports. Gallup said 51% have "great deal" or "quite a lot" of faith in press, 38% felt same way about TV. In 1973, results showed 39% confidence in press, 37% in TV.

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STATE OF THE INDUSTRY

Sales to dealers (total market), from EIA, for week ended June 15 (24th week of 1979):

	June 9-15	1978 week	% change	June 2-8	1979 to date	1978 to date	% change
Total TV	294,484	294,743	-0.1	223,471	6,553,211	6,420,859	+2.1
color	192,917	194,338	-0.7	149,067	4,102,011	4,110,369	-0.2
monochrome	101,567	100,405	+1.2	74,404	2,451,200	2,310,490	+6.1
Home VCR	5,969	—	—	5,424	164,014*	—	—
Total radio	762,333	1,069,967	-28.8	745,481	17,471,413	19,254,311	-9.3
home, portable . .	514,957	825,784	-37.6	504,198	11,019,605	13,178,467	-16.4
AM-only	90,105	138,048	-34.7	93,025	2,779,525	3,595,959	-22.7
FM & FM-AM . .	424,852	687,736	-38.2	411,173	8,240,080	9,582,508	-14.0
auto	247,376	244,183	+1.3	241,283	6,451,808	6,075,844	+6.2

Color TV 5-week moving average: 1979—153,479; 1978—154,185 (down 0.5%).

*Record for period.

COLOR TV SALES FOR YEAR AT RECORD: With one week left to go in first half, color TV unit sales to dealers reached highest weekly mark of year, pushing year-to-date sales to record. As uncertainties about economy continue to accumulate, sales of color & monochrome TV provided mystifying bright spot, confounding industry forecasts—at least for first half.

Cumulative 1979 sales reached record territory in 25th week, totaling more than 4,337,000 units, up 0.7% from previous (1978) record of 4,306,902. Fourth week of 5-week June, with more than 235,000 sets sold (up nearly 20% from 1978 week), was year's best to date. Whether or not cumulative record holds for more than a week, this probably will be best June in history (its first 4 weeks were up 9%). Meanwhile, monochrome sales are chalking up their best first half in 6 years.

Cheering as that news is, it seems to be only bright spot at 1979's midpoint, as dark clouds continue to accumulate. Sporadic truck stoppages have affected TV deliveries in isolated cases, not to great extent—but manufacturers continue to eye situation nervously. Shopping-center sales are beginning to feel depressive effect of gasoline shortages. Although no TV price increases currently appear in works, hikes all along line are inevitable as result of OPEC's new oil prices, which will directly affect industry in cost of plastics and other petroleum-derived products, indirectly in hundred other ways, including pinch on consumer budgets.

Current surge is not boom in consumer electronics—just boom in TV. And while there's much theorizing that gasoline shortage will encourage more TV viewing (and buying), there's no particular optimism that it will improve audio sales, which are sagging at all price & sophistication levels.

VCR continues to be area of uncertainty. Sales in June probably will be about level with same 1978 month, after declines of 21.7% in April and 6.2% in May, and industry's market researchers continue to pore over skimpy available data to determine whether 1979 will be 400,000 or 600,000 year (we heard both forecast last week) or somewhere in between.

Although some manufacturers say they've sold out their 1979 VCR models, there inevitably will be uncomfortable jolt at marketplace when new models appear in force. One researcher last week said advertised prices for 3-hour Beta VCRs already are hovering around \$675, for

4-hour VHS about \$700. Heavy publicity about videodisc and new longer-playing VCRs is making dealers nervous, but doesn't seem to concern public yet, many manufacturers agree. (Meanwhile, VCR technology is taking no holiday, with CCD color cameras nearing marketplace and additional firms, such as Technicolor, considering market entry, see p. 11).

COMPACT-EIA TV DUMPING SUIT DISMISSED: Without ruling on merits, D.C. Federal Court Judge Thomas Flannery last week dismissed Japanese TV dumping enforcement suit brought against Treasury & Customs by labor-industry group COMPACT & EIA Tube Div. (Vol. 19:19 p7). COMPACT has 60 days to appeal.

COMPACT got split decision on key procedural issues, as judge ruled plaintiffs clearly had standing to bring action, but should have filed in Customs Court. In what some attorneys view as sidestepping thorny jurisdictional question, Flannery said there's no bar to filing Customs Court complaint because Customs has liquidated some TV dumping entries, and there's nothing requiring "plaintiffs to wait until all of the entries have been liquidated before bringing a proceeding."

Antidumping law changes in Trade Act are increasing pressure on Treasury to get TV dumping case cleared up. Act goes into effect Jan. 1 if passed, would ease standing requirements for Customs Court challenges to Treasury & Customs antidumping & countervailing duty rulings & procedures, gives court first-time access to confidential agency files. Treasury investigators have completed review in Japan of documents set makers say support claims dumping duty assessments must be reduced because of higher home-market business costs. Agency is due to give importers results of review next month.

While dumping case is vital because of potential \$500-million liability faced by importers, it's taking on less & less future importance as TV exports from Japan slow to relative trickle. Finance Ministry said total shipments to U.S. in May dropped 66.8% to 100,200, with color off 64.8% to 49,300, b&w down 68.7% to 50,900. In color, complete sets were down 61.2% to 47,300, while chassis & kits fell 88.9% to 2,000. For 5 months, total TV exports declined 63.3% to 490,800, as color dropped 52.9% to 235,600 (complete at 235,600 down 56.4%; incomplete at 59,300 down 31.2%) and b&w sank 72.4% to 195,900.

VCR exports were also down in May for 7th decline in last 8 months. Exports of 34,900 were off 24.8% from same 1978 month, bringing 5-month total to 196,800, down 8.8%. Japanese caution against interpreting decline as sign of easing demand. They attribute it mainly to restraint by exporters who are holding back supplies of current VHS & Beta units to minimize market disruption (read "dumps") when longer-playing VCRs, hit market later this year.

COLOR STARTING PRICES STEADY: Low-end pricing from Korean & Taiwan TV manufacturers and continued brutal competition between U.S. set makers have kept median color starting prices in key 13" & 19" categories unchanged or below 1978 levels. But prices have jumped in fading 12", 15", 17" & 21" categories.

Remote control is big color sales story this year, as first-quarter sales figures indicate (Vol. 19:22 p11), and competition is reflected in change in median remote prices. Remote 19" median price is down \$25 from last year. Remote 13", not even included in our table last year, may be becoming late-night bedroom or kitchen TV of choice. It's now offered by 11 of 23 companies listed below. Remote 25" median showed only modest \$3 increase.

In 13", cheapest remote costs median of \$152 more than low-end conventional set; in 19", differential is \$155, down from \$180 last year; in 25" it's \$220, down from \$244. That doesn't reflect amount remote adds on similar-model basis—usually \$100 or less—because low-end models usually don't have remote versions.

Television Digest's annual table of color TV starting prices reveals that median price in important 25" console category has taken heartening \$27 jump to \$620 after \$57 slippage to \$593 last year. Measurable increases in RCA, Zenith & GE starting prices lifted console median.

While tight pricing & competition were rule in big 13" & 19" categories, starting prices ballooned in oddball sizes. Substantial \$120 jump in 17" median resulted as Sears & Sylvania

left category at low end while Hitachi, Penney & Sharp entered at high end. Median 15" price underwent similar evolution (up \$95), with Philco, Sears & Sharp abandoning it at low end, Tatung coming in at high end. Median 12" price registered only moderate \$22 increase but Penney, Quasar & Sony left 12" business. Toshiba \$950 programmable produces distorted \$130 increase over 1978 in 21" median. Ward has phased out 23" console, leaving Zenith last one in business.

Color starting-price table adds 2 new categories this year: 5-8" & 13" remote. Gold Star, Sampo & Samsung join manufacturer lineup; taking place of Admiral is AOC brand, being marketed in U.S. by Bohsei (Vol. 19:24 p10). Penney, Sears & Ward prices are from fall-winter 1979 catalogs. In table below, prices in parentheses are estimated retail prices for open-listed models:

COLOR TV STARTING PRICES

Brand	5-8"	9-10"	12"	13"	13" Remote	15"	17"	19"	19" Remote	21"	25" Table	25" Cons.	25" Remote
Bohsei (AOC)	-	-	-	(275)	-	-	-	(330)	-	-	-	-	-
GE	-	282	-	333	-	-	376	465	616	-	695	695	846
Gold Star	-	-	-	(310)	(410)	-	-	(350)	(480)	-	-	-	-
JVC	-	-	-	450	-	-	-	580	820	-	-	-	-
Hitachi	-	400	(350)	-	520	500 ^{1/}	560 ^{1/}	(430)	600	-	-	-	-
Magnavox	-	330	-	-	-	-	-	340	500	-	-	620	850
MGA	-	-	-	350	500	480	510	500	720	790 ^{1/}	-	-	890
Panasonic	440	340	340	370	490	-	-	440	580	-	-	630	770
Penney	-	270	-	320	-	420	490	360	540	-	-	600	840
Philco	-	-	-	-	-	-	-	400	550	580	580	600	800
Quasar	-	-	-	350	-	370	-	(420)	540	-	570	(620)	690
RCA	-	-	-	(300)	430	-	(380)	(400)	530	-	700	620	780
Sampo	-	360	-	300	420	-	-	380	520	-	-	-	-
Samsung	-	-	-	240	-	-	-	375	530	-	-	-	-
Sanyo	-	-	-	300	400	370	-	340	500	-	-	-	-
Sears	-	-	290	320	-	-	-	300	540	-	-	490	800
Sharp	-	330	-	320	500	-	1,100 ^{5/}	480	600	-	-	-	-
Sony	550	490	460	-	-	510	670 ^{1/}	600	740	860	1,000 ^{2/}	-	1,150 ^{2/}
Sylvania	-	-	-	300	-	-	-	450	570	550	600	580	700
Tatung	-	-	-	360	500	530	-	490	600	-	-	740	-
Toshiba	500	350	-	360	460	-	-	430	590	950 ^{4/}	-	-	-
Ward	-	275	-	325	-	-	-	320	560	-	-	430	890
Zenith	-	-	-	350	-	-	(420)	(400)	620	570 ^{3/}	740	650	840
Median	525	335	345	323	475	490	495	410	565	825	648	620	840
Median (7/78)	-	353	323	340	-	395	375	410	590	695	645	593	837

^{1/} Electronically tuned, remote. ^{2/} 26" screen. ^{3/} 23" screen. ^{4/} Programmable.

^{5/} "Picture-in-picture" Dualvision.

NAB proposal for radio receiver performance standards is alive, but where it's going is uncertain. Walter May, retiring Radio Board chmn., told us that as result of meeting at June CES (Vol. 19:24 p14), systems approach involving both transmission & reception is under consideration. NAB is in process of setting up meeting with interested radio marketers, he said.

Hong Kong exports of electronics in first quarter jumped 32.4% to \$332.2 million, LCD watches pacing growth with 224.7% jump to \$65 million, Development Council reports. U.S. was biggest customer at \$122.7, or 36.9% of total.

RCA is negotiating sale of TV tuner patent license to Japanese VCR makers, seeks 5-year agreement at \$2.25-per-set royalty. It's understood Matsushita has agreed to terms, and other producers are expected to go along. VCRs aren't included in RCA's blanket TV license agreement RCA has with all Japanese TV makers.

Sony's programmable VCR, SL-5600, with new slow speed, Betascan and other features of SL-5400 (Vol. 19:18 p7), probably will be priced around \$1,350, a \$100 step-up, according to Sony America officials. Due late this year, it can be pre-set to tape 4 different programs up to 2 weeks in advance.

TUBE SALES BOOMING: U.S. factory color tube sales soared last year and continued at record pace through first 4 months of this year, EIA figures show. There's also boom in b&w tube sales, but beneficiaries are in Far East, particularly Taiwan, where bulk of b&w sets sold here are produced.

EIA reports color tube sales jumped 12.4% to record 9.6 million last year, OEM volume up 19.9% to 8.18 million, offsetting declining sales in other markets. Replacement sales, excluding those of independent rebuilders, were down 21% to 456,100, while exports dropped 15.9% to 958,900. Through April this year, color tube sales were up 10.7% to 3.28 million, with help of recovery in exports, which rose 6% to 336,000. Sales to OEMs of 2.79 million were up 13.3%, while replacements fell 13.9% to 149,000. Good portion of rise in OEM sales can be traced to increased demand by Japanese-owned color assembly plants here. We estimate they accounted for about 20% of OEM volume last year, could provide 30% this year.

Review of Far East tube activity by Asian Sources Electronics says Taiwan produced 8 million b&w tubes last year, indicates increase to about 9 million in 1979. Biggest producer was Clinton at about 3.5 million, followed by Philips, about 3 million. Rest were from locally-owned Chungwha. While 65-75% of output is in 12", major growth is coming from 3-9" tubes used in mini-combos.

Philips is still Taiwan's only color tube maker, and its integrated glass-tube operation should have full design capacity of 900,000 tubes annually by Feb. 1981. Chungwha, Tatung subsidiary, is slated to start color tube production at 30,000 monthly rate by year's end, expand to 60,000 monthly in 1981. Taiwan Refractory, another Tatung unit, is adding color capability to its b&w glass plant. Clinton also is expanding in Taiwan, but in b&w, where it's launching production of high-resolution data display tubes, expects initial annual volume of about 250,000.

Things are looking up in Singapore too. Hitachi-govt. \$13-million color tube venture is slated to start production by year's end, as is Asahi color bulb assembly plant. As for customers, Mitsubishi is scheduled to start producing color sets at 1,000 monthly this month, expand to 10-15,000 by Dec., while Toshiba is adding color capability to b&w TV plant there as part of \$8.5-million expansion. Tatung Singapore, joint venture with local and Japanese partners, now produces 30,000 b&w tubes monthly, plans color next year.

In Korea, where quota on color exports to U.S. and ban on color set sales locally has caused halt to most expansion plans, Corning is proceeding with groundwork for planned color glass venture with Samsung. Necessary applications are being filed with govt. and approval is expected.

* * * *

Total U.S. electronics market at factory sales level rose 14.9% to \$64.9 billion, in 1978, according to EIA's annual Electronic Market Data Book. Biggest increase was for govt. products, up 21.6% to \$16.3 billion, followed by consumer products, up

14.6% to \$9.3 billion. Electronic component sales were up 14.1% to \$11.4 billion, while communications equipment at \$19.8 billion and industrial electronics at \$24.5 billion were each up 11.9%. Totals include imports as well as domestic products. Copies, at \$50, from EIA Marketing Services Dept., 2001 Eye St. NW, Washington, D.C. 20006.

TI COMPUTER DISTRIBUTION: Computerland, Compushop, Microage & Team Central will be first to distribute TI home computer (Vol. 19:24 p13). Selection of small computer specialty distributors reflects TI's careful approach to still-undefined home computer market. TI use of 2-step distribution is uncommon. Compushop & Microage will distribute to independent small computer dealers, while Computerland (Byte) & Team Central will make \$1,150 TI computer available only to their own retailers. TI intends to deal directly with dept. & electronics specialty store buyers. Unit is scheduled to appear on computer retailers' shelves by early Aug.

Other computer & video game news: Radio Shack plans 100 computer sales depts. in major markets. They will have same sales facilities as 40 existing RS Computer Centers (Vol. 18:34 p6) but no service or training facilities. Atari personal computers have received FCC type approval, are in Penney fall-winter catalog at \$550 & \$995. Meanwhile, Atari is out of dedicated video game business, closing out inventories of pinball, pong & stunt cycle.

Alpex has yet to deliver scheduled under-\$1,000 personal computer (Vol. 18:47 p9), delayed by marketing & testing problems. GRT Consumer Computer Div. (Vol. 18:17 p10) is for sale. It produces software for Radio Shack, Commodore PET & Apple personal computers. Microcomputer manufacturer Xitan simply disappeared. Workers arriving at Hanson, Mass., plant June 1 met locked doors—equipment & president were missing. Company reportedly was in financial difficulty.

AOC won't respond to contract-breach charges in Chicago federal court suit by marketer Centurian (Vol. 19:24 p10), but will instead submit motion for summary dismissal, attorneys for Taiwan TV producer told us. AOC is Far East-owned venture now operating former Admiral Taiwan plant. AOC motion will claim it only had preliminary agreement with Centurian and neither designated that firm as its exclusive U.S. agent nor promised to give Centurian its entire color export-to-U.S. quota. In addition, AOC is expected to say, Centurian failed to provide necessary credit letters.

Magnavox is closing 2 of 4 Tenn. plants in combination consolidation & cutback. Phasing out are Johnson City cabinet plant (450 employees) and Morristown color TV circuit board & subassembly plant (575). Magnavox said declining consumer demand for wood-cabinet color models was behind closing of Johnson City, while Morristown activity will be shifted to main color plant in Greeneville, where 500-1,000 will be added to present workforce of 2,000. Many of displaced workers are being offered jobs at other Magnavox plants, including Jefferson City (audio, TV cabinets) & Arden, N.C. (cabinets).

CCD CAMERAS CLOSER: Single-chip CCD color camera was demonstrated for first time last week by NEC (Vol. 18:46 p11), and although it made no commitments in Tokyo press conference, there were indications marketing of home version could start next year. Cost in production was estimated to be about same as current 2/3" single-vidicon color camera or less. Comparison with vidicon home color cameras showed superior definition & color quality for CCD unit under normal indoor lighting conditions.

Meanwhile, RCA Electro-Optics plans to announce availability date & price of its 3-CCD color camera and start taking orders for audiovisual market use by end of this year. It's expected to be priced at \$4,000-\$8,000 initially and claimed to be superior in performance to cameras costing much more (as well as being smaller and consuming less power). RCA spokesman said similar camera eventually would be offered as home device at far lower price in mass production. Public will get preview of new camera's work in fall National Geographic magazine feature and Jan. TV special. Camera was used for deep-sea photography.

NEC released these specifications & details on its single-chip camera: 200,000 picture elements, sensitivity 10 times more than conventional CCDs. Horizontal resolution 285 lines, vertical 480. Sensitivity 0.32 uA/lux at 2,870 angstroms, dark-current 0.5 nano A/sq. meter. Camera color filters for separation. Normal illumination is 1,200 lux (at f.2), minimum light at subject 80 lux. Picture S/N for brightness is 4.6 dB or better (3.5-MHz bandwidth).

Technical Corp., a pioneer in super-8 photography, is looking into VCRs for audio-visual & consumer fields, presumably exploring portable photography uses of video. Company is examining existing & proposed systems, is known to have inspected 7-lb. Funai recorder which uses 1/4" cassette (Vol. 19:10 p8). Technicolor A-V Systems Pres. Jack Minor told us no decisions have been made.

* * * *

Industry still is trying to appraise significance of price hikes on MCA videodiscs & Magnavox players. One manufacturer said he was "stunned." Major video dealer said: "MCA's credibility is oozing away." Said MCA Discovision Program Vp Norman Glenn: "On the basis of our early analysis, we see no evidence that demand has been affected in the least." MCA's first one-hour-per-side discs ("House Calls," "Animal House") are expected to be issued within next couple weeks, and company is beginning task of re-mastering other films in "constant linear velocity" (hour-per-side) mode. It's estimated about 3,000 Magnavision players are in use. It may or may not be sign of times, but latest classified ad for Magnavision in N. Y. Times offered "like new" player for \$795, same as current list price, giving southern N. J. phone number.

Correction: Sylvania 2-week TV plant vacation begins Aug. 6, RCA's starts July 23 (Vol. 19:26 p9).

SONY ON PROGRESS: Changing product standards sometimes leave consumers out in cold, but it can't be helped, Sony Chmn. Akio Morita told N. Y. security analysts last week. In response to query on new VCR features & speeds, Morita said it's "nature of our business to obsolete our own products. Sometimes we feel guilty" about consumers with old models, "but if we don't obsolete our own products, our competitors will." Morita said he expected even greater proliferation of VCR standards in future.

He said Sony is taking leadership role in production of PCM digital audio equipment, but predicted it would be 5-10 years before enough software is available to make format meaningful consumer item. On current activities, he said Sony is producing Beta VCRs at 720,000 annual rate, and Beta videocassette production at Dothan, Ala. plant has been doubled to 500,000 monthly. Color output at San Diego is currently at 500,000 yearly, and projection sets will be made there, Morita said, adding that output at U. K. color plant is being hiked 50% to 150,000 annually.

Data in report to stockholders shows Sony's color TV sales growth slowed, on consolidated basis, in fiscal 2nd quarter. Volume was up 5.6% to \$188 million in first quarter, but rose just 3.8% to \$151.7 million in 2nd, for half total of \$339.7 million, up 4.8%. B&w sales dropped 9.4% in 2nd quarter to \$10.8 million, after opening-period rise of 12.3% to \$15.3 million. For half, b&w sales were up 2.3% to \$26.1 million, data indicate.

Matsushita reported record parent-only results for half to May 20, with sales up 7.2% to \$3.7 billion, net up 17% to \$141.5 million. Company said adverse international trade conditions resulted in 17% drop in exports, but home-market sales were up 14%. Total sales of consumer electronics rose 2.5% to \$1.65 billion, battery volume rose 9.5% to \$191.6 million.

B&w bone in form of tax cut is being offered Korean TV makers who have been pressing govt. to open market there to color. Officials plan instead to boost domestic demand for b&w by trimming 49.6% in excise, value-added & defense taxes. At end of 1978, 71.7% of Korean homes had b&w TV. Govt. also is considering plan to help Korean electronics producers set up foreign assembly plants in areas where their products are subject to quotas or other import restrictions.

U. K.'s Sinclair is closing plant where it produces money-losing 2" pocket b&w TV, says output will be resumed by unspecified new partner (Vol. 19:24 p11). Company is seeking private financing to complete development of flat-screen 3" b&w, which it says is predecessor of planned flat big-screen color model. Sinclair apparently was unsuccessful in getting govt. funding for project.

Advent & Brands Mart stores (Allbrand Appliance & TV) have settled antitrust suit which Allbrand filed when Advent ended stores' franchise. As part of settlement, Brands Mart was reinstated as Advent dealer, other terms undisclosed.

Consumer Electronics Personals

Thomas Lentz, RCA Sales special mkts. mgr., named vp; James Alic appointed Selectavision video-disc strategic planning staff vp, reporting to Exec. Vp Roy Pollack; Lester Bernstein resigns as corp. communications vp to rejoin Newsweek... Rita Hutner promoted at Magnavox from ad dir. to ad & PR vp... Mitsuru Ohki advanced at Sony to PR gen. mgr.; Fred Wahlstrom, ex-March 5, joins as PR mgr.

Morton Fink, ex-Sony senior vp, joins Warner Communications as pres. of new Home Video Div., responsible for home videodisc & tape software business... Richard Irwin, Fotomat chmn., adds pres. post, replacing Raymond Ehlers, resigned for personal reasons... Peter Lesser, BSR X-10 Group gen. mgr., named vp... Jack Weiss advanced from asst. national sales mgr. to national sales mgr., Panasonic Technics & Home Audio Div... James Donaghy advanced at Du Pont to dir. of new Electronic Specialties Group (magnetic & electronic materials & products, photoresists)... William Watson, GI Japan pres., adds same post at GI Taiwan, succeeding Robert Schleber, now Stackpole Carbon group vp.

Milton Dolnick promoted at Morse from national accounts vp to sales & mdsg. senior vp, replacing George Crump, resigned; Steven Sherman advanced to sales & mdsg. asst. vp; Burt Snider, ex-Gusdorf, joins as Midwest Div. mgr., replacing Edward Boba, resigned... Victor Pacor advanced at JVC Hi-Fi Div. to mgr. of new Pro Audio Dept., responsible for high-end components... Kent Davidson, ex-GE, joins Craig as mktg. vp, new post... Stephen Jeffery, ex-Harman International, appointed Lafayette mktg. vp.

Arthur Kraemer advanced at GTE to Sylvania Western Div. Electro-Optics mgr., replacing Raymond Lucas, now Products Group business analysis vp... Carl Insel, E.F. Johnson vp, advanced from Personal Communications Div. gen. mgr. to same post in new Radio Products Div., responsible for mobile radios & telephones as well as CB... John Carpenter, Bulova Electronics Div. vp, adds responsibility for research, engineering & quality.

Consumer electronics devices are excluded from proposed FTC rule requiring labels on home appliances showing how much they're likely to cost in electricity per year. Seven devices are covered: Refrigerators, freezers, dishwashers, clothes washers, water heaters, room air conditioners, furnaces. Purpose is to enable consumers to compare efficiency of models when buying. FTC said labels couldn't help consumers in choosing TV, heaters other than furnaces, dryers, ranges, humidifiers, dehumidifiers.

Defense Dept. audiovisual agency has been created under Asst. Secy. for Public Affairs to perform all departmental AV except activities "integral to performance of operational missions." New agency starts Oct. 1.

Ad notes: Interact appoints Aaron D. Cushman & Assoc., Chicago... BSR X-10 electronic control line assigned to Grey Adv., not KSW&G, as indicated here earlier.

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Financial Reports of TV-Electronics Companies

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

Company & Period	Revenues	Net Earnings	Per Share
Advent			
1979-year to March 31	38,789,000	(2,586,000) ^a	--
1978-year to March 31	35,865,000	2,286,000 ^a	.88
1979-qtr. to March 31	8,895,000	(1,674,000)	--
1978-qtr. to March 31	8,966,000	559,000 ^a	.22
Corning Glass Works			
1979-24 wk. to June 17	669,349,000	74,008,000 ^a	4.17
1978-24 wk. to June 18	567,856,000	52,289,000 ^a	2.95
1979-12 wk. to June 17	339,225,000	40,010,000 ^a	2.25
1978-12 wk. to June 18	287,957,000	30,272,000	1.71
National Semiconductor			
1979-year to May 31	719,740,000	34,262,000	2.57
1978-year to May 31	494,336,000	22,497,000	1.72
1979-qtr. to May 31	200,985,000	9,620,000	.73
1978-qtr. to May 31	133,226,000	6,339,000	.48
A.C. Nielsen			
1979-9 mo. to May 31	289,722,000	18,774,000	1.71
1978-9 mo. to May 31	237,574,000	17,507,000	1.59
1979-qtr. to May 31	102,178,000	6,323,000	.57
1978-qtr. to May 31	84,748,000	5,939,000	.54

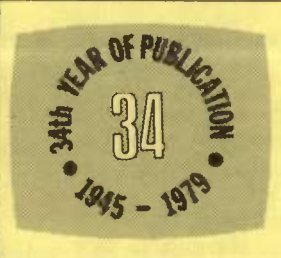
Note: ^aIncludes special credit.

Programmable video game market will average 23% annual growth next 4 years, game cartridge market 45%, according to Frost & Sullivan study. Report indicates handheld electronic game business will grow 160% from \$90 million in 1978 to nearly \$235 million in 1983. Video game cartridges will be most explosive growth area over 4-year period (up 540%), while dedicated game sales will continue to decline. Average unit price of programmable console is seen dropping from \$105 this year to \$61 in 1983. "Home & Coin-Operated Electronic Games" study is \$800 from F&S, 106 Fulton St., N.Y. 10038.

WEEKLY

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with
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SUMMARY-INDEX OF WEEK'S NEWS

Broadcast

DEMOCRATIC CAUCUS PROPOSALS: House staff drafts 10 major amendments to Rewrite II, cautions that they're based on assumptions. (P. 1)

'UNEASY TRUCE' ON INQUIRY between networks & FCC staff. Both sides say cooperation continues as 'massive' amount of information is compiled. Staff interested in affiliation switches. Metromedia Producers threatened with subpoena. (P. 2)

COURT BLOWS TO MEDIA: Broadcasters & reporters dealt 3 setbacks at Supreme Court & D.C. Court of Appeals—on libel, open courts & formats. (P. 3)

CITIZENS COMMUNICATIONS CENTER says radio deregulation shouldn't be considered until FCC rules on pending matters. (P. 4)

TV's PROFITABLE 1978 documented in responses by 402 stations to NAB survey. 'Typical' station had \$1.07 million profit, payroll about same. 85.7% of UHF's profitable, averaging \$482,700. (P. 5)

WHITE HOUSE UPSET by Doonesbury spot on TV, calls it 'demeaning to the Presidency.' Stations refuse to remove spot. (P. 5)

HOUSE STAFF SUMMARIZES CAUCUS PROPOSALS: Ten major amendments to HR-3333 have been prepared by staff of House Communications Subcommittee—an effort to tally results of several caucuses among Democratic members. Staff cautions that its draft is based on its assumptions, since staffers didn't attend caucuses. Highlights of staff-drafted amendments:

(1) Maintain HR-3333 radio deregulation (both broadcast & nonbroadcast) but continue TV regulation under 'public interest, convenience & necessity' standard of 1934 Act. (2) Allow TV licensee to reduce spectrum fee payment by amount spent on non-entertainment programming exceeding percentage required by new Communications Regulatory Commission.

(3) Reinstate for TV Sec. 312(a)(7) of 1934 Act requiring reasonable access for candidates for federal political office, with violation a basis for revocation; remove equal-time provision of HR-3333, reinstating Sec. 315 of 1934 Act, but exempting TV stations from this obligation when they give time to candidates for President or Vice President.

(4) Codify FCC's multiple-ownership rules; prohibit new co-located broadcast-newspaper & broadcast-cable crossownership. (5) Require financial information filed with FCC to be open to public inspection on station-by-station basis. (6) Extend TV license terms to 5 years, eliminate HR-3333 proposal for indeterminate license terms after 10 years.

(7) Grant TV licensees presumption of renewal when they meet non-entertainment program percentages set by Commission. Presumption may be rebutted by showing that licensee hasn't

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Consumer Electronics

PHILIPS' NEW VCR, for marketing in Europe this year, records 8 hours on VHS-sized cassette using 2 quarter-inch tracks. Parent company says NTSC version will be offered by Magnavox later. (P. 7)

TV IMPORTS SAGGED in May, both color & b&w declining, dragging 5-month TV total below 1978 level. Color chassis imports at record. (Pp. 8 & 11)

RCA-CIT MERGER would be 2nd largest in U.S. history, giving RCA major in-house financing firm with cashflow for development. (P. 9)

VIDEOTEXT SLUGGISH in U.K., with only 9,000 teletext receivers sold in 1978. GTE purchase of U.S. viewdata rights complements acquisition of Telenet. (P. 9)

71% OF VCR OWNERS had VHS recorders in late 1978, Time survey indicates. RCA top brand with 45% ownership, followed by Sony with 19%, Panasonic 10%. (P. 11)

ABC VIDEO ENTERPRISES established to 'develop & market programming' for emerging U.S. video market. (P. 12)

otherwise served public interest, e.g., violated Fairness Doctrine or EEO rules. Assumption is that meeting non-entertainment percentages is prima facie evidence of meeting obligations as public trustee, thereby deserving of renewal.

(8) Removed language that would have eliminated petitions to deny. (9) Reinstate Commission's EEO authority. (10) Prohibit Commission from setting ascertainment procedures, though it may require ascertainment efforts.

First broadcaster reaction to proposed amendments wasn't happy. One Washington representative told us substance of amendments may not represent will of Subcommittee. Amendments appear to cling to comprehensive approach of Rewrite II when indications are strong that many members would prefer less drastic changes, he added.

On specifics of amendments, reaction was no more enthusiastic. Proposal to cut fee, because it is tied to CRC-set non-entertainment percentage, is seen as potentially requiring excessive non-entertainment programming if fee is to be reduced substantially. "It goes way beyond" proposal of Rep. Swift (D-Wash.) to tie fee to entertainment percentage, we're informed.

Broadcasters also won't be happy with ban on co-located ownership; will be much opposed to provision opening financial data to public. Little benefit is seen in removal of ascertainment procedural regulation. "Controversial" is one lobbyist's view of renewal presumption based on non-entertainment program percentage.

Proposed amendments—none of them with official sponsors—were circulated during week when most members were in districts for July 4 recess, therefore there is little guide to what kind of reception they are likely to get. Most lobbyists hadn't seen proposed amendments at press time.

Disclosure of proposed amendments came as Washington Star reported President Carter about to deliver communications message to Congress urging legislation spurring competition & deregulation. We understand that neither President Carter nor his senior aides have seen or discussed such a message, still being finalized at lower level by White House aide Richard Neustadt. Message—if approved—would include only common carrier & spectrum management recommendations, not mention broadcasting.

Other input to pre-markup phase of HR-3333 came from former Rep. Frey (R-Fla.) in letter urging statutory authorization for FCC to attach value to licenses—so that banks may lend money to minority broadcasters collateralized to license. Frey said licenses must be made more stable if plan is to work.

'UNEASY TRUCE' ON NETWORK INQUIRY: "Sure we're cooperating, but we're not happy about it," TV network lawyer said of repeated requests for information, documents, files, contracts, etc. by FCC's Office of Network Inquiry. "It's pretty much an uneasy truce... We don't have any other choice," added official of another. From 3rd network: "The information they are seeking is massive. The costs will be astronomical by the time it's all over."

While Inquiry people aren't too happy with speed of network responses for some information, they agree networks have been cooperative, generally speaking. "We are pleased," Co-Dir. Thomas Krattenmaker told us. "No major complaints... We have clearly put a large burden on them." As proof of that, several network lawyers reportedly are giving up summer vacations in order to supply information.

Networks have agreed to provide everything sought so far, although many earlier requests have been negotiated downward with FCC staff. Just about everything there is to know about entertainment programming since 1968—including producers, chief writers, cost-per-episode and season, re-run costs, etc.—is being provided (program suppliers have been asked for much of same information). Similar information—although not for so many years back—is being provided for sports, news, specials, public affairs, movies, etc.

To date, only Metromedia Producers is resisting request for information—on "Cross Wits," "Truth or Consequences" and "Merv Griffin." Metromedia argued that information sought isn't relevant, that it constitutes trade secrets; FCC has threatened subpoena. Inquiry has promised

confidentiality where requested & warranted.

Office of Network Inquiry has 2-year budget of \$1.5 million, including \$500,000 for consultants, professional staff of 8: Krattenmaker, Co-Dir. Stanley Besen, economists Donald Martin, John Woodbury & Gary Fournier, attorneys Mary Kilday, Richard Metzger, Sue Ann Preskill. Outside contracts have been awarded to study: History of networks, corporate structure, spectrum allocation, group ownership, First Amendment issues, cable, pay TV, satellite technology, satellite regulation, videodiscs & recorders, new networks & legal issues.

People & organizations queried range from reporters (Les Brown, N. Y. Times, for instance) to music licensing firms to public interest groups (Citizens Communications Center has asked how it can best participate). In between are just about every industry trade assn., rep firms, advertisers, agencies, programmers, talent, syndicators, other govt. agencies, cable companies—you name it. For each Inquiry interview, a staff memo is prepared listing subjects discussed—but, in most cases, not substance of discussions.

Exception: In report on Feb. 3 meeting with Donald McGannon and other Group W officials, there's notation that "an attempt was made to determine whether or not Group W advocated corrective action... Group W did not advocate any such change." Inquiry spent full day at Group W 10 days later.

Inquiry staffers have spent much time in Hollywood, including May sessions with talent, in attempt to determine if there are any barriers against minorities & women. And, "to develop a general understanding... of the costs of producing different forms of network program series," such suppliers are providing costs & revenues for each episode, plus same figures for season.

Another matter of concern is recent switches of affiliations—mostly to ABC. Staff talked to 4 Minneapolis-St. Paul stations, plans similar discussions in Indianapolis, where long-time ABC affiliate WTHR has filed antitrust suit because of ABC switch to WRTV. Networks are supplying their affiliate lists back to 1966, along with network hours each cleared, minutes offered for network sale, minutes actually sold, minutes in and adjacent to network programs available for local sale, plus compensation paid each.

Staff will report to FCC in mid-Sept. on affiliate-network relationships and advertising practices, seek guidance on where to go next. Recommendations on program procurement practices are due in Dec. Office is scheduled to go out of business in Aug. 1980—but nobody doubts that rulemakings & inquiries will extend years beyond.

COURT BLOWS TO MEDIA: Broadcasters & reporters were dealt 3 blows in decisions by U. S. Supreme Court and D. C. Court of Appeals. Supreme Court opened way for routine closing of courtrooms, allowed easier proof of libel complaints. Appeals panel reversed FCC, told it to hold full hearings on proposed sales of radio stations changing unique formats.

Silver lining: Appeals Court rejected fairness doctrine complaint against CBS by American Security Council, which had charged pattern of liberal bias in defense coverage.

Most serious blow—overturning centuries-old legal tradition of justice in open court—was in case brought by Gannett to declare pretrial criminal hearings open to reporters. Court rejected Gannett's claim 5-4, suggesting that judges may bar media from all criminal proceedings—including trials—if judge thinks ban eliminates prejudicial publicity.

Allen Neuharth, Gannett Chmn., called Court ruling "another chilling demonstration that the majority of the Burger Court is determined to unmake the Constitution. Only an aroused people can reverse this frightening court trend and prevent further erosion of the basic freedom of the Constitution."

In libel decision, media lost a crucial protection with 8-1 ruling that plaintiffs who aren't "public figures" need not prove "actual malice" to win defamation claims. Mere newsworthiness does not make individuals public figures, Court ruled. In 2nd libel decision, Court ruled 8-1 that congressional immunity doesn't apply to statements made off official record—paving way for libel suit against Sen. Proxmire (D-Wis.) by researcher given senator's "Golden Fleece" award for allegedly wasteful use of federal funds.

Reaction to Court decisions on libel was resigned, depressed, fearful. Richard Schmidt, ASNE counsel: "These are frightening. By narrowing the definition of a public figure... more libel suits [will] go to a full jury trial rather than being eliminated by summary judgment." Paul Davis, RTNDA pres.: "We are disappointed but not surprised that the Court failed to seize the opportunity to broaden the range of newsworthy persons who constitute public figures." Erwin Krasnow, NAB counsel: "... may result in the... filings of harassing libel & slander suits."

"Very bad news for radio broadcasters" is how Krasnow reacted to Appeals Court 7-2 ruling on WNCN-FM N. Y. entertainment format case. "NAB will appeal this case to the Supreme Court. We urge the FCC to take a similar course of action. At stake are basic First Amendment principles and the ability of the FCC to formulate communications policy." Appeals Court 6-3 decision on fairness doctrine said complaints must be specific, couldn't include generalized complaint that CBS showed bias in broad national security area. Broadcasters welcomed this break.

Citizens Communications Center says FCC shouldn't consider broadcast deregulation before ruling on pending matters including: Network inquiry, reimbursement for participation in FCC proceedings, distribution of non-network programming, multiple and cross-ownership of cable systems, children's TV programming and advertising, clear channels, new VHF assignments, educational FM allocations, subscription TV, uses of subcarrier frequencies, EEO in broadcasting, impact on broadcasting, ownership of TV stations in top 50 markets, PSAs, compliance with fairness doctrine, minority time brokering, educational broadcasting policy, ex parte communications.

NBC planned live Wimbledon tournament finals for first time 9 a.m. EDT July 7. NBC Sports Exec. Producer Donald Ohlmeyer: "I certainly don't think we're doing a disservice to America by wiping out some cartoons and replacing them with live coverage of the Wimbledon final. Some kids may suffer temporarily from withdrawal symptoms because they don't get their Saturday morning fix of 'The Flintstones,' but I don't think it will permanently damage their psyches."

State and federal govt. agencies will have to meet same truth-in-advertising standards imposed on private sector if FTC staff gets its way. Commissioners soon are expected to receive staff recommendations questioning paid ad claims of Postal Service, savings bonds, military recruitment and state lotteries, among others.

Radio Information Center has been formed by Maurie Webster, ex-Compu/Net Inc. and one-time CBS Radio, to provide computerized central data source for radio industry. Initial project will be collection and analysis of monthly spot advertising data for top 175 markets.

News management is theme for final day at RTNDA convention Sept. 6-8 in Las Vegas. Sessions deal with employee motivation, occupational stress, self-management, union shops. Howard K. Smith is keynoter.

WETA-TV Washington will broadcast Salt II hearings July 9-12 & 16-19, prepare nightly summaries for PBS.

1980 Marconi Fellowship nominations are due Oct. 1. Theme of 6th annual award is on advances in radio science, electronics, space technology and other aspects of communications that contribute to higher levels of physical, economic and social well being. Winner will be announced in Feb. with award made in May. Nominations should be submitted to Marconi International Fellowship Council, Aspen Institute for Humanistic Studies, 1919 14th St., #811, Boulder, Colo. 80302.

MPAA, INTV & NCAA will go directly to members of House Communications Subcommittee to seek inclusion of retransmission rights in any Communications Act amendments or rewrite. Following meeting of several groups last week, NAB decided it's "not in a position" to go along because of proposed exemption of systems with fewer than 3,500 subscribers. Networks also decided to stay out, feeling their participation could hurt cause.

FCC revised 4 forms used by broadcasters, warned that previous editions are "obsolete," that their use "can result in unnecessary delays in processing applications." New forms: 313-R, short-form renewal for auxiliary license; 341, non-commercial license; 395, annual employment report; 701, extension of construction permit or to replace expired permit.

Reconsideration of CARS decision has been requested by NAB, which said of expansion of allocation: "With an astounding lack of foresight and with little if any regard for the full record, the Commission has struck a critical blow to the future of [ENG], creative public service programming and overall video responsiveness by [telecasting]."

Outlet Co. is buying KOVR Stockton-Sacramento from McClatchy Newspapers for \$65 million. McClatchy recently sold its only other TV (KMJ-TV Fresno) to group challenging renewal, at one time planned to swap KOVR for Multimedia's WFBC-TV Greenville, S. C.

Radio Shack Senior Vp Bernie Appel denies that RS has ordered satellite earth station terminal equipment from Scientific-Atlanta, as reported here (Vol. 19:26 p5).

TV's PROFITABLE 1978: "Business is so good it's embarrassing," group owner told us during recent TV affiliates' meeting, and that assessment is borne out by annual NAB survey. With 93.5% of all reporting stations (402) showing profit, "typical" TV station had profit margin of 28.5% on total time sales of \$4.3 million (up 19.16%); net broadcast revenue of \$3.76 million (up 18.54%), pre-tax profit of \$1.07 million.

Typical station employed 68 full-time, had its first over-\$1-million payroll (up 14.6%). Expenses totaled \$2.7 million (up 13.77%)—\$317,600 technical, \$915,200 programming, \$417,200 selling. Local ad revenue was up 19.38% to \$2.06 million, national & regional spot \$1.85 million (up 22.43%), network compensation \$378,900 (up 4.64%).

Of 91 UHF stations reporting, 85.7% were profitable and typical UHF reported \$3 million (up 14.1%) in time sales, net revenues jumping 17.1% to \$2.74 million. Profit margin was 17.6%; pre-tax profit was \$482,700. Typical independent performed better than rest of industry, showing 24.2% increase in time sales (\$10.9 million, because all are in major markets), profit margin of 29.32% (\$2.57 million before taxes). Independents' operating costs were up 15.2%, above industry median of 13.8%.

FCC market-by-market TV figures will be released July 30.

"We've been kicked in the teeth" by 20th Century Fund's task force recommendation that League of Women Voters sponsor Presidential debates (Vol. 19:13 p7), NBC Vice Chmn. Richard Salant said in off-the-cuff talk to TV Academy lunch recently in N.Y. Report's insistence on non-journalist sponsorship is "trap," says in effect "that all journalists are not to be trusted—we [broadcast news organizations] are disqualified and Congress is asked to disqualify us." This "appalling" situation, he said, is consistent with "trend of suspicion of the news which is one of the factors which has led to the recent Supreme Court decisions." In 1976 debates, he recalled, LWV "said 'take it or leave it'—I didn't have the guts not to do it, but I shouldn't have." In answer to questions, Salant said: (1) NBC's "Prime Time Sunday" is off to "damn good start. It's going to get better." (2) One-hour prime-time daily news show "is going to come in less than 5 years."

Fla. Circuit Court has upheld FCC grant of WSWB-TV Orlando to Omega Communications (headed by ex-Taft Bcstg. Pres. Lawrence Rogers), which acquired assets in receivership sale. Turner Communications and Christian Bcstg. also had sought Ch. 35 outlet, opposed Omega purchase in court. Station has been dark 3 years; Rogers said it's expected back on air as WOFT-TV by end of year.

Blair TV appointed rep for Palmer TVs—WHO-TV Des Moines, WOC-TV Davenport-Rock Island-Moline, KDLH-TV Duluth—plus WEHT Evansville and WRBL-TV Columbus, Ga.

Cox Bcstg. paid \$4.5 million for Schulke Radio Productions; Pres. James Schulke will remain at head of music syndication house.

Comments deadline in cable distant-signal & exclusivity rulemaking should be extended from July 17 to Sept. 17, NAB urged FCC—if Commission doesn't grant hearing requested by NAB & other parties (Vol. 19:26 p5). Assn. argued that time for analysis of extensive economic study is much too short to provide adequate record. Final decision in case, NAB warned, "almost inevitably will be irreversible." Meanwhile, Metromedia asked FCC to review staff action granting ASN Inc. permission to distribute signal of KTTV L.A. to cable via satellite. Referring to ASN "theft" & "piracy," Metromedia said Commission staff "engaged in a legal charade so transparent that even the emperor's clothes would appear opaque by comparison."

Doonesbury cartoon is much in Washington news these days, and White House is upset. To trumpet shift from Post to Star, latter ran several front page stories, spot on 3 TV stations featuring White House and apparent voices of President and daughter Amy. White House counsel Michael Cardoza complained to Star, then asked stations to take spot off because it was "demeaning to the Presidency." All 3 refused after a couple had made "informal" inquiries of TV Code.

Franchise for all Atlanta will be held by Cable Atlanta Inc. (owned by Cablecasting Ltd., Canada), which recently bought Cox's Ga. Cablevision, as it acquired Intercity Communications in return for 20% of stock. Intercity principals are blacks Herman Russell & Jesse Hill. Cox and Intercity each held franchises to build entire city, but through informal agreement Cox took north, Intercity south. Latter hadn't started construction; Cox portion has 7,500 subscribers.

"Principles of Agreement" between phone & cable interests (Vol. 19:27 p5) still remain after meeting of phone industry Policy Council July 2, but several companies—including GTE & Continental—continued seeking better conditions and rural forces still want no part of it.

No comment from Chief Justice Burger followed CBS News broadcast of audio tapes from Supreme Court proceeding in Pentagon Papers case. June 29 broadcast on CBS Radio, with excerpts on CBS "Evening News," was first broadcast use of tapes made by Court for archives.

Time Inc. programming will soon air on Oak Communications STV. Entertainment shows, including films, specials, will be tailored to its local markets. Oak has scheduled programming for Aug. in Phoenix, later this year in Fort Lauderdale-Miami.

FTC closed investigation to determine whether industry self-regulation codes on comparative advertising constitute violations of FTC Act, told NAB no further action is warranted.

Pat Boone will contribute \$5,000 to refund pool for dissatisfied consumers of Acne-Statin preparation advertised on TV. FTC staff said claims for preparation couldn't be proved.

Personals

Frank Washington, chief of FCC Policy & Rules Div., former legal aide to Chmn. **Charles Ferris**, promoted to deputy chief, Best. Bureau, succeeding **Martin Levy**, resigned; **Henry Baumann**, chief of Renewal Branch, succeeds Washington; **Roy Stewart**, head of Transfer Branch, promoted to chief of Renewal & Transfer Div., succeeding **Richard Shiben**, now chief of Best. Bureau (Vol. 19:25 p2); **Nancy McCormick-Pickett**, ex-Howard U. and one-time NAB Community Affairs Dept., joins FCC Consumer Assistance Office, will have responsibility for series of FCC public participation workshops.

John Noon, ex-RCA, appointed NBC vp-human resources planning & development... **Judy Ahlberg** promoted to dir.-program services, ABC Entertainment; **Doug Brunger** advanced to dir., Theatrical Sale Div., ABC Pictures International, London hq; **Mary Jean Parson** promoted to ABC corporate relations planning dir.; **Jack Singer** to ABC Pictures International TV sales dir.

Jack Moon, ex-KSBW-TV Salinas-Monterey, appointed vp-gen. mgr., KSBY-TV San Luis Obispo (both stations owned by Blair Bestg.)... **Nolan Quam** promoted to station mgr., KCCI-TV Des Moines... **Gary Rockey**, ex-KSAT-TV San Antonio, moves to WJAR-TV Providence (both Outlet Co. stations) as program mgr... **Jodi Dore** promoted to local sales mgr., WDAF-TV Kansas City... **Daniel Tutt** advanced to marketing research dir., Fisher Bestg. Stations... **Eric Severeid**, retired CBS News commentator, receives NRBA "Golden Radio Award" Oct. 8 during Washington convention.

Stanley Basara promoted at RCA Best. Systems to vp-gen. mgr., succeeding **J. Edgar Hill**, recently named Commercial Communications Systems Div. vp-gen. mgr... **Rich Kearney** promoted to vp-gen. mgr., Reeves Teletape; **Joseph DiBuono**, ex-Unitel Production Services, appointed Reeves vp-marketing... **Charles Goodrich** promoted to marketing dir., McMartin Industries.

Harold Lorber promoted to gen. mgr., Belden subsidiary Cable Concepts Corp.; **Edward Pfeiffer** to plant mgr... **Robert Bennett** advanced to marketing dir., Scientific-Atlanta Satellite Communications Div... **Richard Covell**, Sylvania-CATV, elected SCTE western vp, succeeding **Frank Blas**, Viacom... **Donald Breidt**, ex-Harcourt Brace Jovanovich, appointed SMPTE exec. dir., succeeding **Denis Courtney**, retired.

Jack Myers, ex-WCBS-TV N.Y., appointed gen. mgr.-retail sales, CBS owned TV stations, succeeding **Sherman Wildman**, now dir. of marketing... **John Scuppo**, ex-NBC vp-creative services, named dir. of creative marketing services, Blair Pro-Rodeo Enterprises.

William Brademan promoted to senior vp, QM Productions... **Lawrence Hilford**, ex-exec. vp, Viacom International, appointed senior vp, Columbia Pictures, with responsibility for new marketing of video cassettes & discs.

Thomas Woods joins Magnavox CATV Systems as vp-operations... **H. Michael Smith** promoted to marketing support mgr., Scientific-Atlanta, responsible for CATV and satellite earth stations products; **Patrick Bohana** moves from west coast sales rep for cable products to Satellite Communications Div. in Atlanta; **Basil Kehoe**, ex-Alcan Cable, succeeds Bohana; **Patricia Rooney** advanced to ad & promotion administrator, Cable Div.

Thomas Tilson Jr. promoted to vp-N.Y. area mgr., TeleRep, new post; **Dennis FitzSimons** succeeds Tilson as mgr.-N.Y. Tiger sales team... **Katz American TV** adds 4th N.Y. sales team (Stars), headed by **Mike Raounas**, promoted to vp-N.Y. national sales mgr.; **Maury Wind** promoted to national sales mgr. for new group; **Ron Cochran**, ex-Bolton Bestg., succeeds Raounas as Red Team mgr.; **Robert Einhorn** advanced to research dir., Katz TV.

Willard Block, ex-consultant, rejoins Viacom Enterprises as pres., post he held in 1974... **John Steele**, Time magazine correspondent, moves to parent Time Inc. as Washington vp-govt. affairs, succeeding **Barry Zorthian**, retired... **Roy Mehlman**, ex-UPI, joins Cable News Network as senior sales exec., N.Y. hq.

Norman Strate, ex-Hertz, appointed vp-finance & administration, Showtime, new post; **Susan Denison** joins Showtime as dir. of marketing, responsible for advertising, promotion & PR... **Mack Perryman**, ex-ABC Entertainment, joins HBO as scheduling dir... **Kathleen Dollo** moves from National Subscription TV to Oak Communications program dir.

Joining Ampex audio-video systems div. as sales engineers: **Robert Natwick** & **Tony Dean**, northeast; **Earl Higgins**, southeast... **Richard Corrigan**, ex-Memorex, joins Fuji magnetic tape div. in broadcast sales, Kansas City hq; **Stanley Risetter**, ex-KTVT Ft. Worth-Dallas, in Dallas office... **Frank Santucci** appointed gen. sales mgr., Consolidated Video Systems... **Edward Case** promoted to dir.-research & development, Nielsen Marketing Research Group.

Denny King, ex-Vidtronics, named vp-sales and head of new L.A. office, subsidiary A & G Productions... **Barbara Holsoapple**, Pittsburgh Press, elected pres., TV Critics Assn.; **Jerry Kenion**, Greensboro News, vp.

Gannett Co. has followed largest communications merger (Vol. 19:24 p4) with purchase of Nashville Tennessean for about \$50 million. Gannett sold smaller Nashville Banner to local group for \$25 million to avoid antitrust problem.

BRC has asked rating services to publicize list of stations which "engage in potentially distorting research or diary promotions." Council also amended its standards to classify as "hypoing" broadcast announcements seeking cooperation by diarykeepers.

EBS closed-circuit test July 24 was approved by FCC. Test involves ABC, MBS, AP Radio, CBS, IMN, NBC & UPI AM-FM affiliates, not TV. Evaluation of test is scheduled by late Aug.

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STATE OF THE INDUSTRY

Sales to dealers (total market), from EIA, for week ended June 22 (25th week of 1979):

	June 16-22	1978 week	% change	June 9-15	1979 to date	1978 to date	% change
Total TV.	341,096	310,087	+10.0	294,484	6,894,307	6,730,946	+2.4
color	235,130*	196,533	+19.6	192,917	4,337,141**	4,306,902	+0.7
monochrome . . .	105,966	113,554	-6.7	101,567	2,557,166	2,424,044	+5.5
Home VCR	6,459	—	—	5,969	170,473**	—	—
Total radio	943,684	1,385,385	-31.9	762,333	18,415,097	20,639,696	-10.8
home, portable .	703,466	1,170,833	-39.9	514,957	11,723,071	14,349,300	-18.3
AM-only	101,696	142,458	-28.6	90,105	2,881,221	3,738,417	-22.9
FM & FM-AM .	601,770	1,028,375	-41.5	424,852	8,841,850	10,610,883	-16.7
auto	240,218	214,552	+12.0	247,376	6,692,026	6,290,396	+6.4

Color TV 5-week moving average: 1979—173,779**; 1978—164,554 (up 5.6%).

*Best week of year and record for 25th week. **Record for period.

PHILIPS' NEW 'STANDARD' HOME VCR: To counter Japanese inroads in European VCR market Philips & Grundig are scrapping their 7-year-old home VCR system and this fall will introduce new "standard" incorporating virtually all features of existing systems plus many which are unique. New Video 2000 system is designed to accommodate large number of foreseeable future developments—including metal tape and lightweight portability.

New 8-hour system will get public introduction at Berlin's Internationale Funkausstellung (audio-video fair) Aug. 24-Sept. 2, go on sale before year's end. We carried first U.S. reports on it, stating that it introduces "radically new head-positioning system," and basic description in reports starting more than year ago (Vols. 18:26 p8, 18:38 p8, 18:41 p11).

Two-reel cassette uses 1/2" tape, is about size of VHS cassette, has 2 helically-scanned tracks 1/4" wide, can record or play for 4 hours, then be turned over for 4 more hours on 2nd track. In answer to our questions, Philips spokesman in Eindhoven said automatic-reverse feature (which won't be included in first Philips recorder) could provide 8 hours' continuous recording/playing time and "in the system it is possible" to develop smaller cassette using 1/4" tape for compact portable VCR.

NTSC version is in works for introduction after European fan-out, and it will be handled by Magnavox in U.S., Eindhoven spokesman told us. Timing of announcement from Eindhoven at press conference there apparently came as surprise to North American Philips (where customary spokesmen were on vacation) and at Magnavox (where Pres. Kenneth Meinken was on vacation). "We are not prepared to make any announcement at this time," said Magnavox Sales & Mktg. Vp Kenneth Ingram.

System uses new Dynamic Track Following (DTF) circuit which employs auxiliary signals to assure exact head location on tiny track in both record & playback modes for complete compatibility among tapes & machines and clean slow-, fast- & stop-motion. It has Dynamic Noise Suppression (DNS) for enhanced sound quality, provision for stereo sound (not used in first recorders), 2 auxiliary signal tracks in middle of tape ("reserved for special purposes" and not used in first models). Cassette has indicator system to let recorder recognize length of tape, developed for VCRs which automatically will warn that tape is too short to record longer pre-set recording time. Cassette also is equipped to adjust recorder for chrome or metal-powder

tape—presumably permitting longer-playing slower-speed recorder using metal tape in future.

First Philips recorder for new system, VR 2020, will be priced about 30% above present (N 1700) unit, bringing "street price" to \$1,300 or so. It's loaded with deluxe features: Comb filter for high picture resolution & quality. Digital infrared remote touch-pad for microprocessor control, automatically tuning & storing up to 26 channels. Same pad controls programmability—5 pre-selected programs on different channels up to 16 days in advance. Memory will store station tuning & program orders for 3 months if power is disconnected. Touch-pad also controls program-indexing feature, can locate any part of tape in either direction when user calls up 4-digit number corresponding to calibration on electronic tape counter, which resets to zero at beginning of tape.

Microprocessor control permits function change with single push button. For example, machine can be switched directly from "wind" to "play" or from "off" to "record." Two-head machine has heated drum, direct-drive servo control, automatic rewind at end of tape if desired, wideband antenna amplifier eliminating necessity to switch recorder between VCR & TV signals. Philips will make machine in current Vienna plant, moving in 1981 to new plant there with capacity of \$288 million annually, which we estimate will equal about 500,000 recorders (Vol. 18:41 p11). Grundig is expected to introduce own different recorder for same system in Berlin.

Video 2000 cassette measures approximately 4.35 x 7.2 x 1.02 in., vs. 4.06 x 7.37 x 1 for VHS, 3.75 x 6.12 x 0.94 for Beta. Longest-playing cassette contains about 1,150 ft. of tape vs. 820 for American-standard VHS, 830 for new Beta. Tape moves at 0.96 ips (0.44 for VHS SLP speed, 0.53 for Beta III), head-to-tape speed is 200 ips. System consumes 6 sq. ft. of tape per hour, making it 2nd most economical of existing systems (VHS SLP uses 5.5, Beta III 6.9). Philips says tape cost is about \$2.95 per hour. Cassette contains 2 reversible switches to permit or prevent erasure. Specifications would be different, of course, in any NTSC version, and comparisons given here are with U. S.-market versions of VHS & Beta (in Europe, both systems have been using single-speed 3-hour cassettes). Video 2000 system uses same "M"-wrap loading as VHS.

In week's other video news, ABC established full-scale video operation and Time Inc. reported results of survey of 733 VCR owners, one of largest to date (see p. 12).

TV IMPORTS DOWN FOR MAY, 5 MONTHS: Surprising sag in incoming b&w shipments and first quota-caused drop in color from Korea held May's total TV imports below year-earlier levels, leaving cumulative total on downside for first time this year, Commerce figures show. Also in May, color chassis & kit imports hit all-time monthly high and color VCR & camera shipments were up.

Month's total TV imports of 633,600 were down 24.7%, as color dropped 17.4% to 331,700 and b&w sank 31.3% to 301,900. Through first 5 months, total TV imports were off 5.5% to 3.7 million, color at 1.62 million (down 10.1%), b&w 2.08 million, down 1.5%. In color, complete-set imports in May were down 50.2% to 97,900, for 5-month total of 644,600, down 34%. Incomplete color rose 14% in month to record 233,800, putting 5-month total at 978,500, up 18%, and virtually guaranteeing 1979 will be first year U. S. will import more incomplete than complete color sets.

Month's color imports from Japan, Taiwan, Korea & Canada were all down drastically, while complete color from Singapore and chassis from Mexico were up sharply. B&w imports were off from all major countries.

Drop was unexpected, considering market strength reflected in EIA distributor sales figures and fact that May normally would be time to build inventories in anticipation of strong summer demand, particularly for AC-DC portables. One partial explanation may lie in fact that mini-combos don't show up in Commerce's b&w figures. As indicated here before, because they're "more than" TV receivers, they don't fit into any of established b&w reporting classifications, get lumped into a catchall "other" category for which only dollar value figures are reported. (For by-country TV import results, see p. 11.)

In video equipment, May VCR imports rose 12.1% to 51,500, color cameras were up 134.1% to 3,900, while b&w cameras dropped 34.3% to 6,300. Five-month totals: VCR 208,400 (up 11.6%), color cameras 30,900 (up 346.3%), b&w cameras 35,200 (down 8.6%).

Continued climb in color from Singapore has drawn fire from industry-labor group COMPACT. It asked office of President's Special Trade Representative (STR) to consider need to include that country under color import quota umbrella that now covers Japan, Taiwan & Korea. Quota system, COMPACT says, "has saved the domestic [color] industry from almost certain death," but "end runs" around it, —imports from uncovered countries—"have prevented the industry... from receiving the full measure of relief" expected.

Commerce & STR officials recently returned from Far East, stopping in Singapore, where they were told that growth in color shipments to U. S. was virtually over and manufacturers planned to concentrate on exports to China & Europe. However, we've been informed, Singapore officials made no mention of Mitsubishi & Toshiba plans to start producing complete color sets there this year or of Matsushita's proposed launch of color chassis plant.

RCA-C. I. T. TALKS: RCA last week said it's in preliminary merger negotiations with C. I. T. Financial. Purchase price of financing company, which earned \$86.5 million last year, reportedly would run more than \$1 billion in cash & shares. If deal goes through at expected price, it would be 2nd largest corporate merger in U.S. history, trailing only \$2.2 billion in stock GE paid for Utah in 1976.

RCA's main interest in C. I. T., analysts indicate, is as generator of cash flow necessary to finance electronic & other R&D efforts. That was NBC's job, but its earnings are on decline and estimates are that it will be several years before RCA can again count on that kind of help from its broadcasting operation. Financing won't be new business area for RCA, which established RCA Credit Corp., to finance installment receivables in 1975. Last year RCC had \$207.6 million in receivables outstanding. C. I. T., which specializes in wholesale & consumer financing, could take over RCC's functions, as well as finance Hertz auto purchase & resale operations. If absorbed, C. I. T. would be RCA's most profitable unit, replacing Hertz, which took that role away from NBC last year.

In other merger activity, Norsk Data acquires Norway's financially troubled hi-fi producer Tandberg Industrier, says it plans no changes in U.S. distribution... Plessey cancels plan to sell Semiconductor Div. to General Instrument... Toshiba acquires 30% of Costa Rican licensee Inelco; company is nation's largest b&w & audio producer, will expand color assembly and start exporting to other Latin American countries... Schlumberger has agreed to FTC order that it dispose of investment in semiconductor producer Unitrode within year. Agreement, which clears way for completion of acquisition of Fairchild Camera, gives Schlumberger option of selling off some Fairchild product lines which compete with Unitrode. Company said about 95% of Fairchild stock was tendered in response to offer and it expects to purchase remaining shares soon.

Electronic door locks will be \$200 option on limited number of 1980-model autos from Ford this fall. Punching in right 5-digit number on keyboard mounted on outside of driver's door opens lock, can also be used to unlock other doors & trunk. System is controlled by Motorola-supplied MPU which automatically locks all doors when car goes into gear.

VIDEOTEXT'S SLOW U. K. START: Teletext & viewdata home information systems haven't exactly received rousing welcome from British consumers. BREMA officials estimate 5-year sales to dealers of teletext equipped sets at 15,000-20,000, according to Wireless World magazine. Teletext market in 1978 was about 9,000 sets with only 2,000 sold in first 3 quarters. BREMA Pres. Lord Thorneycroft blames new-product resistance of British public for poor figures. Problem appears to be reversed for wired Prestel viewdata service—British Post Office claims demand for Prestel sets is great but supply isn't there. Estimated 1,000 viewdata sets are in use in U. K. Viewdata TVs sell for about \$2,000, rent for \$48 a month.

Doubts about videotext's future have begun to surface in U. S. Recent letter from A. D. Little analyst Stuart Lipoff to fellow members of EIA's teletext subcommittee (Vol. 19:5 p11) urged caution in developing U. S. teletext parameters, called European teletext systems "disincentives" for U. S. broadcasters because they lack advertising capability. Subcommittee meets in Washington July 26, plans to have set of technical standards to present to FCC by end of year.

GTE's purchase of U. S. viewdata & Prestel rights (Vol. 19:25 p11) was made more interesting by FCC's approval of GTE acquisition of Telenet. Data-packet transmission firm Telenet has 89 telephone switching centers connecting over 300 computers in 180 U. S. cities. GTE's \$55-million takeover was announced in Dec. but not approved by FCC until June 13.

GE workers are expected to approve new contract calling for estimated \$2-per-hour wage & living-cost increases over next 3 years, as well as improved medical & pension benefits. Agreement worked out by GE and 13-union Coordinated Bargaining Committee sets probable pattern for other industry labor contracts up for renewal over next year.

RCA is offering videocassettes to help its dealers sell, including tapes on Channelock tuning system, b&w line, console cabinets, remote control, 2 tapes of interviews with successful VCR dealers, at \$25 each.

PARTS IMPORTS UP: First-quarter imports of selected electronic components & accessories jumped 37.1% to \$743.7 million, with semiconductors & discrete components setting the growth pace, Commerce statistics show. While overall domestic TV production rose an indicated 18.8% in quarter (Vol. 19:20 p9), imports of picture tubes, tuners & other parts (excluding chassis & other boards) rose just 12.2% to \$66.4 million, components jumped 41.9% to \$550 million, and value of speakers & other accessories climbed 32.1% to \$127.3 million.

In TV, big unit gainer was b&w tubes, up 24.7%, while color tubes dropped 35.6%. Deflection component imports were up 16.5% and tuners were down 14.7%. Tuner decline can be attributed in part to switch from mechanical to electronic which eliminates need for separate VHF-UHF tuners. In Jan. - March 1978 there were 1.34 tuners imported for each set produced. Ratio was almost 1:1 this year.

In accessories, imports of speakers & systems rose 32.6% to just under 23 million; microphones shrugged off effect of declining CB market and rose 21.9%, amplifiers were up 3.4%. In tape, audio cassettes held even, probably resulting from increased U.S. output by Sony & TDK plants. Figures show videocassette imports up 36.9%, and show average value rose 7.8% to \$9.43 from \$8.75, reflecting price hikes posted by marketers earlier this year (Vol. 19:14 p14).

In components, ICs rose 24.2%, transistors 11%, fixed resistors 20.2%, fixed capacitors 55.2%. On down side were imports of receiving tubes (32.8%), variable capacitors (66%) & variable resistors (0.2%). Here's breakdown:

PARTS & COMPONENTS IMPORTS				
	1st Quarter 1979		1st Quarter 1978	
	Units	\$	Units	\$
Pic. tubes, color	56,660	3,370,850	88,036	4,918,324
Pic. tubes, b&w	181,019	2,185,125	145,133	1,581,973
TV cabinets	26,254	554,626	123,531	1,282,792
TV tuners	2,656,349	20,663,357	3,115,444	19,790,313
TV antennas	3,118,843	2,971,383	2,218,576	2,184,716
Deflection components	5,301,146	22,020,173	4,552,470	19,878,672
Pic. tube parts	—	14,682,720	—	9,051,984
Speakers, unencl.	16,389,645	28,499,721	10,856,610	18,498,157
Speakers, lone, encl.	4,718,552	18,109,315	4,958,001	15,641,101
Speakers, encl., other	1,879,819	14,753,714	1,518,962	12,353,534
Microphones	2,033,202	6,292,866	1,667,733	5,017,421
Audio amplifiers	948,888	25,681,991	917,753	19,670,886
Videocassettes	1,670,220	15,743,377	1,219,989	10,672,895
Audio cassettes	31,115,865	18,203,104	31,151,529	14,496,607
Receiving tubes	8,738,675	5,570,494	13,013,778	8,270,642
Transistors*	462,913	42,893	417,143	39,166
ICs*	697,827	412,022	561,668	283,549
Fixed capacitors*	1,012,298	53,740	652,037	28,781
Variable capacitors*	12,227	1,987	35,932	3,736
Fixed resistors*	1,597,800	17,709	1,329,604	12,271
Variable resistors*	69,799	16,070	69,954	11,838

*Units & value in 1,000s.

Lear Siegler is suing in L. A. federal court to invalidate RCA patent on digital-to-video conversion for CRT terminals. Lear is RCA licensee. RCA currently has suits alleging infringement of that patent pending against Applied Digital Data & licensee Hazeltine (Vol. 19:21 p14).

WEEKLY

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with

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Japan is cutting through inspection red tape in effort to open market for more imports. Most activity is under control of MITI, which as first step has authorized foreign manufacturers to submit samples of electrical products for safety inspection directly, rather than have them routed through Japanese agents. It's indicated this could cut as much as 10 months from time it takes product to reach market there. Other proposals in works include official English translation of standards, adoption of UL system of sending inspectors to foreign factories to help them comply with Japanese requirements. MITI also plans to seek changes in Japan's Industrial Standardization Law which covers "JIS" quality mark to permit its use by qualifying foreign producers on goods they export to Japan. Also proposed are recognition of foreign inspection certificates, where standards are close to those used in Japan, and gradual modernization of Japanese standards to bring them into conformity with international practice.

IHF sales statistics survey asks audio manufacturers to report sales-to-dealers figures in units & dollars for wide range of hi-fi products. Breakdown of receiver, integrated amp & power amp sales by power output also is requested. Results of quarterly survey will be available for \$100 to IHF members, \$250 to non-members, only participants allowed to receive results. Price Waterhouse is administering program. IHF 1966 attempt to develop marketing statistics failed due to lack of manufacturer participation.

Taiwan hiked commodity tax rates on "luxury electrical appliances" in effort to cut energy consumption, curtail consumer spending. While rate for b&w TV was left unchanged, tax on color sets was doubled to 20%. Newly imposed were 15% tax on phonos, audio recorders & combination audio equipment, 25% tax on VTRs. It lowered tax rates on most fuels & basic commodities.

VHS 71, BETA 28: Among VCR owners last fall & winter, VHS outnumbered Beta recorders by 71% to 28%, according to survey just released by Time magazine. Despite later start, RCA recorders were owned by about 45% of respondents, Sony 19%, with Panasonic runner-up (10%), Magnavox & Zenith 7% each, Quasar & JVC 4% each, Time data indicate. Time got idea for survey when more than 2,500 readers wrote to ITA for list of companies selling pre-recorded software, as result of mention in Oct. 30 home video advertising supplement. Time questionnaire 1,246 respondents, tabulated replies from 751, of whom 733 owned VCRs, in what may be largest survey to date of multi-brand VCR owners.

Survey indicates VHS increased lead in recent months, with some 76% of post-July 1978 buyers picking VHS, vs. 65% who bought before July 1978. Of total VHS owners, 62% owned RCA, 14% Panasonic, 10% Magnavox, Quasar & JVC 5% each, 3% Sylvania, 1% each Philco, Curtis Mathes & MGA. Of Beta owners, 69% had Sony, 24% Zenith, 6% Sears, 2% each Toshiba & Sanyo. Numbers add to more than 100% because some owned more than one VCR. Other survey results:

Blank tape: At time they bought VCR, owners bought median of 3.6 blank cassettes (Beta owners 3.8, VHS 3.6) and in last 12 months had bought 8.8 more (Beta 10.6, VHS 8.4). Those who bought VCRs before July 1978 purchased 11.6 in 12 months, while those buying later (not having owned VCR for full year) bought 8.1—indicating both old & new buyers average about one blank cassette a month. Owners tend to buy cassettes of same brand as their VCRs, do little brand-switching. Discount, TV, video & audio stores are major sources for blanks. Owners have median of 12.6 cassettes which they bought blank, expect to buy 8.8 in 1979. They do most recording (66%) in longest-playing mode, with network movies overwhelming choice (73%) as recording material. Home tapes were shot by 10% with video camera; film & slide conversions were used by 7%.

Pre-recorded cassettes: Some 48% said they'd purchased them, and 53% of those bought X-rated movies, largest single category. Majority of owners had seen the movies before buying them. Some 64% bought programs by mail, 21% in video specialty stores. Buyers of recorded tapes owned median of 4.3, and all VCR owners expected to buy 3 this year. Some 70% expressed interest in renting software, 61% in buying. Most would like to join tape club, rental concept having somewhat more adherents than purchase.

Demographics: Most VCR owners have been to college, are married. Their median income is \$32,950, twice national average. Some 48% are professionals, 16% in managerial jobs; 71% are homeowners, 52% living in urban areas. "The Home Video Market" is available from Time magazine ad sales offices.

Neatest Trick of the Week Dept. (Japan Div.): "Another innovation by Sharp is the Voice Scale, which will tell you how tall you are as you step on it."—Japan Economic Journal, in article describing Sharp's work on voice synthesizers.

SMC STILL IN RED: Sanyo Mfg. Co., U.S. color producing subsidiary of Japan's Sanyo, suffered 3rd consecutive quarterly loss in period ended May 31 (see financial table). SMC said sales were off 52.5% in quarter, 64.1% for half. While effect of change in contract for sales to Sears (under which Sears now pays for goods when shipped rather than when produced) was less significant in 2nd quarter, increased interest expense on borrowings to finance inventories was significant contributor to loss, SMC said. It reported pre-tax losses of \$1.4 million for quarter, \$2.9 million for half, against profits of \$1.4 million & \$2.7 million for same year-earlier periods.

Garrard lost \$14.5 million in fiscal 1979, with \$5.9 million attributable to operations, \$6.6 million for re-organization, which included 66% cut in U. K. workforce to about 600, parent Plessey reported. In fiscal 1978, Garrard lost \$10.6 million. Plessey said consumer product sales, mainly Garrard, were down 11.7% to \$39.1 million.

GTE manufacturing operations, which include Sylvania & Philco consumer electronics & components, all are healthy, notable exception being European entertainment products, according to Chmn. Theodore Brophy. Soft color TV market in Germany is holding down results but improvement is expected later this year, he said.

Ampex declares 5¢ quarterly dividend for holders of record July 26, first such payout in its 35-year history.

Polaroid says Polavision instant-movie system continued as substantial money-loser in 2nd quarter, and new marketing approach is being developed.

MAY TV IMPORTS: Slump in incoming shipments of complete color sets led general decline in TV imports in May, Commerce figures show (see p. x). Shipments of both color & b&w from all major source countries were down, and month's falloff left Taiwan's cumulative overall total behind 1978 for first time. Here's May TV import breakdown by country, with 5-month results in parentheses:

Japan total TV 83,700, -66.4% (614,300, -51.2%); color 61,200, -48.7% (321,100, -50.9%); b&w 22,500, -82.6% (293,100, -51.5%). Taiwan total 307,900, -18.4% (1.58 million, -3.2%); color 82,400, -39.2% (387,800, -21.2%); b&w 225,500, -6.8% (1.19 million, +4.6%). Korea total 63,000, -27.5% (781,000 +83.7%); color 12,600, -43.1% (199,700, +125.2%); b&w 50,400, -22.2% (581,200, +72.7%). In color only, Canada 4,300, -71.1% (60,000, -33.8%); Singapore 7,300, +63% (30,900, +214%).

Complete color imports: Japan 51,700, -48.8% (240,800, -57.9%); Taiwan 23,500, -56.7% (116,700, -46.2%); Totals for incomplete color: Japan 9,500, -48.6% (80,300, -3%); Taiwan 58,900, -27.3% (271,100, -1.4%); Mexico 160,500, +53% (608,900, +32.2%).

NAB UHF Committee plans booklet on TV set refinements and instructions on installation of home antennas.

Consumer Electronics Personals

David Heneberry advanced from RCA Records music service vp to Selectavision videodisc corporate mktg. staff vp, new post... Shinzo Mikami named Sanyo Mfg. senior vp-treas., succeeding Zenshiro Yuba, being reassigned... Rikizo Shinokawa advanced at Toshiba International (U.S.) to staff engineering dir., succeeding Sumio Yasuoka, returning to parent in Japan... Edward MacEwen, ex-PPG, joins GTE as corporate communications ad dir., new post.

George Meyer advanced at U.S. JVC from audio national product planning mgr. to gen. product planning mgr., with added responsibility for video... Bertram Mann, Bohsei national sales mgr., promoted to sales & mktg. vp... Stephen Snell moves up at SBE from engineering vp to pres.-chief exec., succeeding Paul Robichaux, resigned; David Thompson, one-time pres., named a dir... Robert Goldflus, ex-Harvey Sound, appointed Aiwa national sales training mgr... Skip Breeden, ex-Panasonic, joins Convergence Corp. as SE region sales mgr., replacing Frank Logan, who moves to West region... Gordon Edwards dismissed as GRT pres. by board of financially troubled audio software producer; Robert Jacobs resigns as exec. vp.

Robert Dunn promoted at Swire Intermagnetics from Consumer Div. mktg. vp to sales & mktg. vp of new Professional Products Div... Philip Welch resigns as Philips High Fidelity Labs national sales mgr., duties assumed on interim basis by Pres. Gerald Orbach... Tony Satariano, ex-Koss, joins Electro-Voice as hi-fi products mktg. mgr... William Millon, Motorola Auto Products Div. vp, named CB engineering, mktg. & sales dir., assuming some former responsibilities of Jon Passini, who continues as autosound products sales & mktg dir.; Ray Bratton appointed autosound chief engineer; Darrell Groves named custom products national sales mgr.; Philip Gunderson named dir. of electronic engine control products & systems.

Significant cutback in vacation plans is reported by Conference Board in June survey, but TV buying plans are relatively unchanged. Survey found only 39% of families planned vacation during next 6 months, down from 47% one year earlier. Color TV buying plans were reported by 5.6% in June, same percentage as in May, down from 6.5% in June 1978. B&W buying plans were expressed by 1.5% in June, 1.4% in May, 1.3% in June 1978.

Conference notes: Ross Perot, Electronic Data Systems chmn., will keynote ITA annual Home Video Programming seminar at N.Y. Sheraton Oct. 23-25... IHF sponsors Audio Conference Oct. 2-4, Statler Hotel, N.Y.; it precedes N.Y. Hi Fi Show Oct. 4-7, same hotel.

Japan's color output in first 5 months totaled 3.32 million, up 2.8%, while factory shipments were off 0.2% to 3.25 million, EIA-J reports. All decline was in export area, where shipments dropped 16.9% to 1.12 million, while domestic shipments rose 15.7% to 2.35 million.

Financial Reports of TV-Electronics Companies

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

Company & Period	Revenues	Net Earnings	Per Share
AEL Industries			
1979-qtr. to May 25	15,027,000	446,000	.25
1978-qtr. to May 26	14,129,000	480,000	.27 ^a
Kansas State Network			
1979-9 mo. to May 31	15,313,000	1,743,000	.96
1978-9 mo. to May 31	12,895,000	1,472,000	.85
1979-qtr. to May 31	5,484,000	663,000	.36
1978-qtr. to May 31	4,724,000	616,000	.35
MGM			
1979-9 mo. to May 31	372,505,000	46,351,000	1.52
1978-9 mo. to May 31	274,047,000	30,896,000	1.01 ^a
1979-qtr. to May 31	117,843,000	9,959,000	.33 ^a
1978-qtr. to May 31	106,920,000	13,074,000	.43 ^a
Sanyo Mfg. Co.			
1979-6 mo. to May 30	35,954,000	(1,707,000)	--
1978-6 mo. to May 30	100,153,000	1,358,000	.31
1979-qtr. to May 30	26,549,000	(820,000)	--
1978-qtr. to May 30	55,898,000	712,000	.16

Note: ^aAdjusted.

ABC'S VIDEO PLANS: Latest to announce active home video program is ABC, which established ABC Video Enterprises "to develop & market programming domestically for the emerging new video forms." In staff memo, Pres. Elton Rule last week said new operation will "draw upon existing & potential programming material not only within ABC-TV, but also ABC Radio & ABC Publishing." Head of Video Enterprises is Vp Herbert Granath, who returned to ABC in Oct. 1976 as asst. to pres. after serving as senior vp of TransWorld International, and who formerly held variety of posts at ABC & NBC, including ABC Sports program development & mktg. vp. Frederick Pierce, ABC exec. vp & ABC-TV pres., will have overall responsibility for new div.

In quickening video activity, ABC Pictures recently established Video Sales Div. under Managing Dir. Ted Salata to market ABC-produced programs for non-broadcast use overseas (Vol. 19:25 p8). CBS has set up no formal structure for video, but company official noted that it was "well-positioned" to enter field through record, publishing & retailing (Pacific Stereo) operations. For several years, team under CBS Technology Vp Harry Smith has been studying & evaluating technical aspects of non-broadcast video. NBC already is involved through parent RCA's Selectavision programming operation, preparing for videodisc, and PBS has existing framework through its Public TV Library's video program service.

In Hollywood, Britain's EMI Ltd. (Capitol Records, movies) reportedly is actively clearing titles for release of some 150 pre-recorded entertainment cassettes by early next year. N.Y. Times reports that Casablanca Records is videotaping Donna Summer's recording sessions for eventual release in video, and that Norman Lear is developing original programming concepts for home video machines.

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SUMMARY-INDEX OF WEEK'S NEWS

Broadcast

REWRITE II DEAD—AMENDMENTS NEXT: Lack of support kills HR-3333; Van Deerlin plans common carrier amendments, none in broadcasting. (P. 1)

SUMMER POTPOURRI AT FCC: Revocation hearing set for AM-FM combine, another faces renewal hearing. EEO procedures changed to give no credit for upgrading after licensee gets in trouble. Shibben to get help in Bcst. Bureau backlog. (P. 2)

WNAC-TV BOSTON RENEWAL goes to FCC oral argument July 8 with FCC staff questioning fitness of purchaser RKO parent General Tire. (P. 4)

CABLE IMPACT ANALYSIS by FCC Bcst. Bureau takes minor exceptions to Cable Bureau's report, cites room 'for both cable & broadcast.' (P. 4)

CBS EARNINGS UP 11%: Resumes new highs in profits & revenues. All groups contributed—Broadcast revenues up 14%. (P. 5)

CABLE-PHONE PACT praised by House Communications Chmn. Van Deerlin but he doesn't believe it resolves issue for rural telcos. (P. 5)

REWRITE II DEAD—AMENDMENTS NEXT: Members of House Communications Subcommittee last week shot down dream of Chmn. Van Deerlin (D-Cal.) for "basement-to-attic" revision of basic communications law. Greatly scaling-down ambitions, Van Deerlin said he will introduce new bill based on 1934 Act, incorporating changes in common carrier area, not dealing with broadcasting. Some broadcasting amendments are likely to be offered by others on Subcommittee but chances for passage of controversial amendments look slim. In corpse of rewrite, coldest portion may be spectrum fee. Van Deerlin said he's abandoned idea.

Van Deerlin blamed himself—"my own shortcomings"—for death of Rewrite II, saying he had succeeded in writing bill in which "everybody found something to dislike." Plans now are to submit new bill to closed executive session of Subcommittee July 17, hoping to enlist 8-10 members as co-sponsors. If House works into Aug., Van Deerlin hopes bill can go to full Commerce Committee by Sept., to House floor by Oct., with Senate consideration in Jan.

"My main interest is to move that portion [common carrier] of the rewrite—if I can still call it that—universally agreed to be urgent and crucial. The world can rock along very well with broadcasting under the 1934 Act," Van Deerlin told us. He added that he intends to run for reelection in 1980 and hopes to return to broadcasting issues in 97th Congress.

End of Rewrite II came after 2 days of markup at which "the faint peals of the death knell" were heard, in the words of one lobbyist. It was apparent at the sessions (2nd of which was held behind closed doors) that Van Deerlin enjoyed no support among colleagues for omnibus

Consumer Electronics

RECORD FIRST HALF in color sales to dealers capped by 2 huge weeks, bringing sales pace to 10.5-million annual rate. June color, VCR at record. First July week keeps pace. (P. 7)

FIRE SAFETY STANDARD unnecessary, staff telling CPSC. If agency accepts recommendation, industry will succeed in 10-year effort to block mandatory federal rules. (P. 8)

ABC HOME VIDEO goal is to parallel success of its TV network. Video Sales Div. to extend network to Americans abroad. Video Enterprises is corporate-level project. (P. 8)

JAPAN-CHINA ELECTRONICS industry development venture proposal from Matsushita could create mainland electronics powerhouse by mid-1980s. (P. 10)

RCA ENTERS VIDEOTEXT scene with quiet test of British viewdata system, plans in-home market trial by year's end. (P. 10)

RCA & ZENITH SLIP in top-50 electronics-firm rankings by Fairchild Publications. (P. 11)

approach.

In letter to Subcommittee members late July 13—co-signed by Reps. Broyhill (R-N.C.) & Collins (R-Tex.)—Van Deerlin said: "First, most members of the Subcommittee feel more comfortable proceeding with the 1934 Act as a vehicle for implementing change. Second, it is clear that the telecommunications carrier issues are the ones on which immediate action is imperative. This is a position shared by the Senate leadership, the Administration, the FCC, the private industries involved and labor and consumer groups."

Broadcast lobbyists were quick to disclaim credit for demise of Rewrite—many pointing out that slim possibility remains that broadcast amendments to 1934 Act will be considered. But most didn't do much to disguise pleasure at fate of bill. Said one: "I'm not going to jump on the grave but if it's dead you won't hear me complain." Another pointed out that "we're going to have to work with Van Deerlin for at least the next 18 months and maybe longer."

Friday 13th funeral for Rewrite II came after markup that got off to almost farcical start as dozens of lobbyists found themselves unable to enter crammed & steamy Capitol Hill room set aside for sessions. "They're discussing my future and I can't get in the door," said an NTIA official in the corridor. "This is ridiculous," complained Rep. Marks (R-Pa.). "I apologize," Van Deerlin replied. Rep. Russo (D-Ill.) then raised point that since 5-min. rule was in effect on House floor, markup had to be delayed. He got up, walked out—ending opening session after just one recorded vote, to deny FCC a litigating authority independent of Justice Dept.

Following day, things got hotter for Van Deerlin after just a few minutes of session that began with Rep. Wirth (D-Colo.) telling Van Deerlin he favored substituting 1934 Act as re-write vehicle. Wirth said Subcommittee ought to consider broadcasting amendments in July, common carrier amendments in Sept. Marks moved to put Subcommittee into closed session, during which Rep. Moorhead (R-Cal.) proposed more limited substitution of broadcasting portion of 1934 Act for broadcasting title of HR-3333, with decision to be made on remainder of bill at end of month.

After hour of debate, Moorhead motion failed, 6-8, those in favor: Van Deerlin, Russo, Collins, Broyhill, Moorhead and new subcommittee member Thomas Loeffler (R-Tex.). Against were: Marks, Murphy (D-N.Y.), Wirth, Markey (D-Mass.), Swift (D-Wash.), Luken (D-O.), Gore (D-Tenn.) & Mottl (D-O.). Mottl then changed his vote (apparently to save Van Deerlin further embarrassment), making it 7-7 tie, opening possibility of tie-breaking action by full Commerce Chmn. Staggers (D-W. Va.) when markup resumed.

Vote was little more than short-term facesaver for Van Deerlin. Those voting against Moorhead did so not because they sought to retain HR-3333 language for broadcasting, but because they wanted to scrap HR-3333 altogether. "They've nothing! They've not got a vote on the Subcommittee for HR-3333," said a jubilant broadcast lobbyist. Said a congressional source: "The 8 against were in favor of replacing the entire bill. Everyone is in favor of substituting the existing broadcasting law and working on amendments to that."

Interpretations & analysis of week's events were thick on the ground. Random observations, from those who pay close attention: (1) Republicans on Subcommittee are much better organized, only Marks seen as unpredictable wild card. (2) Wirth, preparing his own package of common carrier amendments, has emerged as potent force, as has Swift, who came to markup armed with proxies of Luken & Murphy. (3) Even if broadcast amendments can squeeze through Subcommittee, road ahead looks rough. Senior member of full Commerce Committee tells us that if any bill emerges from markup with broadcast deregulation: "I think Harley [Staggers] should hold full Committee hearings."

On Senate side, Communications Subcommittee Chmn. Hollings (D-S.C.) was silent on events of week. He set no markup date for his communications amendments or those offered by Subcommittee Republicans.

SUMMER POTPOURRI AT FCC: It was busy July 12 at FCC last week—and a tough one for several licensees—as agency set AM-FM combination for revocation, ordered another into renewal hearing, put 3rd on short renewal, toughened its EEO policies and rescinded approval of

acquisition of 2 TV stations by Panax TV.

This week, Commission is expected to reassign personnel to couple of Bcst. Bureau Divs. in effort to reduce backlogs in processing applications—a move licensees will applaud. New Bureau Chief Richard Shibben will ask FCC for 10-20 additional lawyers, engineers & analysts for Bcst. Facilities Div., another 5 professionals for Policy & Rules. He said it will take about 2 years to get Divs. current in processing petitions & applications, said different problem exists in Bcst. Licenses Div. and that'll be tackled later.

Commented FCC official: "Everything is coming in but not very much is going out... It's better than it was a year ago but it's still not like it should be." Added a commissioner: "We'll give Dick what he needs. He showed that he can clear things out when he cleaned up Renewals & Transfers." Shibben has just moved from that Div. to Bcst. Bureau chief, reduced Renewal & Transfer backlog from 8 months to 60-90 days (including mandatory 30 days) on clean applications.

In actions last week, FCC: (1) Ordered revocation hearing for WJLB-WMZZK(FM) Detroit on issues involving payola, conflict of interest, lack of candor, misrepresentation and lack of effective supervision.

(2) Ordered renewal hearing for WHAV-AM-FM Haverhill, Mass. on employment discrimination, misrepresentation, harrassment of female employees.

(3) Imposed short term renewal on WHAM-WHFM(FM) Rochester, N. Y. because of "deficient EEO performance." At same time, Commission announced new EEO policy, said it no longer would permit "a licensee's post-term upgrading to mitigate a seriously deficient license-term EEO record which, standing alone, would warrant imposition of a sanction." FCC said that it was upholding recommendation for WHAM-WHFM short renewals "with some reluctance," that non-renewal because of EEO violations would be "well within the bounds of its discretion."

(4) Set aside May 31 staff approval of Panax purchase of WGTU Traverse City and satellite WGTQ Sault Ste. Marie, Mich. because of Justice Dept. investigation of Panax owner John McGoff. Transaction has been consummated for \$925,000; stations now must revert back to original licensee Mich. TV Network. McGoff is under investigation for reportedly receiving \$11 million from South African govt. in aborted effort to purchase Washington Star several years ago; he has denied charge.

(5) Ordered that comments be filed by Dec. 15 in loud TV commercial inquiry (Vol. 19:26 p3), sought answers to over dozen questions, including suitable methods for measuring loudness, how to compare with surrounding programming, to what extent are commercials objectionably loud, what causes loud commercials, is modulation the key or only one of several factors, how can loudness be controlled and who should be responsible, can govt. and self regulation work together, etc.

(6) Denied NAB request for reconsideration of procedures for making fee refunds.

(7) Refused—on 4-3 vote (Quello, Lee, Washburn in minority)—to grant WOTV Grand Rapids waiver of syndicated non-duplication rules. Station carries "Merv Griffin" on delayed basis; it comes live into Grand Rapids & Muskegon cable systems through WGN-TV Chicago. Commission rules don't provide protection for live programs. FCC majority said it didn't have enough information to grant waiver, said station could file again.

Welcoming Rewrite II, FCC Comr. Fogarty told Great Lakes Conference of Public Utilities Comrs.: "While I believe our existing statute allows this de-regulatory process to proceed in a rational and deliberative manner, it is also clear to me that legislation is desirable in certain areas to clarify and sharpen the Commission's mandate for change."

Nielsen's CATV rating service will begin with Feb. viewing report due this summer. Syndicated national report will include ratings and shares for cable-originated programs, pay cable, HBO and Showtime.

CBS has formed educational and professional publishing division from previous educational, professional and international publishing divisions. Stanley Frank will be pres., remain CBS/Publishing Group exec. vp.

TvB added 93 members Jan.-June, bringing total to record 519. Of new members, 49 are stations, upping that category to 434. NBC & ABC belong to TvB, CBS doesn't.

Viacom Enterprises paid CBS \$36 million for 28 movies, not \$30 million as widely quoted elsewhere.

Renewal of WNAC-TV Boston goes to FCC oral argument July 18, after which Commission votes in closed session. All parties have submitted summaries of positions—all much as expected. RKO said case is ripe for renewal. Competitors Dudley Station & Community Bcstg.—which have merged into New England TV Corp. and have agreement with RKO to buy station for \$54 million if FCC renews license—argue that station should be renewed now. Fidelity TV and Multi-State Communications insist that full hearing on RKO character qualifications is needed. FCC Bcst. Bureau has no objection to sale "per se" but says further examination is needed to explore "serious questions" raised about qualifications of RKO parent General Tire—dealing with allegations of unfair competition, "bribes, illegal campaign contributions, misappropriation of corporate funds and related illegal and unethical conduct both at home and abroad." RKO held that it is blameless, clear for renewal, and notes that other RKO licenses would be jeopardized if alleged sins of General Tire are visited on RKO—producing "penalties which may aggregate hundreds of millions of dollars... clearly arbitrary and unjust..."

"A public communication which essentially [reports] background information rather than arguing the merits" doesn't constitute "improper attempt to influence" FCC, agency has ruled. Issue was raised by Storer Bcstg. in connection with Dec. 7 Washington Post story on proposed drop-in of Ch. 8 into Johnstown, Pa. few days before FCC oral argument (Vol. 18:52 p4). Article, cited during argument, quoted at length black principal who wants to apply for channel if shifted to Johnstown.

WETA-TV Washington will be information provider for British Post Office Prestel videotext system. WETA-TV-prepared information on educational, cultural, community & tourist events in Washington will test various formats. Aim is to provide similar services in Washington area. Prestel test is in co-operation with Washington's Fred Cohen & Assoc. consulting firm, Mills & Allen Communications, London, & CPB.

Ads on public TV aren't opposed by most viewers, Roper Report says. Report to CPB indicated 37% favored PTV commercials, 11% said opinion depends on amount & type of ads, 14% said it makes no difference. Opposed to ads were 33%. Roper said figures show "a majority would not object." Most opposed to commercials: Blacks, Northeasterners, large city residents, college educated, liberals.

Designation of Thomas Wheeler as new NCTA pres., previously reported (Vol. 19:26 p3), was announced officially. He takes over from Robert Schmidt Aug. 1; 3-year contract runs to July 31, 1982. Compensation, including salary & fringes, is \$100,000.

NAACP requested FCC to amend network affiliation rules and employment practice rules to provide that networks and multiple licensee hqs submit Annual Employment Report, make them available publicly.

Cable impact analysis by FCC Bcstg. Bureau, released last week, takes minor exception to Cable Bureau's report, says: "Our own conclusions from the evidence is that the Commission's traditional cable model has overstated cable impact because it has omitted consideration of changes in the economic environment. Over the period of time since the signal carriage rules were adopted, both potential audience and advertiser demand have increased substantially quite apart from any negative impact from cable. The effect has been to offset the impact of cable on broadcast TV. The current information clearly demonstrates that there is room in the economy for both cable and broadcast TV. Indeed, the increased competition brought about by cable may well induce broadcasters to operate in a more efficient manner and to improve their programming." Meanwhile, NAB is seeking en banc FCC hearing to present UHF argument that dangers lie in relaxing cable restrictions.

National Cable Radio Network is planned this fall by Music Preview Network. United Video will distribute N.Y. firm's continuous programming to cable systems via Satcom I. Due to MPN's proposed advertiser support, systems will be paid to carry programming, which will be free to cable subscribers. MPN Pres. Dennis Waters said: "Satellite distribution now makes it possible for the record manufacturer to get immediate nationwide play for brand new product, the same product that's toughest to get played on standard radio."

Scripps-Howard principals are included in Cablevision of Conn., partnership seeking 10 cable franchises in lower Fairfield County, Conn. They're Jack Howard, chmn. of exec. committee, E.W. Scripps Co. & Scripps-Howard Bcstg. Co., and Donald Perris, pres. of the broadcasting company. Other partners: Charles Dolan, veteran cable operator, gen. partner of Cablevision; Hubert Schlafly & Robert Button, American TransCom; Howard Hawkins, former RCA exec. vp.

Network-cable cooperation: After President Carter's televised speech 10 p.m. July 15, NBC's Tom Snyder was scheduled to question subscribers of Warner's Qube in Columbus, show tabulation of results over NBC-TV network. Also, NBC-TV "Followup" July 18, 10:45-11 p.m., will feature Qube, showing its 1977 start and today's operation.

Canadian UHF allocations changes, in Ont. & Que., have been proposed for channels under Ch. 70, as part of implementation of U.S. land-mobile allocations in 806-890 MHz. Proposals won't be final until some conflicts are resolved. Proposals for other provinces aren't available. Details: Robert Burkhardt, Bcstg. Bureau (202-632-6955).

TV dissatisfies urbanites who have interest in cable's multi-services, according to survey on CATV attitudes by Peter D. Hart Research Assoc. Most want expanded choices, more educational shows. NCTA commissioned survey, conducted by phone in 15 of U.S.'s largest cities, to learn how cable might succeed in such areas.

CBS EARNINGS UP 11%: Back to producing record figures, CBS reported 2nd-quarter earnings of \$2.37 per share, up 11% from same period last year. Net was \$65.8 million, up 11%, revenues \$913.8 million, up 22%.

First 6 months revenues also were record, up 17% to \$1.74 billion, but first-half net dropped 10% per share to \$3.01.

Revenues of all groups rose in 2nd quarter (net of each wasn't disclosed): Broadcast 14%, Records 27%, Columbia 30%, Publishing 15%.

Group W believes "that the practical aspects of licensee programming discretion is a legitimate area of Commission concern and that as a minimum the Commission should indicate to the networks that they should use best efforts to maximize the opportunities for licensees to preview programs prior to the time the decision is made to grant clearance." This is contained in undated memo in public file written by ex-FCC Network Inquiry staffer Michael Couzens. It corrects earlier memo, dated Feb. 3, which stated Group W "did not advocate any such change" (Vol. 19:28 p2). In April 13 letter to Group W attorney John Lane, Couzens said first memo went into public file by mistake.

On radio deregulation, FCC Chmn. Ferris has written NAB that Commission won't act until it offers all parties concerned opportunity for full comment. To do otherwise, he said, "would ultimately only impede the Commission's efforts to reach a decision most in keeping with the public interest." NAB has urged FCC to act immediately, without experiment or further comments. Commission meets on subject Aug. 1.

ABC-TV Pres. James Duffy questioned govt. proposals on industry regulation at annual Va. State Bcstrs. Convention, said radio deregulation makes sense but may go too far. Calling cable competition unfair, he said: "At ABC, we never had a free ride. Our network didn't turn a profit until the beginning of this decade. We know what real competition is all about. Why should cable have a free ride?"

"Viewing habits, like many other ways of life, have been affected by gasoline and energy crunch, with people forced to stay home more often and without question that means watching TV more frequently [making] TV more than ever the dominant advertising medium this summer"—Tvb Pres. Roger Rice.

Changed TV spots for Amana refrigeration will settle dispute with National Council of Better Business Bureaus. BBBs said Amana ads portrayed automatic ice dispenser as working faster than it does in refrigerators sold to public. Amana denied misrepresentation.

"Holocaust" returns to NBC Sept. 10-13. Network estimates 220 million have seen miniseries on World War II Nazi atrocities since April 1978 premiere.

NCTA board meets in Washington Sept. 17-18, with legislation principal discussion item.

Cable-phone agreement (Vol. 19:28 p5) is good move, Chmn. Van Deerlin (D-Cal.) wrote members of his Communications Subcommittee, but he added: "I discussed this proposal with representatives of both industries and told them that in my opinion, it represented a major step forward and a marked improvement over the status quo. I expressed my concern that the compromise did not, however, satisfactorily resolve the issue for small rural telcos and co-ops. It is my view that forcing these telcos to seek waivers of the rules from the FCC imposes on them a process which is time-consuming, costly, and discriminatory. I have urged all parties to the compromise to adopt an exemption or 'blanket waiver' for all REA-financed companies and co-ops and for all telephone exchanges in rural areas. Overall, we are talking about exempting only a very small portion of the industry but applying the exemption in areas which otherwise would probably not be able to receive broadband service. I have also instructed the staff to draft amendments to the pole attachment provisions of the bill which would strengthen those provisions and even improve upon the existing pole attachment law which we passed in the last Congress."

"Quite a broad look on behalf of public TV of the various new technologies that are either here or on the horizon"—that's charge Carnegie Corp. has given to remaining staffers as follow-up to Carnegie II recommendations (Vol. 19:5 p2), according to Staff Dir. Sheila Mahony. Study will cover video tapes, discs, pay TV, direct-to-home satellites, superstations, etc., will take about year, concentrate on developing "more hospitable attitude" by noncommercial stations toward new distribution methods. Mahony will head staff of 4.

NBC-TV received kudos for last week's prime-time debate on SALT II treaty, indicated similar sessions on major issues may be aired. Said moderator John Chancellor: "I think this program was for the people who live in little towns and have lousy newspapers. They have to rely on the national news magazines and TV for this kind of information. This was not for Washington sophisticates who know a lot about SALT."

FCC's annual report on TV programming during composite week in 1978 shows 24.9% of commercial 6 a.m.-midnight programs are non-entertainment or non-sports. News accounted for 9.2%, public affairs 4.2%. Sum of all locally-produced programs was 9.3%, 8.4% of that non-entertainment or non-sports.

FTC told AMF to distribute PSAs on bicycling safety, following complaint that 1976-77 ads encouraged unsafe riding habits. AMF will produce 2 or more safety messages to be distributed to 109 TV stations.

"Dialing for FCC Information" is 20-page booklet prepared by NAB Legal Dept., giving numbers to call for broad range of subjects.

FCC's Industry EEO & Minority Enterprise Div. hq: Room 650, 1919 M St. NW, Washington 20554 (202-634-1770).

Personals

CBS News Pres. **William Leonard** added as speaker at RTNDA convention, Sept. 6-8, Caesar's Palace Hotel, Las Vegas; other principal speakers include **Richard Salant**, NBC vice chmn.; CBS anchorman **Walter Cronkite** and CBS newsmen **Charles Osgood**; ex-ABC commentator **Howard K. Smith**.

Arthur Watson, NBC TV Network exec. vp-gen. mgr., promoted to pres., NBC Sports, succeeding **Chester Simmons**, resigned "to accept a new outside position"... Sen. **Wendell Ford** (D-Ky.), member of Communications Subcommittee, speaks at Aug. 9-10 Ark. Bcstrs. Assn. convention, Little Rock; other participants include Sens. **Dale Bumpers** & **David Pryor** (both D-Ark.) and **Belva Brissett**, NAB lobbyist... **Mark Harrad** promoted to public information dir., PBS.

Edwin Vane, ABC programming vp, becomes pres. of Group W Productions Aug. 13, succeeding **William Baker**, now pres. of Group W TV Group (which includes Productions)... **J. Karl Bell**, ex-WNBC-TV N.Y., moves to NBC as dir.-production administration, 1980 Olympics; **Arnold Reif** promoted to operations mgr., NBC Sports.

Stanley Landow promoted to vp-finance, Metro-media; **Robert Maresca** from treas. to controller, succeeding Landow; **John Boelte** joins Metromedia as treas... **Tom Ryan** promoted to dir. of sales, WNBC-TV N.Y... **Julianne Wilhelm** advanced to dir. of administration, Corinthian Bcstg... **Les Butler** promoted to community affairs dir., WJLA-TV Washington... **Carol Cook**, ex-WDBO-TV Orlando, appointed promotion mgr., WMAR-TV Baltimore.

Bethlyn Hand promoted to vp-west coast administration, MPAA... **Ed Donaldson** rejoins Warner Bros. TV as western sales dir... **Robert McGroarty**, ex-CBS Radio, named marketing vp, Warner Cable... **Gordon Weaver**, Paramount Pictures senior vp, and Vp-Advertising **Stephen Rose** resign Sept. 1 to form Barrich Productions.

Robert Henley, WGN Continental, named chmn. of All-Industry Radio Music License Committee, succeeding **Abiah Church**, Storer Bcstg.; **Donald Thurston**, WMNB-AM-FM N. Adams, Mass., succeeds Henley as vice chmn... **Maysie Stewart** promoted to AP broadcast exec. for Ky. & W. Va... **Barton Cummings**, Compton Adv., elected chmn. of Ad Council, succeeding **John Kelley**, Goodyear... **Marilyn Gottlieb** joins AAAA as PR dir., new post.

Kenneth MacQueen resigns as Katz TV vp to "pursue other interests in the broadcasting industry"... **James Francis**, ex-Katz TV, joins Avery-Knodel as L.A. office mgr... **William Wetzel**, attorney and a Reeves Teletape dir., joins company fulltime as exec. vp-chief operating officer.

Richard Reisberg promoted to senior vp-programming & production, Viacom Entertainment Group; **John Carlson** joins Viacom as vp-finance, succeeding **Kenneth Gorman**, now pres., Viacom Entertainment... **Stuart Chuzmir**, ex-HBO, appointed special projects dir., Cablevision Systems... **Norman Hurd**, ex-ATC & Storer Cable, joins Amer-

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ican Cablesystems as Va. regional mgr. of 13 systems... **Fred Burton** appointed vp-operations, TOCOM.

Michael Slomin, ex-FCC Common Carrier Bureau, joins Regulatory Div., Comsat, as gen. attorney... **George Wright** promoted to asst. dir., FTC Boston office.

Obituary

Gloria Coe Klein, 53, confidential asst. to former FCC Chmn. **Minow**, later a Teleprompter vp, died of leukemia July 5 at Lenox Hill Hospital, N.Y. She served as asst. to J. Leonard Reinsch during Democratic conventions of 1952, 1956 & 1964, joined FCC in March 1961, went to Teleprompter in early 1963. She was divorced from **Paul Klein** in 1978. A sister survives.

Ben Strouse, 69, retired pres. of WWDC(AM)-FM, died in Baltimore July 6. He also served as gen. mgr. of stations and vp and gen. mgr. for Avco Bcstg. Survivors are wife, son, daughter.

Opposing SMARTS satellite system proposed by RCA, N.Y. program supplier National Producers asked FCC to require TV station ownership of earth stations. SMARTS system is end-to-end service provided by RCA Americom without opportunity for station earth station ownership. National Producers said SMARTS would have "anticompetitive impact on all other domsat companies seeking to provide TV stations with access to new sources of programming."

3M TelComm Div. sets up new CNI Dept. for broadband services, advanced **Dennis Enright** to mgr. of dept.

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STATE OF THE INDUSTRY

Sales to dealers (total market), from EIA, for week ended June 29 (26th week of 1979):

	June 23-29	1978 week	% change	June 16-22	First Half 1979	First Half 1978	% change
Total TV.	490,595	434,500	+12.9	341,096	7,384,902	7,165,446	+3.1
color	291,203*	271,410	+7.3	235,130	4,628,344+	4,578,312	+1.1
monochrome . .	199,392**	163,090	+22.3	105,966	2,756,558	2,587,134	+6.5
Home VCR	9,971	—	—	6,459	180,444+	142,490	+26.6
Total radio	1,611,017	1,763,614	-8.7	943,684	20,026,114	22,403,310	-10.6
home, portable	1,365,274	1,528,229	-10.7	703,466	13,088,345	15,877,529	-17.6
AM-only	120,984	143,849	-15.9	101,696	3,002,205	3,882,266	-22.7
FM & FM-AM	1,244,290	1,384,380	-10.1	601,770	10,086,140	11,995,263	-15.9
auto	245,743	235,385	+4.4	240,218	6,937,769	6,525,781	+6.3

Color TV 5-week moving average: 1979—199,186+; 1978—183,724 (up 8.4%).

*Best week of year and record for 26th week. **Best week of year. +Record for period.

DIMENSIONS OF COLOR'S RECORD FIRST HALF: Two huge sales weeks brought down curtain on what turned out to be best first half ever in color TV unit sales to dealers. June's final week set 2nd consecutive weekly record with sales of 291,203 sets, and, in fact was 5th best week of all time.

First-half color sales thus totaled 4,628,344, up 1.1% from previous record set last year (see State of the Industry). At year's midpoint, sales have been at annual rate of 10.5 million (1978's full-year total was 10,236,319). Year-to-date color sales had lagged 1978 from April's final week through 3rd week in June, but never by so much as 1%. Monochrome sales for half were best in 6 years, capped by biggest single sales week in 18 months.

Second half started off with a roar—a record for year's 27th week in color at 161,200, up 19.8% from same 1978 week; b&w sales at 87,000 up 11.5% from year earlier, and home VCR at about 7,000, better than the average week in June or year-to-date (no 1978 comparison available). Color TV 5-week moving average, at record for the period, shot to highest level of year.

June was 3rd record month this year for color—up 8.4% from June 1978's record, only some 4,000 short of million sets. Color set fast 10.83-million annual pace, but that still was only 2nd best of year, March sales having hummed along at 11.46 million.

Home VCR sales for half totaled 180,444, up 26.6% from 1978. June's sales, at 33,500, were 6.9% above 1978 month, following deficits in April & May, which fell 21.7% & 6.2% short of same 1978 months.

Industry has been producing cautiously in anticipation of widely heralded 2nd-half recession, taking chances on shortage if good business continues rather than fall into overproduction trap. At end of half, combined color TV distributor & factory inventories were below year-earlier for first time in 9 months. At about 2,525,000 sets, this was dip of 1.1%. Factory stocks, at just over 1.4 million, were down 6.8%, while distributor inventories totaled 1,117,000, presumably indicating confidence in future—or at least in new 1980 models. During 5-week month of June, total distributor-plus-dealer inventories rose 0.4%, factory inventories dropped 7.9% and distributor inventories rose 13.2%.

VCR inventories, just under 103,000 at combined factory-distributor levels, were down 12.8% from year earlier, factory units at 68,000 down 16.4%, distributor at under 35,000 down 4.7%. Inventory shift during month seems to indicate widespread liquidation of outgoing models, being swept from factories toward dealers, presumably at attractive prices. While total inventories were up 2.9% during month, factories were holding 7.8% fewer VCRs than at end of May, but distributors had 33.6% more.

EIA's radio sales figures showed 5th consecutive month of declines from 1978. Here are EIA sales-to-dealers figures for June 1979, with 1978 & 1977 comparisons:

Product	June 1979	June 1978	% change	June 1977
Total TV	1,559,486	1,434,566	+8.7	1,290,438
color	995,931	918,622	+8.4	794,760
monochrome	563,555	515,944	+9.6	495,678
Home VCR	33,500	31,339	+6.9	—
Total radio	5,301,687	6,146,069	-13.7	6,489,299
home, portable	4,087,794	4,999,086	-18.2	5,306,591
AM-only	516,270	684,516	-24.6	1,169,982
FM & FM-AM	3,571,524	4,314,570	-17.2	4,136,609
auto.	1,213,893	1,146,983	+5.8	1,182,708

CPSC SET TO DROP TV STANDARD WORK: TV industry's 10-year effort to stave off imposition of mandatory federal product safety standard will come to successful end soon if Consumer Product Safety Commission accepts staff recommendation that fire protection standard isn't needed. Staff view is that current voluntary standards program provides adequate protection for consumers.

No-standard recommendation is based on results of tests conducted for CPSC by Factory Mutual Research & NBS, which showed most components used in TVs produced within last 3 years just won't burn. In few instances where components could be made to ignite, flames didn't spread to other parts, and fire was confined to inside of cabinet. Although enforced standard for new sets isn't needed, fire is still something of problem with older sets. Staff estimates TVs are responsible for 11,000 in-home fires, 160 deaths annually.

Acting on staff recommendation in 1977, CPSC ruled no mandatory standards were needed to eliminate potential shock, implosion or mechanical hazards from new sets (Vol. 17:43 p9), said it needed more data before deciding on fire issue action. Threat of federal safety regulation surfaced for industry in 1969 when CPSC's predecessor, National Commission on Product Safety, launched study of TV-related fires. Ball was picked up by then-new CPSC in 1973 following rash of TV safety recalls.

Following staff studies, CPSC expanded TV project beyond fire into other hazard areas, assigned job of developing standards drafts to UL, which, during development effort, had some bitter procedural conflicts with CPSC staff. Committee of UL, TV industry & consumer representatives hammered out new TV safety standards, many of which were quickly incorporated in existing UL listing requirement tests. It was TV industry's rapid acceptance of updated UL standards which eliminated need for federal rules. It's estimated CPSC spent some \$5 million on TV hazard issue, a sum about matched by industry in cooperative effort.

ABC SEEKS STATURE IN HOME VIDEO: ABC is applying same savvy & determination which made it No. 1 TV network to corporation-wide project aiming at leadership position in emerging home video media. Already announced have been corporate-level ABC Video Enterprises under Vp Herbert Granath to draw on broadcasting & publishing resources, and Video Sales Div. headed by Theodore Salata within ABC Pictures with first major project—organized overseas distribution—is already well under way.

Large demand for U.S.-produced home entertainment & information in American commercial & govt. installations overseas has been satisfied in past on small-scale basis by independent

entrepreneurs (such as Overseas News & Information Services and Overseas Tele-Video Corp., which have small contracts with CBS & NBC) as well as organized & unorganized pirates & bootleggers.

Video Sales Div.'s "Touch of Home" program is about to be kicked off in what is described as major announcement, including ad campaign in business magazines, keyed to headline: "America's No. 1 Network Announces a Major Move." ABC has rounded up 2 initial home TV packages designed for non-broadcast use—family package with 2-3/4 hours programming daily and 1-1/4 hour daily "single-status" package aimed at such installations as offshore oil rigs. Material is recorded on cassette for distribution via MATV & CATV, as well as group viewing, individual sets with VCRs, etc.

In addition to video programming, plan includes full-time "radio" programs on audio cassette, monthly "Touch of Home Guide" magazine tailored to individual large installations, containing not only listings of TV & radio shows presented on systems, but articles on restaurants, travel, shopping, legal aid, counseling, child care, exercise, decorating, education, etc. of special interest to Americans living abroad.

ABC already has cleared considerable amount of TV programming for use in cassette form—"Good Morning America," soap operas "One Life to Live" & "General Hospital," "20/20" & "Issues & Answers," "Wide World of Sports," package of children's programming. Company will also use ABC made-for-TV feature movies, will negotiate with other copyright holders for theatrical films and other programming.

In the future is material especially produced for expatriate Americans—including programs tailored for specific locations, how to cope with living in foreign countries, profiles of corporations, documentaries on "what's doing in your home town," etc. ABC's packages will allow great deal of "local option"—including question of whether to leave commercials in TV shows, presumably on basis that Alberto VO-5 also provides "touch of home." This, of course, raises question of whether ABC eventually might sell time on some of its overseas video programs. Best guess: That's being considered. Michael Lowe, ex-ABC-TV Videotape Dept., is operations mgr.

ABC could be mining rich lode in overseas operations. Boredom and lack of contact with U. S. mainstream are among top reasons Americans quit foreign posts before time is up—and some U. S. companies are so accustomed to spending money for morale to fill entertainment gap they apparently knowingly buy pirated material. It's hard to get fix on exact size of market, but State Dept. says more than 1,523,000 Americans work overseas, some 45,000 for govt.

Overseas editions of "CBS Evening News" (weekly) & "60 Minutes" are distributed for non-broadcast use by Overseas News & Information Service, which is understood to be adding some CBS documentaries. NBC's "Sportsworld" is handled by Overseas Tele-Video, which says it's now adding wide variety of shows, including major league baseball, syndicated sitcoms, cartoons, BBC & PBS shows.

Main corporate ABC thrust into video programming—ABC Video Enterprises—is still in formative stage, according to official, who said any comments now would be premature.

How to pronounce "hi fi" is subject of press release from Germany (in English), which notes that Americans and others under their influence say "high figh," British & Anglophiles say "high fee," but German Standards Institute settled it all: Correct pronunciation is "hi fi." Distributor of press release is Gesellschaft zur Forderung der Unterhaltungselektronik. (Note: Television Digest is unable to provide guide to pronunciation of distributor's name.)

Among questions being asked in FCC inquiry on loud TV commercials (see p. 3): "Could an automatic loudness control be incorporated into TV sets that would be adjustable for the receiver location and listener preference?" Comments are due Dec. 15.

TV sales forecasts by Eggert Economic Enterprises based on survey of 14 analysts from leading electronics firms & suppliers: 1979 color TV sales, consensus 9.8 million (high 10 million, low 9.5 million); 1980 color, consensus 9.5 (high 10, low 9.2). 1979 b&w, consensus 5.8 (high 6.2, low 5.5); 1980 b&w, consensus 5.7 (high 6.4, low 5.3).

Sony is spending \$10 million to double IC & LSI production capacity in Japan. Expansion could enable Sony to start offering ICs to other OEMs. Sony is believed interested in opening outside markets for proprietary special-purpose devices, such as TV tuner memories, TV cameras, CCDs and low-noise audio ICs.

JAPAN-CHINA VENTURE: Joint venture proposal that could turn China into electronics powerhouse by mid-1980's has already received tentative clearance from MITI, and been approved in concept by Peking. Developed by Matsushita founder Konosuke Matsushita in response to technology aid requests from China, plan calls for formation of consortium of major Japanese manufacturers to help modernize China's existing factories, become partners with China in new manufacturing ventures.

Japanese group would supply capital, equipment, training & know-how, and under recently announced easing of restrictions on foreign investment in China, even own controlling interest in some ventures. Plan would give China faster access to broad technology base than it could get by negotiating with individual Japanese manufacturers. Matsushita is setting up meetings to discuss proposal with other Japanese industry leaders.

Despite foreign exchange shortage, China continues ordering TVs & production equipment. Last year, it bought color tube & IC equipment from Hitachi & Toshiba. It recently contracted to buy b&w tube plant, with 1.6-million-unit annual capacity, from Matsushita, and plant with 700,000-unit capacity from NEC, both to be operational in 1981. Sony and Sanyo each has others for 200,000 b&w TVs, and Dutch Philips says it will supply both color & b&w TVs this year. It's expected order will be filled, at least in part, from Philips' Singapore operation.

Hitachi reported record consolidated sales & earnings for year to March 31 (see financial table), forecast 10% earnings increase this year. Company said total consumer product sales rose 7.1% to \$2.65 billion, to account for 21.7% of revenue, down from 21.9% in fiscal 1978. Export sales rose 5.5% to \$2.37 billion for 19.3% of total, down from 19.9%... GE sales & earnings set 2nd-quarter & first-half records, company expects to post full-year records despite anticipated 2nd-half economic slowdown. Consumer products operation contributed to earnings gain in quarter, GE said... CBS said Records Div. had 2nd consecutive quarterly earnings decline in period ending June 30, although overall corporate profits improved. Separately, CBS Records hiked list prices on all new 7" single discs to \$1.49 from \$1.26, boosted price to distributors 10¢ to 69¢, dealer cost to 77¢ from 65.5¢.

Japan's General is developing new hi-fi line for sale in U.S. under Teknika brand this fall. Move is to offset effect of decline of exports of color sets; virtually all Teknika color sold here is assembled by Wells-Gardner from chassis components supplied by General... Trio-Kenwood has established \$1 million hi-fi manufacturing operation in Singapore. New plant, which will expand into communication & test equipment in 1982, will export to Europe & Asia.

More than 7,000 video programs in health education are listed in "Videolog: Programs for the Health Sciences 1979," \$35 from Esselte Video, 600 Madison Ave., N.Y. 10022. Other catalogs in Videolog series cover general interest & entertainment (\$20) and business & industry programs (\$35).

RCA ENTERS VIDEOTEXT: RCA hopes to finalize plans for in-home testing of 2-way videotext system by end of year. Company announced this goal along with news that it held "limited marketing test" of British Post Office's Prestel viewdata system in New England in May. GTE bought North American Prestel viewdata marketing rights in June (Vol. 19:25 p11).

RCA spokesman said May test involved a few sets, wasn't "in-home" trial. Consumers & businessmen were invited to RCA facilities to work with TVs linked directly to Prestel system's English data-base computers. Spokesman stressed that viewdata test was part of ongoing RCA study of 2-way home & business information systems and that other systems were also being considered for more extensive tests. In charge of project is RCA Electronic Business Development Committee Financial Operations Dir. Andrew Gasper. Gasper has been ill, unavailable for comment.

RCA interest in home-business text systems goes back long way, latest effort being 1967-1970 on-air test of Homefax facsimile system (Vol. 7:25 p8, 7:40 p10).

"Venturecasts" is cover title for series of worldwide electronic industry market data books being prepared by Venture Development Corp., which apparently hopes to replace EIA's Marketing Services Dept. as prime supplier of statistical & marketing information to top industry executives. First out covers computer & communications markets, includes data & forecasts on VCRs, video games, personal & office computers, related semiconductor technology, fiber optics & electronic information processing. Data book on components is due in Oct., to be followed by versions on instrumentation in Jan., consumer electronics in April. VDC says it will update books annually, respond to queries from individual purchasers. Details from VDC, 1 Washington St., Wellesley, Mass. 02181.

Magnetic recording breakthrough, permitting more than tenfold increase in storage capacity of magnetic discs by using new "vertical magnetizing" system, will be described this week at conference on magnetism & magnetic materials at N.Y. Statler Hilton Hotel by Shunichi Iwasaki of Tohoku U., Japan, chmn. of Japan Institute of TV Engineer's Video Recording Committee and of Japan Society for Promotion of Science's Magnetic Recording Committee. Credited with inventing metal-particle tape, Iwasaki last fall described similar "perpendicular" recording system for magnetic tape, claimed to pave way for low-cost digital & analog recording (Vol. 18:50 p11). Japanese companies participating in Iwasaki's study include Sony & Fujitsu.

Dual know-how agreements now link Japan's Hitachi with Zanussi of Italy: (1) 5-year pact under which Hitachi will provide consultation and other services on audio equipment. (2) Mutual swap of general information on consumer electronics & appliances over next 3 years. Tie-ins are expected to lead to formal licensing pacts, could result in Hitachi buying into Zanussi or entering into Italian production venture.

ELECTRONICS LEADERS: RCA & Zenith slipped in position, North American Philips moved up, in Fairchild Publications' annual listing of nation's top 50 electronics marketers. Price of admission was up this year, requiring \$294.5 million sales for inclusion, against \$244.8 million in 1978, and for first time more than half (28) of those listed were members of \$1-billion club, up from 25 last year. Sales results cover last 4 reported quarters.

Ranking of industry's top 4 was unchanged, with IBM continuing as undisputed U.S. & world leader at \$17.1 billion, followed by Western Electric (\$6.8 billion), ITT (\$6.09 billion) & GE (\$3.04 billion). GTE continued 7th at \$2.79 billion, followed by RCA, which dropped from 5th to 8th at \$2.56 billion.

In other consumer-related rankings, Motorola placed 10th at \$2.34 billion, Texas Instruments 12th with \$2.25 billion, General Motors 14th with \$1.9 billion, Raytheon 17th at \$1.92 billion and North American Philips moved up to 19th from 21st with \$1.67 billion. While Schlumberger placed 27th at \$1.02 billion, its acquisition of Fairchild, if completed earlier would have raised total to \$1.53 billion, good for 21st. Rockwell, at \$1.26 billion, ranked 23rd, and Zenith, at \$1.003 billion, placed 28th, down from 26th.

Among others ranked, with sales in millions: National Semiconductor 32nd (\$719.7); Memorex 33rd (\$672.4); Avnet 34th (\$602.5); General Instrument 35th (\$550.6); Corning 43rd (\$400.3); Ampex 45th, up from 50th (\$380).

Dutch Philips, with sales of \$12.3 billion, led list of foreign leaders, expanded this year to 13 companies from 9 in 1978. Other Europeans ranked were Siemens of Germany, Thomson-CSF of France, Sweden's Ericsson, U.K.'s GEC, Plessey & Racal. Japanese, all repeaters, were Matsushita, Toshiba, Fujitsu & Hitachi. Also continuing on list was Canada's Northern Telecom.

Sony will demonstrate videodisc system at ITA seminar Oct. 23-25 in N.Y. Company showed 900-rpm optical system, one hour per side, at IEEE Chicago Spring Conference in June 1978 (Vol. 18:24 p13), similar in most respects except pickup technique to JVC's VHD. Sony spokesman last week declined to state whether same system would be shown, asserting that Sony "is working in all technologies." ITA will publish complete text of Time magazine videocassette survey (Vol. 19:28 p11) this week as supplement to its News Digest. For copy, write on business letterhead to ITA, 10 W. 66th St., N.Y. 10023.

Committee of 200 Club is new U.S.-Japan friendship group aiming to attract as members 100 younger Japanese leaders of small & medium-sized businesses plus equal number of U.S. congressmen & govt. officials. As proposed, group will have headquarters in Tokyo, branch in Washington, staff of about 10, conduct several conferences each year. Heading formation effort are Pioneer Exec. Vp Seiya Matsumoto and Daniel Minchew, former ITC chmn., now D.C. lawyer & lobbyist with some Japanese clients.

FIRST HALF AT-A-GLANCE: Here are EIA's official monthly consumer electronics sales figures, monthly, for first half:

TELEVISION SALES TO DEALERS

Month	Total		Color		Monochrome	
	1979	1978	1979	1978	1979	1978
January	967,716	932,933	622,111	618,963	345,605	313,970
February	1,176,201	1,102,359	711,411	702,513	464,790	399,846
March (5 weeks) ..	1,646,125	1,572,295	1,026,648	966,326	619,477	605,969
April	1,009,576	1,081,687	620,781	698,256	388,795	383,431
May	1,025,798	1,041,606	651,462	673,632	374,336	367,974
June (5 weeks) ..	1,559,486	1,434,566	995,931	918,622	563,555	515,944
TOTAL	7,384,902	7,165,446	4,828,344	4,578,312	2,756,558	2,587,134

RADIO SALES TO DEALERS

Month	Home*		FM**		Auto	
	1979	1978	1979	1978	1979	1978
January	1,745,779	1,624,253	1,139,489	1,126,588	1,209,595	937,678
February	1,867,614	2,272,816	1,301,669	1,693,239	1,104,560	984,661
March (5 weeks) ..	2,131,427	3,310,381	1,580,741	2,212,691	1,337,786	1,282,652
April	1,315,792	1,576,622	923,037	1,039,824	1,023,808	1,120,354
May	1,939,939	2,094,371	1,569,680	1,602,191	1,048,127	1,053,453
June (5 weeks) ..	4,087,794	4,999,086	3,571,524	4,314,570	5,301,687	6,148,069
TOTAL	13,088,345	15,877,528	10,086,140	11,985,263	6,837,769	6,525,781

* Includes table, clock & portable.

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

HOME VCR SALES TO DEALERS

Month	1979	1978	Month	1979	1978
January	23,330	13,567	April	21,328	27,221
February	32,881	14,954	May	26,270	27,994
March (5 weeks) ..	43,135	27,415	June (5 weeks) ..	33,500	31,339
			TOTAL	180,444	142,490

RCA-CIT TALKS OFF: Just week after acknowledging start of negotiations, RCA said it called halt to merger talks with C.I.T. Financial (Vol. 19:28 p9). No reasons were announced, but Wall St. analysts speculate C.I.T.'s asking price was just too high.

In other merger activity, Thomson-Brandt of France is negotiating to purchase additional 16% interest in German color TV producer Nordmende from Hermann Mende. T-B bought 49% of Nordmende from Mende family holdings in 1977 (Vol. 17:40 p12), now seeks control. Complete acquisition would boost T-B's annual color production capacity to million, 2nd in Europe only to Dutch Philips...Siemens of Germany has agreed to acquire assets & business of Microwave Semiconductor for about \$25 million. If deal goes through, MS would be liquidated...ITT called off proposed acquisition of Microdata, presumably because price of shares in minicomputer company rose 20% during negotiations...Altus, which acquired Automatic Radio's autosound business last year, has sold bulk of its custom business (sales through new car dealers) to U.S. marketing subsidiary of Japan's Clarion.

Alleged dumping of U.S.-made stereo consoles in Canadian market is being investigated by Canadian govt. National Revenue, Customs & Excise Dept. Complaint of less-than-fair-value sales was lodged by Morse's Canadian manufacturing & marketing subsidiary.

PR appointments: Soundesign names HWH Enterprises...CAMEO, professional audio equipment association names Richard Stevens Communications Group for PR & ads.

Consumer Electronics Personals

Charles Daigneault promoted from Sharp Consumer Electronics Div. sales & mdsg. vp to corporate exec. vp, succeeding **Mike Akamatsu**, returning to parent in Japan where he'll assume post in international operations; **Ted Inoue** moves from Japan to U.S. as asst. exec. vp; **Tak Nakano** advanced from mgr. to gen. mgr., business administration... **Alan Kress**, ex-RCA Records, moves to corporate staff as Selectavision videodisc business affairs dir., with responsibility for program acquisition contracts & negotiations... **Ronna Wallace**, ex-Warner Qube, joins Video Corp. of America's consumer videotape rental unit VidAmerica as programming dir. in charge of acquisition & development.

Herman Schloss, national sales mgr., named vp in charge of all JVC Pro Video Div. operations... **Daniel Harris** promoted at Sony from Professional Audio Products Div. mktg. specialist to Video Products Co. new-market development mgr... **Rand Araskog** promoted at ITT from exec. vp & chief operating officer to pres. & chief exec., succeeding **Lyman Hamilton**, resigned over policy differences... **Alfred Di Scipio**, onetime Magnavox Consumer Electronics pres., joins business services firm Cordura Corp. as chmn.-chief exec. of subsidiary Douglas Dunhill, Oak Forest, Ill.

Joseph Kaleba promoted at Shure Bros. to mfg. vp... **Darl Davidson** advanced at Atari to customer service mgr... **Robert Miller** resigns as Sharp audio product mktg. mgr. to join Radio Shack as mdsg. dir., new post... **Gary Thorne** promoted at N. Y. Sam Goody chain from audio & mdsg. mgr. to hard goods vp... **James Cray** advanced at GE Credit Corp. Home Products Financing Dept. to national sales mgr.

Robert Pepper, ex-Analog Devices Semiconductor Div. vp-gen. mgr., joins RCA, effective Aug. 6, as Solid State Div. vp-gen. mgr., succeeding **Bernard Vonderschmitt**, relieved at own request last May. Post had been filled on interim basis by Exec. Vp **Roy Pollack**... **Malvyn Larkin**, ex-Motorola U. K., joins Plessey as component technology & strategic planning dir... **Gary Summers**, ex-Synertek, appointed Commodore computer system engineering vp, new post, with responsibility for personal computer design & development... **John McCarthy** promoted at RCA Solid State from distributor sales mgr. to govt. & high-reliability operations dir... **Paul Heidenreich**, former Motorola Semiconductor LCD operations mgr., moves to similar post with responsibility for solar cells... **Raymond Mrofka** advanced at National Semiconductor to MPU systems mktg. dir., succeeding **William Sweet**, now Zilog mktg. dir... **John Carwile** promoted at TRW/IRC Resistors from new business development mgr. to distributor operations mgr., succeeding **Richard Glover**, resigned.

Only 27.7% of public would buy new set if FCC authorizes AM stereo, according to survey by Inside Radio. Figure is down from 40% in 1977. Of those who said they'd buy AM stereo set, 70% indicated they're willing to pay more than current receivers cost.

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
CBS			
1979-6 mo. to June 30	1,742,500,000	83,600,000	3.01
1978-6 mo. to June 30	1,495,600,000	93,100,000	3.36
1979-qtr. to June 30	913,800,000	65,800,000	2.37
1978-qtr. to June 30	751,400,000	59,300,000	2.14
Comsat			
1979-6 mo. to June 30	123,700,000	22,500,000	2.81
1978-6 mo. to June 30 ^a	99,600,000	15,500,000	1.94
1979-qtr. to June 30	63,700,000	10,600,000	1.32
1978-qtr. to June 30 ^a	50,500,000	7,700,000	.97
Filmways			
1979-qtr. to May 31	42,200,000	1,755,000 ^b	.34
1978-qtr. to May 31	35,092,000	1,313,000	.32 ^c
GE			
1979-6 mo. to June 30	10,723,900,000	685,500,000	3.02
1978-6 mo. to June 30	9,407,200,000	567,200,000	2.49
1979-qtr. to June 30	5,642,300,000	382,100,000 ^d	1.69
1978-qtr. to June 30	4,963,800,000	319,400,000	1.40
Hitachi^e			
1979-year to March 31	12,259,609,000	462,057,000	7.09 ^f
1978-year to March 31	11,318,914,000	370,709,000	5.73 ^f
Owens-Illinois			
1979-6 mo. to June 30	1,695,807,000	65,304,000	2.23
1978-6 mo. to June 30	1,510,914,000	52,065,000	1.77
1979-qtr. to June 30	879,208,000	47,316,000	1.63
1978-qtr. to June 30	814,445,000	42,930,000	1.48
Raytheon			
1979-6 mo. to July 1	1,858,279,000	94,044,000	3.01
1978-6 mo. to July 2	1,603,832,000	71,593,000	2.31
1979-qtr. to July 1	960,581,000	51,053,000	1.63
1978-qtr. to July 2	834,406,000	38,984,000	1.26
Walt Disney Productions			
1979-9 mo. to June 30	553,206,000	73,851,000	2.28
1978-9 mo. to June 30	499,384,000	60,915,000	1.88
1979-qtr. to June 30	211,849,000	30,101,000	.93
1978-qtr. to June 30	192,358,000	24,534,000	.76
Wometco Enterprises			
1979-24 wk. to June 16	135,800,000	8,909,000	1.04
1978-24 wk. to June 17	119,953,000	7,132,000	.84
1979-12 wk. to June 16	71,847,000	5,511,000	.64
1978-12 wk. to June 17	63,849,000	4,357,000	.51

Notes: ^aRestated. ^bIncludes special credit. ^cAdjusted. ^dRecord. ^e210 yen=\$1. ^fPer ADR.

NAB comments to FCC on TV receiver improvement (Vol. 18:52 p10) represented departure from traditional NAB requests for better receivers. Comments noted that although "NAB stands firm in its view that UHF-VHF receiver comparability is a worthy goal," value of raising UHF receiver standards is questionable since elimination of UHF taboos wouldn't end station allocation problems. NAB also opposed letting manufacturers sell sets without Ch. 70-83, FCC rules on input & output jacks on TVs and mandatory transmission of VIR signal. Meanwhile, EIA counsel J. Edward Day attacked Rewrite II before House Communications Subcommittee, urging that no law be passed giving regulators power to set TV receiver standards. Calling TV manufacturing "distressed industry," Day said TV provides better performance at lower cost than other products.

AVX will own 92% of Japanese ceramic capacitor manufacturing venture, with Toko & Sumitomo Metal as minority partners.

WEEKLY

Television Digest

with
consumer
electronics



The authoritative service for broadcasting, consumer electronics & allied fields

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SUMMARY-INDEX OF WEEK'S NEWS

Broadcast

SATELLITE CAPACITY DOUBLES: FCC lifts AT&T Comstar moratorium, approves Westar III launch. Western Union aims for broadcast market. (P. 1)

AMENDMENTS PUSH UNDERWAY: NAB, NRBA move quickly for TV and radio de-regulation in wake of Rewrite II's sinking. Van Deerlin not hopeful for broadcasting changes. Senate Republicans take hard line with Democrats over changes in cost-of-regulation fees. (P. 2)

PROBLEMS FOR BIG GROUPS surface at FCC and in Cal. court. Commission seeks more information before it can rule that RKO is qualified as licensee. Wilcher files antitrust suit against GE-Cox. Combined-Gannett pass 2nd FCC look. (P. 3)

RADIO DE-REG DELAYED: FCC now will meet Sept. 6 on staff proposal to abolish ascertainment and regulation of commercial & program practices. Inquiry due on program-length commercials. (P. 4)

CPB REORGANIZATION DELAYED: New CPB board members balk at allowing previously approved reorganization, vote to reconsider action in Aug. Facilities Program funding expected to be restored. (P. 5)

PHONE-CABLE AGREEMENT moves toward completion as CATV groups approve changes. Rural phone coalition seeks to put across its goals. (P. 5)

SATELLITE CAPACITY DOUBLES: FCC has approved doubling domestic satellite capacity for private line uses, including TV distribution. Up to 60 transponders on AT&T's Comstar system are now potentially available for video services under ruling allowing 3-year moratorium on private line use of Comstar to expire July 23. Added 12 transponders will be available on Western Union's 3rd Westar satellite, approved by FCC for Aug. 9 launch. Western Union said it will emphasize broadcaster use of its new satellite.

Commission observers said the pair of decisions make it virtually certain RCA Americom will receive approval for Dec. launch of 3rd Satcom bird. By end of year, total domestic satellite capacity will reach 180 transponders—compared to 72 during first 7 months.

James Ragan, WU vp for broadcast services, said message business on Westar system will be compressed "to make more room for video. The new emphasis is broadcasting." AT&T didn't disclose plans for Comstar beyond "we fully intend to use our satellites, in conjunction with other facilities, to provide a wide range of communications services." To this, Ragan said: "All of my business plans have recognized the fact that AT&T is in the video business."

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Consumer Electronics

1979-MODEL COLOR sales total record 10,286,351, monochrome sales rise 7.2% to 6.2 million. (P. 7)

STEREO SALES in 4-month tailspin as imports decline and retailers keep inventories tight. Pioneer urging dealers to renew sales effort. (P. 8)

CARTER PROPOSES reorganization of Commerce Dept. to upgrade trade area. (P. 8)

ZENITH BUYING HEATH from Schlumberger, seen seeking computer involvement. Rockwell in agreement to sell Canadian Admiral. (P. 9)

TV SETS CLEARED on safety issue as CPSC votes to drop mandatory fire standard, end close surveillance of industry. (P. 9)

RCA COLOR TV sales up 16% in 2nd quarter, but operating earnings dip. Zenith profits drop 53.6%. GTE Consumer Electronics sinks into red as Wells-Gardner pulls out. (P. 10)

ITA HOME VIDEO PROGRAMMING seminar set for Oct. 23-25 in N. Y. Talks to be highlighted by Electronic Data Systems Pres. Ross Perot. (P. 11)

HEWLETT-PACKARD introduces \$295 'super-calculator,' to be followed by personal computer. Radio Shack's TRS-80 price cut. (P. 11)

While increase in domsat capacity means there will be empty transponders for a time, very fact of transponder availability "bodes well for satellite earth station manufacturers," said Scientific-Atlanta Chmn. Sidney Topol. He said 40 non-PBS TV stations now have earth stations installed or on order. Next big market, said Topol: America's 37,400 hotels & motels. Following Holiday Inn decision to add Home Box Office via owned earth stations (Vol. 19:27 p5), many other hotels & motels will rush to add them too. "It's like swimming pools. Once one hotel gets it, all the others have to get it," Topol said.

Termination of Comstar moratorium was conditioned by FCC on requirement that appropriate applications will be required if AT&T offers "satellite only" services. Condition doesn't appear to prevent AT&T from integrating satellites more fully with terrestrial video network. AT&T acknowledges that using satellites to take major network feeds over Rockies could result in substantial cost savings.

NBC's Richard Sonnenfeldt, in charge of implementing use of satellites for network video feeds, said AT&T, Western Union & RCA Americom have all engaged in informal talks preparatory to network issuance of formal request for proposals this fall. Sonnenfeldt said "hub of any system" would be earth station ownership. Options include carrier, broadcaster, network or "4th entity" ownership. "There are a portfolio of possibilities," including network ownership of several transportable uplinks for sports, conventions, special events, he added.

Analysis & comment from Andrew Inglis, RCA Americom pres.: (1) Market is healthy; growth will more than account for added capacity. (2) AT&T may not throw bulk of its transponders into video. (3) WU has "dangerous period" ahead because Westars I & II are nearing end of design life, Advanced Westar can't be launched (by Space Shuttle) until 1982, thus WU may have only one operational satellite by 1981. (4) Big growth is still 2-3 years ahead for broadcaster use.

[Note: For more detail on domestic satellite activities & related topics, see forthcoming Satellite Week, new weekly newsletter published by Television Digest.]

AMENDMENTS PUSH UNDERWAY: With Rewrite II removed as focal point (Vol. 19:29 p1), broadcasters have mounted major push to get House Communications Subcommittee to include de-regulation language in any bill that may still be reported. On Senate side, Republicans are pressuring Sen. Hollings (D-S.C.) to de-regulate radio, restrict spectrum fee to cost-of-regulation formula proposed in minority version of communications law amendments.

Chances for broadcast de-regulation from House aren't good. Said Chmn. Van Deerlin (D-Cal.): "I don't like their chances... Anybody who can bring me some broadcast amendments better bring 10 or 12 members of the Subcommittee too." He said he expects common-carrier legislation to be put in hopper before Aug. recess with mark-up after Labor Day.

Neither NAB nor NRBA waited for Rewrite II's corpse to cool before saying what they want now. NRBA announced plans to press for radio de-regulation bill to lift "the onerous and counterproductive regulatory burdens now borne by the industry." NAB sent Mailgrams to key NAB members asking that they press their congressmen for longer license terms, license stability, program exclusivity, prohibition of govt. intrusion into programming.

NAB staff, meanwhile, worked up some specifics in these areas—all highly tentative—presented them to Van Deerlin and Minority Counsel Bernard Wunder.

Details: (1) Five-year licenses for TV stations. (2) Ten-year licenses for radio and all non-broadcast stations. (3) Radio should be considerably de-regulated. (4) Renewals should be based on merit of program service and absence of serious violations of Communications Act. Merits of competing applications may not be considered when renewals are taken up. Short-term renewals would be allowed. (5) Sec. 315 would apply only to TV, wouldn't apply to President and Vice President. (6) If radio station sells time to candidate, others must be able to buy time. (7) Retransmission consent.

Although it hasn't moved as fast as NAB or NRBA, MPAA has worked up amendment language for program consent, discussed it with some Subcommittee members.

Van Deerlin's common-carrier legislation will use agreement between cable and telephone companies (see p. 5) as basis for legislation on cable and rural telephone companies. "It's a pretty responsible agreement," Van Deerlin said.

On Senate side, Democratic Sens. Hollings (S.C.) & Cannon (Nev.) and Republican Sens. Goldwater (Ariz.) & Packwood (Ore.) discussed merger of Goldwater & Hollings bills. There apparently was no great meshing of ideas because Goldwater—joined by Republicans Schmitt (N.M.), Pressler (S.D.) and Warner (Va.)—wrote Hollings July 20 that they won't back off on license fees or radio de-regulation. Letter said minority staff has been directed to work out differences and mark-up should come in fall.

After death of Rewrite II, praise for Van Deerlin and his efforts followed. From NAB Pres. Vincent Wasilewski: "Through his leadership considerable momentum has been generated. This should be applauded by all concerned. This latest action, however, acknowledges that much of the original '34 law remains valid." FCC Chmn. Charles Ferris, testifying before Senate Subcommittee on Administrative Practice, commended "healthy" House review. "We have been spurred to rethink and defend our goals and our means of achieving them, and to eliminate unnecessary regulations," he said. From FCC Comr. Quello: "Your proposals were visionary, courageous and, perhaps, 5-10 years ahead of their time."

PROBLEMS FOR BIG GROUPS: New & major problems have been raised by FCC in RKO General's long fight to maintain its qualifications as a broadcast licensee. Gannett-Combined merger was cleared for 2nd time by FCC. GE-Cox merger faces antitrust suit in Cal. court. And PTL says it wants public inquiry by FCC (see p. 5). These were problems of some broadcast group owners last week.

Most important of these by far is RKO-WNAC-TV Boston case, but not to extent of July 19 Wall St. Journal headline which said "FCC Calls RKO Unit Unfit to Operate Station in Boston." What FCC did say was that it couldn't find RKO qualified on basis of existing record, has given RKO 30 days to defend itself; other parties in Boston renewal and competing applications for RKO stations in N.Y. & L.A. were asked to reply 20 days later.

After day-long oral argument July 18, FCC voted 4-2 (Lee, Quello for; Washburn abstained) that it couldn't rule on RKO's qualifications and subsequent sale of Ch. 5 WNAC-TV to New England TV Corp. (combine of 2 competing applications) because record was incomplete. After more than 2 hours of discussions next day, commissioners decided to give RKO chance to "bolster its position," as one put it, on several issues, including:

(1) Special report—not now part of FCC record—filed by RKO parent General Tire & Rubber with D.C. Dist. Court in connection with illegal payments paid in overseas activities of General Tire. (2) Since Thomas O'Neill is chmn. of both General Tire and RKO, what influence he played in activities of parent and its subsidiary, along with "nature and relationship" between General Tire & RKO. (3) "Mitigating factors" on behalf of RKO. (4) "Any other evidence" that any parties want to introduce.

Not mentioned by FCC in announcing course of RKO case—but discussed during July 19 closed meeting—was possibility of allowing "distress" sales by RKO of its broadcast properties (4 TVs. dozen radios). WNAC-TV sale for \$54 million is considered "distress" sale by many outside Commission—meaning NBC affiliate is worth much more than that on open market.

In Alameda County, Cal. (Oakland), Marcus Garvey Wilcher and Community Coalition for Media Change, headed by Garvey, filed antitrust suit against Cox-GE merger based on Cox's ownership of KTVU Oakland. Garvey is black, and suit was filed over opposition of other blacks and public interest groups since merger has resulted in spin-off sales of several stations to minority groups. Suit claims that Cox & GE entered into "a conspiracy...to limit competition in the marketplace of information and idea dissemination." Garvey also charged that if merger goes through, blacks in Bay area will be "denied adequate access" to TV programming and employment. Meanwhile, Cox stockholders approved merger July 18.

In another case, the FCC took a brief 2nd look at its approval of the Gannett-Combined Communications \$370-million merger (Vol. 19:24 p4), quickly reaffirmed its action. Issue involved

SEC fraud complaint against American Financial Corp. of Cincinnati—Combined's largest stockholder and 7-1/2% owner of merged company. American Financial Chmn. Carl Lindner, in what was described as an unusual negotiated settlement with SEC, agreed to repay company \$1.4 million to settle complaint. American Financial owned Cincinnati Enquirer until its sale in 1975 to Combined, and Lindner was listed as publisher of the Enquirer until mid-June and was a Combined dir.

RADIO DE-REG DELAYED—AGAIN: There will be no meeting of FCC on radio de-regulation Aug. 1 as announced—mostly at request of Comr. Lee, who will be on vacation in Europe. However, most other commissioners went along with Lee on grounds they wouldn't have time to study long staff document submitted last week. Chmn. Ferris objected to postponement in memo to other commissioners, pointing out that he had committed Commission to taking subject up before Aug. recess (Vol. 19:29 p5).

Agency now will take subject up at Sept. 6 special meeting, has staff recommendation that inquiry & rulemaking be proposed to abolish all ascertainment requirements, as well as regulation of commercial & program practices. Staff also proposes separate inquiry & rulemaking on program length commercials. If commissioners reject these proposals, staff proposes several alternatives.

Expanded funding of ionizing radiation research—by factor of 2-3—is urged by NTIA in govt.'s 5th report on electromagnetic pollution. Thick volume compiles research of agencies spanning CIA & Veterans Administration. It reached no broad conclusions other than: "In general, these surveys show that RF/MW levels in most environments are typically very low. However, higher levels have been found to occur in some occupational and other special situations." Augmented federal effort is needed because "current requirements and the level of public concern clearly warrant a more rapid rate of progress in resolving remaining unknowns and uncertainties," NTIA said. Copies (\$10.75): National Technical Information Service, 5285 Port Royal Rd., Springfield, Va. 22161.

"I don't need any more staff...I have enough problems with what I've got." That's reaction of FCC Comr. Lee to request in proposed fiscal 1981 budget for 3rd professional on each commissioner's staff (they now have 2, chmn. would have 5). Commission will ask OMB for \$81.06 million for year starting Oct. 1, 1980—up from \$71 million currently being sought for fiscal 1980. House has passed that figure; Senate Appropriations Subcommittee last week approved \$72.8 million and full Senate is expected to act this week.

"Action-packed agenda" is promised for NAB-sponsored "Broadcast Leadership Conference" Oct. 25-26 at Embassy Row Hotel in Washington. NAB will pay expenses for state assn. exec. dirs. and govt. liaison captains (about 100 in all). Theme: "How can broadcasters be better motivated to become a really effective political force in Washington?"

Wometco expects STV operations in N.Y. & N.J. "to become profitable before year end," though it wasn't in 2nd quarter. Its cable profits were "up substantially" from year ago.

Federal Election Commission rule that went into effect quietly July 5 has broadcasters in quandary: It would limit sponsorship of debates in presidential, Senate or House elections only to tax-exempt, non-profit organizations—thus foreclosing stations from putting on their own debates. NAB & networks are seeking clarification from FEC, hoping that exclusion of broadcasters wasn't intended. If FEC doesn't change impact, NAB et al. will seek reconsideration. Broadcasters also are questioning FEC rule for primaries which precludes debates among candidates for one party's nomination if other major party has only one candidate. For example, station couldn't sponsor debate among 3 Democrats seeking a nomination if Republicans have only one candidate.

NBC-QUBE survey after Carter speech (Vol. 19:29 p4), which NBC labeled "non-scientific... man in the street," produced responses from 8,135 subscribers (out of 30,000 on Qube). NBC devised questions. Results: (1) 61% felt more optimistic after Carter speech, 18% less, 20% confused. (2) 43% had more confidence in Carter, 33% less, 24% not sure. (3) 39% thought Carter energy plans tough enough, 40% didn't, 21% not sure. (4) 72% said Carter convinced them they'd have to make sacrifices because of energy shortage, 23% said he didn't, 5% not sure. (5) 59% thought country would now pull together to solve problems, 22% didn't, 19% not sure.

Activity at FCC will be sparse this week as Chmn. Ferris and Comrs. Fogarty & Lee, plus several staffers, journey to Alaska for meetings of Federal-State Joint Boards (on public utilities, chaired by Ferris). Gen. Counsel Robert Bruce and Common Carrier Bureau Chief Philip Verveer will be in Montreal all week for international meeting. Comr. Jones makes her first speech as FCC member in Cal., Comr. Quello speaks to Rocky Mountain Bcstrs. in Nev. and Comr. Washburn will be at beach latter part of week; Comr. Brown plans to be in his office. FCC's last full scale meeting before annual hiatus is Aug. 1.

Help wanted: Any station willing to file suit against FCC for requiring licensees to sign waiver before filing for fee refund (Vol. 19:29 p3), please step forward—NAB wants to help you. "Outrageous... incredible," NAB attorney Barry Umansky said of FCC requirement, calling it "a clear violation of the [D.C. Appeals] Court's order... It's unconscionable for the FCC, a wrongdoer which illegally collected broadcast fees... to even attempt to require broadcasters to give up rights granted them by the courts."

Robert Choate, pres. and mainstay of Council on Children, Media & Merchandising, has told Kansas City Star he's closing down operation, will become Harvard prof. He said problems getting money from FTC for public participation prompted decision.

CPB REORGANIZATION DELAYED: Grand design of CPB Pres. Robben Fleming for quick reorganization of CPB into separate management and programming wings (Vol. 19:13 p6) was side-tracked last week by half-dozen new board members confirmed only few days earlier.

New members sought and won re-examination of plan during meeting before next month's meeting in Washington, and new vote on plan will be taken. "They want to look at everything across the board," staffer told us. "Whether or not they'll make any changes remains to be seen. What I heard was that they want to understand the logic behind it."

Board met in Boston, voted unanimously to re-examine Fleming plan. Fleming immediately following vote was said to be dejected, but he bucked up somewhat after meeting with some of the newcomers, who gave reassurances. However, he told staffers in Washington meeting that he was disappointed.

Fleming proposed reorganization in March, hoped for quick approval while still in a honeymoon period to put machinery in motion to okay funding for spring programming. Big question now is whether last week's action may mean more than one month delay, any changes or even abandonment of plan.

Senate late July 13 confirmed 7 board members: Lawyers Geoffrey Cowan, Jose Rivera, Howard White & Paul Friedlander, Prof. Michael Kelley, SAG Pres. Kathleen Nolan, and incumbent Michael Gammino.

Meanwhile, House & Senate are preparing to go to conference over funding for NTIA's Public Telecommunications Facilities Program. House has voted out bill providing \$12 million for program, \$11.7 less than Administration wants. Senate is expected to approve bill calling for Administration figure of \$23.7 million, leaving matter to be decided in conference. Public broadcasting sources say they believe Senate figure will prevail.

PTL TV Network wants public inquiry—instead of closed investigation planned by FCC—into charges group has misappropriated funds collected from public. PTL announced intention "to open itself to microscopical inspection by the government and the public..." PTL's concern from the beginning of the inquiry has been that the FCC would call it to account for its stewardship even if it can find no substance to a charge of violation of any law or regulation. With God's help that will not occur."

Shamrock Bcstg. (headed by Roy Disney family) plans expansion program in broadcast and non-broadcast areas, according to Pres.-Chief Exec. Bruce Johnson. Announcement was made after consummation of take-over of Starr Bcstg. (2 TVs, 7 radios) in \$25.2 million stock deal. Shamrock also moved hq from Conn. to 6446 Sunset Blvd., L.A. 90028.

FCC policies in several areas—including distress sales and EEO at small stations—"which trouble me, but not necessarily that I'm against them" will be subject of Comr. Jones' first speech July 23 before Cal. Bcstrs. Assn. in Monterey.

WYEA-TV Columbus, Ga. names Katz TV rep, switching from Adam Young.

Phone-cable agreement (Vol. 19:29 p5) moved substantial step toward completion as cable groups went along with changes providing: (1) Telcos with areas having density of fewer than 30 homes per mile would get blanket waiver of cross-ownership rules. (2) REA borrowers would get same waiver. (3) All cable systems in operation July 1, 1980 would be grandfathered. (4) Cable systems would have access to REA funds. All major phone companies, OPASTCO (small telcos), NCTA & CATA have agreed to terms. National REA Telephone Assn. and National Telephone Cooperative Assn. haven't. Next meeting of telcos' Policy Council is July 23. Meanwhile, Rural Telephone Coalition (OPASTCO, NREATA & NTCA) launched campaign to put across their goals: Allow phone-cable cross-ownership—without setting up separate subsidiaries—in areas where phone company has 50,000 or fewer homes, or where density of phone homes is less than 30 per mile, or where company receives REA financing, or in exchange areas in which no town has more than 10,000 population.

In memo to staff, FTC Chmn. Pertschuk reviewed his first 2 years: "In the abstract, government intervention is as popular as the Bubonic Plague. Yet, public opinion polls consistently show that the people more than ever want the kind of help we provide... Certainly, there are congressmen, senators and editorial writers who think that the FTC is a meddlesome pain-in-the-neck... But you should know that there are many members of Congress and the public who deeply believe that this agency symbolizes integrity and commitment to the public interest."

FTC has cited second celebrity in year—former astronaut Gordon Cooper—for taking part in allegedly deceptive TV ad. Following in footsteps of Pat Boone, Cooper signed consent agreement with FTC. Cooper endorsed GR valve product said to increase mileage, portrayed himself as "expert," didn't note his financial involvement in company and misrepresented test data, FTC said.

Taft Bcstg. purchase of WDCA-TV Washington contract expires Aug. 17, and transaction is on agenda at FCC meeting Aug. 1 with staff recommending approval in what is said to be "close case." Major problem is Commission rule prohibiting more than 3 TV stations in top 50 markets; FCC won't meet again until after contract terminates.

Mariner Communications (Joseph Scallon, pres.) is buying WLW(AM)-WLWS(FM) Cincinnati for \$17 million from Queen City Communications. Queen City purchased WLW 3 years ago for \$8.5 million from Avco, WLWS year later for \$650,000, will have to get FCC waiver of 3-year rule to sell latter. Mariner owns radios in Boston & Kansas City.

Public filings at FCC sometimes get lost for days—or weeks—and aren't readily accessible on timely basis. Some never surface. With this in mind, Television Digest and our readers would appreciate it if copies of major pleadings were sent directly to us at 1836 Jefferson Pl. NW, Washington, D.C. 20036.

Personals

FCC Comr. **Tyrone Brown** confirmed by Senate for 7-year term ending June 30, 1986.

Thomas Kenney promoted to vp-gen. mgr., KHOU-TV Houston; **William Stough** to similar post at WISH-TV Indianapolis; parent Corinthian Bcstg. names **Gene Davis**, ex-WMAQ-TV Chicago, vp-advertising & PR... **James McGillen**, ex-Blair TV Chicago, appointed gen. sales mgr. of Blair's KSBW-TV Salinas-Monterey.

Peter Adamiak promoted to mgr., ABC TV stations audio/video systems, new post... **James Topping**, ex-WFSB-TV Hartford, appointed news dir., WABC-TV N.Y., succeeding **Ron Tindiglia**, resigned; **Richard Ahles** succeeds **Topping** as WFSB-TV news dir... **William Hillman**, KPIX San Francisco, elected AFTRA pres.; N.Y. actor **Jackson Beck** named first vp.

Gary Jacobson promoted to vp, Nielsen Media Research Group; **Maureen Gorman** joins Nielsen Station Index as client/service exec... **Alfred Masini**, TeleRep, elected SRA pres., succeeding **Adam Young**, Adam Young Inc... **J. Barry Weed**, ex-PGW, and **Gerard Riley**, ex-Tatham-Laird Kudner, join TvB Chicago office as marketing sales execs... **F. Owen McKeaney** promoted to mgr.-Blair TV Chicago CBS sales team.

Jack Schneider, ex-CBS Bcst. Group pres., joins Warner Communications as "fulltime exclusive consultant... working in all phases of the company's entertainment and communications activities"... **Frank Beatty**, ex-UPI vp-broadcast services, appointed sales exec. for Turner's Cable News Network; also joining CNN are **Doug David**, ex-Cox Cable, as marketing dir., and **Ben Benefield**, ex-Reuters, as sales exec... **P.G. Walters** promoted to southeastern sales mgr., RCA Cablevision Systems, Atlanta hq.

Robert Sarnoff, ex-RCA chmn., elected chmn., Planning Research Corp., Washington... **Chester Simmons**, ex-NBC Sports pres., named pres., satellite-distributed Entertainment & Sports Programming Network, Plainville, Conn... **George Otwell** promoted to AP broadcast exec. for eastern U.S., Atlanta hq; **William Cook** succeeds **Otwell** as broadcast exec. for central states, Kansas City hq; **Dennis McBroom** named broadcast exec. for Ill. & Ind., Chicago hq.

Thomas O'Brien, ex-ABC Radio, joins Mutual as vp-news & special programs, new post... **Max Paglin**, who has headed several FCC divs. before retirement and recently conducted study on comparative proceedings, becomes Commission consultant on adjudicatory opinion writing... **Robert Blau**, ex-FCC Common Carrier Bureau, joins Comsat as mgr.-economic analysis & plans... **Raymond Spence**, ex-FCC chief engineer, appointed gen. mgr., Waterway Communications System, Arlington, Va... **John Mathias**, ex-CAB, joins FTC as law judge... Joining NARUC Communications Committee are **Ralph Gelder** of Me. and **Mary Oaken** of Ky.

ABC TV adds 3 primary affiliates, all due for fall air starts: **WVGA** Valdosta, Ga.; **WMDT** Salisbury, Md.; **KJCT** Grand Junction, Colo.

Ronald Reagan isn't a presidential candidate, FCC concluded, rejecting NCCB petition asking that announced GOP candidates be entitled to time to respond to Reagan's radio commentary, which is said to give him \$500,000 a year. Said NCCB's **Nicholas Johnson**: "It's going to come as a great shock to most Americans to be told by the FCC that Ronald Reagan has not these many months been a candidate. I suspect that Mr. Reagan will be one of those most shocked." Reagan hasn't announced candidacy officially. FCC also declined to start rulemaking, requested by NBBC, to designate a person a candidate if he makes "a substantial showing of candidacy." FCC also, on petition of NBC, amended rules to exempt from personal attack rule all uses of licensee's facilities by a candidate and by eliminating all applicability of fairness doctrine to Sec. 315 uses.

NBC profit decline was cited as a major factor in 2nd-quarter drop of RCA's earnings from operations (see p. 10). Network's revenues continued to rise with strong advertiser demands, company said, but earnings fell because of lower ratings and heavy program costs. Report said more than 90% of available time in 1980 Summer Olympics coverage has been committed. Company also stated that Americom improved sales & earnings in 2nd quarter and Broadcast Systems made "the major contribution" to record sales & earnings of RCA Commercial Systems.

Comparative advertising policy statement issued by FTC states: (1) "The use of truthful comparative advertising should not be restrained by broadcasters or self-regulation entities." (2) Language in industry codes such as "disparagement," "unfairly attacking," "demeaning" or similar language "may operate as a restriction on comparative advertising." (3) "Industry codes and interpretations that impose a higher standard of substantiation for comparative claims than for unilateral claims are inappropriate and should be revised."

Storer reported record earnings (see financial table) and stated that CATV Div. made "most significant progress," up 44% in quarter, 51% in half, but broadcasting still produced most dollars—up 23% in quarter, 22% in half.

With ATC added, Time Inc. reports video subsidiary revenues of \$139.7 million in first 6 months, vs. \$50.8 million preceding year; income before taxes for video was \$24.7 million vs. \$8 million.

NAB & MPAA have joined Metromedia in seeking review of staff action granting ASN Inc. permission to distribute signal of KTTV L.A. to cable via satellite (Vol. 19:28 p5).

Obituary

Philip F. Siling, 81, retired dir. of RCA Frequency Bureau, died of cancer in Arlington, Va. home July 17. He joined FCC in 1935, becoming chief engineer in charge of Bcst. Div., moved to RCA in 1944, retired in 1963. He was delegate to many international telecommunications conferences, was chmn. of Joint Technical Advisory Committee. Survivors include wife, daughter.

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STATE OF THE INDUSTRY

Sales to dealers (total market), from EIA, for week ended July 6 (27th week of 1979):

	June 30- July 6	1978 week	% change	June 23-29	1979 to date	1978 to date	% change
Total TV.....	248,191	212,894	+16.6	490,595	7,633,093	7,378,340	+3.5
color.....	161,156*	134,396	+19.9	291,203	4,789,500*	4,712,708	+1.6
monochrome..	87,035	78,498	+10.9	199,392	2,843,593	2,665,632	+6.7
Home VCR.....	6,552	—	—	9,971	186,996*	—	—
Total radio....	614,201	710,887	-13.6	1,611,017	20,640,315	23,114,197	-10.7
home, portable	397,365	517,241	-23.2	1,365,274	13,485,710	16,394,770	-17.7
AM-only....	89,280	118,640	-24.8	120,984	3,091,485	4,000,906	-22.7
FM & FM-AM	308,085	398,601	-22.7	1,244,290	10,394,225	12,393,864	-16.1
auto.....	216,836	193,646	+12.0	245,743	7,154,605	6,719,427	+6.5

Color TV 5-week moving average: 1979-205,895**; 1978-188,351 (up 9.3%)

*Record for period. **Highest of year and record for period.

1979-MODEL COLOR SALES SET RECORD: Sales of 1979 color TV models climbed nearly 5% from 1978 record to establish new high. While b&w sales were up more than 7%, total TV sales at 16.5 million were just below 16.6 million record set in 1974 model-year.

The 1979 model-year represented first one in which more than 10 million color sets were sold. Model-year, which we reckon to extend July 31-June 30, had sales slightly better than 1978 calendar year, which saw total TV sales of 16,300,723 sets, 10,236,319 color, 6,064,404 b&w. Home VCR sales for 1979 model year exceeded those for calendar 1979 by 9.5%. Home radio sales showed sharp declines, some of which might reflect statistical adjustment in EIA figures, on which these are based. Here are 1979-1978-1977 model-year comparisons:

MODEL-YEAR SALES TO DEALERS

Product	1979 models	1978 models	% change	1977 models
Total TV.....	16,521,179	15,634,264	+5.7	13,761,837
color.....	10,286,351	9,816,841	+4.8	8,374,830
monochrome...	6,233,828	5,817,423	+7.2	5,387,007
Home VCR.....	439,434	—	—	—
Total radio.....	42,769,049	55,532,878	-23.0	45,833,246
home, portable.	29,688,571	42,512,713	-30.2	33,126,457
AM-only.....	7,052,973	11,154,715	-36.8	10,728,628
FM & FM-AM.	22,635,598	31,357,998	-27.8	22,397,829
auto.....	13,080,478	13,020,165	+0.4	12,706,789

Note: Color TV sales to dealers suffered letdown in week ended July 13 after 3 consecutive record weeks, dipping 9% from last year's same week to 145,900 units. Other products also declined, b&w down 7% and home VCR sales at about 4,200, 2nd lowest figure since EIA started reporting weekly sales last Oct.

STEREO'S DOWNWARD SALES SPIRAL: Recession has arrived early for stereo, a business in pronounced slump last several months. Japanese stereo exports to U.S. for first 5 months were all below 1978 figures, with 28.8% decrease in March. Television Digest's Early Warning Report provides perspective on U.S. stereo retailers' predicament: June was 4th consecutive month where our retailer-panelists reported decline in stereo sales in both units & dollars, first such string since 1975.

Retailers naturally have been most vocal about slump, but manufacturers are starting to take notice. Unsettling possibility is that audio slowdown may not be just sign of economic times but first hint of stereo sales saturation or plateau. To dispel such doubts, Pioneer's Bernie Mitchell will send letter to dealers Aug. 1 contrasting slumping audio market with still slightly-growing national economy, indicating further stereo potential, and exhorting them to rekindle stereo "hot-product" feeling.

Manufacturers we talked with all had identical response to 1979 sales to date: "It hasn't met our expectations." But vigorous decline isn't foreseen; most predicted "flat" year for total audio market—meaning that sales will perk up during Christmas season. But disappointing Christmas sales last year may be partial cause for 1979's difficulties. JVC's George Meyer said: "For many dealers, Christmas never came last year. That meant they had plenty of inventory left over, which they cleared out at discounts, and then ordered light to keep their inventories low." EWR supports this, registering no growth in Dec. 1978 stereo sales, brief spurt of 1% & 5% increases in Jan. & Feb. But it has been downhill from there, with 10% decline in units & dollars equaling EWR record decline of March 1975. The 13-billion yen figure (\$60 million) for May Japanese audio exports to U.S. was 13% drop from 1978.

Stereo sales slump seems to be general rather than localized in any particular products or prices. Component business continues to gnaw on carcass of compact business with big compact companies such as Soundesign reporting first-quarter losses. Emerson is exception; Senior Vp Saul Knazick comments: "It's a paradox—I can't explain it. My competitors are moaning & groaning, but we're back-ordered. Our sales were up 50% in the first quarter, 25% in the 2nd." Component manufacturers say best action now is in cassette decks & turntables—possibly indicating maturing of component business into step-up or add-on trade.

What does immediate future hold? Retailers, uncertain how recession & gas problem may affect consumer spending, continue to order lightly and keep inventories trim. Optimistic thesis that gas shortage will spark mini-boom in home entertainment products by keeping people home is termed "wishful thinking" by Technics' James Parks—but difference between declining audio sales and TV boom (Vol. 19:29 p7) is puzzling.

Note: In its nearly 5 years, our Early Warning Report has proven its value in advance trend-spotting, not only in stereo and color & monochrome TV, but recently in home VCR. Used by many of our subscribers as research tool, it's mailed to EWR subscribers in middle of each month and shows sales, business & inventory trends for preceding month. (For further information and samples, call our Washington or N. Y. offices.)

Reorganization of foreign-trade responsibilities in govt. has been proposed by President Carter, giving trade higher status and consolidating functions into Commerce Dept. (to be renamed Dept. of Trade & Commerce) and office of President's Special Trade Representative. Import adjustment relief and enforcement of antidumping & countervailing-duty statutes would be moved from Treasury to Commerce. New inter-agency Trade Policy Committee would review all decisions under trade laws. Lloyd Hacker, pres. of American Retail Federation, is expected to be appointed President's Trade Representative, succeeding Robert Strauss, who is becoming Carter's special representative for Mideast. Export-Import Bank Chmn. John Moore Jr. is said to be leading candidate for new post of Undersecy. of Trade in Trade & Commerce Dept.

U.S. color TV plant is planned by Korea's Taihan Corp., which has been particularly hard hit by quota, since it exported only about 10,000 sets to U.S. last year (Vol. 19:3 p10). Taihan America plans to have 45,000-sq.-ft. Cal. plant in operation in year to produce up to 5,000 sets monthly first year, 10,000 thereafter. Company imports 13" & 19" color sets for sale to private-label accounts and under own Portland brand.

EIA-NAB committee to look at entire radio transmission-reception chain is likely to emerge in place of proposed NAB radio "rating" scheme (Vol. 19:24 p14, 19:27 p9). EIA is polling radio manufacturer members on NAB proposal to establish joint engineering effort to assure compatibility between broadcasting & reception.

ZENITH BUYING HEATH: Zenith probably has computers most prominently in mind in its agreement to purchase Heath electronic kit business from international oilfield services & electronics firm Schlumberger Ltd. for \$64.5 million in cash. Boards of both companies have approved sale, which is subject to definitive purchase agreement and FTC & Justice Dept. review. Meanwhile, Rockwell International has agreed to sell Canadian Admiral to Montreal holding company.

Heath is largest and most successful electronic kit firm, has been profitable in each of last 3 years and sales have exceeded \$80 million annually, according to Zenith, which gave no more details of deal. Purchase can give Zenith major exposure to personal & small-business computers, an area in which it is now participating through manufacture of color monitors for TI's computer and others' products.

Schlumberger's 1978 annual report says Heath's revenues from computer & educational product lines "nearly doubled" and the 2 products now account for 25% of Heath's business. Current Heath catalog devotes 18 of its 100 pages to computers, software, accessories and computer courses; test equipment is next largest category with 16 pages, followed by ham radio gear (13 pages) and stereo (9). Heath's TV kits, highlighted by 25" programmable color set, fill only 4 pages. Amount of Heath's business in areas already occupied by Zenith (TV & stereo) obviously will be factor in govt. review, but overlap is believed to be extremely small and not in directly competitive products, since Heath offers neither product in assembled form.

Wide variety of Heath products ranges from electronic bug-killers to digital barometers and Thomas organ kit. Catalog includes completely assembled Sony Betamax SL-8600 for \$960.

Rockwell has agreement in principle to dispose of last major part of its Admiral empire, Montreal-based holding company York Lambton Inc. agreeing to buy its 99% holding in Canadian Admiral for \$34.4 million (Canadian). York said amount paid to Rockwell could be reduced under unspecified formula after Canadian Admiral's 3rd-quarter statement is prepared. York's BFG Industries produces stoves, refrigerators & laundry equipment. In addition to these products, Canadian Admiral's appliance line includes dishwashers, freezers and microwave ovens. Fate of Canadian Admiral's TV operation was unclear at week's end. York officials referred callers to Pres. Michel Latraverse, who wasn't available.

On heels of Hitachi's know-how agreements with Zanussi (Vol. 19:29 p10), Sanyo says it plans to purchase additional shares in Italy's Emerson, TV-radio producer in which it already holds 30%. Emerson will manufacture Sanyo brand TVs for European distribution and distribute Sanyo's Fisher-brand audio products in Europe. Italy's Emerson, longtime licensee of the old Emerson Radio in U.S., is unrelated to the current Emerson Radio Corp. here.

In other sale & merger activity: (1) Philips plans to buy remaining shares (39.3%) in Pye of Britain, giving it full ownership. (2) Bell & Howell

confirmed it has held discussions to sell all or part of its unprofitable consumer photo products business. (3) McDonnell Douglas & Microdata reached "substantial agreement" on \$73-million tender offer by Douglas for Microdata shares. (4) Stackpole Carbon acquired assets of Kidco Inc., Lumberton, N.J. metal-film resistor manufacturer.

CPSC CLEARS TV ON SAFETY: In what may go down as copybook example of how an industry can police itself, Consumer Product Safety Commission last week decided voluntary TV safety standards have been effective and hazards are now so low that no govt. regulations are necessary—and, in fact, close monitoring of TV set safety is no longer required. Less than 2 years after dropping proposals for mandatory standards on mechanical hazards, implosion & shock (Vol. 17:43 p9), CPSC adopted staff recommendation and voted against any mandatory fire standard (Vol. 19:29 p8), ending 10-year deliberations on TV safety by Commission and its predecessor National Commission on Product Safety.

Commission was impressed by results of study by Factory Mutual Research & NBS which cited inability to start or sustain ignition in any component of 4 late-model color & b&w sets. CPSC abandoned proposal to set standard for older sets, on basis of tests of 6- & 7-year-old sets which showed that in only one could fire be started & sustained.

CPSC specifically cited voluntary industry standard for plastic cabinets, which it noted included "more than 95% of the requirements contained in the recommended federal standard," adding that almost 90% of plastic TV cabinets produced since 1977 were built to meet strict flammability test.

By 1977, Commission said, "72% of b&w sets and 99% of color sets had been built to pass this more stringent flammability standard," noting that comparison of fire incidents reported by manufacturers involving 1975-77 sets with new data on TV fires indicated 4 times less risk of fire in post-1977 sets. Commission voted to drop all feasibility studies on TV fires, monitor situation informally from available sources, such as news clippings.

Comr. Pittle, who in past had been most reluctant member to drop standards, was first to speak for dropping proposal.

Proposed sale of ITT's \$500-million Consumer Electronics Group was "straw that broke the camel's—or [ex-Pres. Lyman] Hamilton's—back" and led to his firing at instigation of Chmn. Harold Geneen, July 18 Wall St. Journal quotes unnamed associate in article detailing "ITT coup." Journal indicated potential buyer had already inspected factories. Gerhardt Andlinger was fired as head of European operations, and on July 16 new Pres. Rand Araskog was in Brussels meeting with European management to assure them "there would be no hasty divestiture." In related development, one North American TV company executive returning from Europe said "every TV manufacturer there is for sale," presumably as result of general TV-consumer goods slump.

RCA, ZENITH REPORT: RCA's operating profits dropped 20% in 2nd quarter, despite sales record and better profits in color TV. Zenith reported 53.6% drop in 2nd-quarter profits and increased sales, while GTE Consumer Electronics lost \$7.3 million, largely as result of German TV slump, and Wells-Gardner moved into profit column.

RCA color TV sales to dealers rose 16% in first half to record at time when industry sales were up 1%, company said in announcing record earnings for 2nd quarter and record sales for first half (see financial table). Company's 2nd-half sales rose 17% on earnings increase of 9%, which included \$23-million profit on \$209-million sale of RCA Alascom. Without this special gain, earnings were down 20% from 1978 period. First-half profits rose 11% on sales gain of 19%. RCA attributed drop in 2nd-quarter performance to profit decline by NBC and "substantial loss" by RCA Records.

Based on industry estimate that RCA's color TV market share is about 21% (Vol. 19:23 p10), company's color sales rose about 100,000 units to some 740,000 sets during first half, representing lion's share of industry's sales rise for period. Based on our calculations using these figures, remainder of industry was up about 52,000 units in color TV sales for half.

Despite sales increase and "improved profits in color TV" for quarter, pretax earnings for Consumer Electronics Products & Services segment "dropped significantly," RCA noted, principally as result of "substantial provisions for sales returns in the Record Div. and accelerating expenditures related to the market introduction of the RCA videodisc system." Company said its market share improved in almost every color set size, particularly in 13" & remote-control models. RCA "outpaced the industry in sales gains" home VCRs, meaning its increase over last year was higher than industry's 26.6%.

RCA Service Co. enjoyed record quarter and picture tube sales gained in U.S. & Mexico, with "another solid performance in Brazil." Solid State Div. profit declined. In absence of Pres. Edgar Griffiths, who was out of the country, RCA spokesmen said they couldn't comment on whether his May forecast of record sales & profits this year (Vol. 19:19 p9) still held true.

Zenith came in with unexpectedly steep 53.6% drop in 2nd-quarter earnings on 5.1% sales increase, with first-half profit down 10.4% on 7.9% sales climb (see financial table). Results were issued without comment, but spokesman attributed decline to "higher-than-anticipated" product-launch costs." This presumably included effects of recall of 60,000 new-model 13" & 17" color sets (Vol. 19:17 p9) and dislocations resulting from fire at Korean stereo supplier.

Wells-Gardner pulled out of loss position in 2nd quarter on 45% sales increase, cutting first-half loss by 91% from year earlier, sales also rising 45% in half. Improvement was attributed to assembly agreement with Japan's Teknika (General) and diversification program. For first half, new products (game monitors, home security products, etc.)

accounted for 58% of revenues, up from 19% last year. Order backlog at midyear was \$10,280,879 vs. \$6,848,301 year earlier. Company says it has secured refinancing.

GTE Consumer Electronics was in red in 2nd quarter and first half, parent company reported. For quarter, net loss was \$7,329,000 vs. net income of \$4,795,000 in 1978 quarter, while loss for half totaled \$8,063,000 vs. profit of \$6,134,000. Sales dropped 4.3% to \$237,595,000 for quarter and 0.1% to \$468,784,000 for half. Company said dips were due largely to industry-wide color TV set sales decline in Germany, reduced earnings from component sales in Europe & Latin America and unfavorable currency translation in Europe.

Buckbee-Mears attributed 36% & 44% profit increases in 2nd quarter & first half to improved efficiencies and lower costs, particularly in Color TV Aperture Mask Group, "which has increased its earnings significantly."

Commercial-eliminator for home videotaping or just plain viewing would be simple to build if one of FCC's suggestions in notice of inquiry on loud commercials becomes rule. In notice of inquiry (Docket BC 79-168), Commission asks comments on several proposals, including requirement to accompany all "non-program material" with sub-audible tone to automatically adjust sound level in receivers. Proposal doesn't mention it, but same tone could be used to put VCRs in pause mode during recording, skipping commercials. Proposal hasn't much chance, presumably was included to stimulate comments.

Weekly EIA retail color TV statistical data program is being hailed as success by manufacturers, although it probably will take full year to prove its usefulness. Administered by Trendex, program has been operating since Feb., involves 5,600 consumer interviews weekly, is compatible with Trendex's quarterly surveys. Along with sales & inventory figures, share-of-market data for each participating manufacturer is forwarded to that manufacturer only; no such industry-wide compilations are made. EIA official said one-year cost is "well over \$100,000."

Home Video magazine, published by United Business Publications (Vol. 19:24 p14), plans to date its first issue Oct. 1979, start bi-monthly publication in March. Circulation guarantee will be 60,000 with circulation largely through newsstands & video dealers. Magazine, according to an official, will devote 60-75% of space to hardware, will also list software. One feature will list major broadcast pay-TV & cable programs worthy of taping.

Matsushita will speak for consortium of Japanese electrical & electronics companies negotiating with China (Vol. 19:29 p10), Pres. Toshihiko Yamashita said last week in wake of founder Kononsuke Matsushita's visit to China and meeting with Deputy Pres. Deng Xiaoping. First members are Sharp & Sanyo; others are being solicited. Yamashita said Matsushita plans for 13% annual growth and is targeting \$12.4 billion for 1981, of which 20% would consist of exports.

Consumer Electronics Personals

Daniel Shevelenko moves from Zenith Controls chief engineer to new post of corporate planning vp; **Stanley Garver**, national accounts mgr., adds duties of international operations dir.; **Ken Kohda**, TDK vp, adds title of gen. mgr., with responsibility for U.S. sales & mktg. policy; **Lee Adams & John Means** appointed western regional sales mgr. and Houston regional mgr., respectively; **Barr Dolan**, Umtech, assumes duties of Videobrain pres., replacing **Albert Yu**, resigned.

C.L. McCabe, ex-Shure Bros., joins ADC as OEM sales mgr.; **Arthur O'Neill** named mktg. services mgr., succeeding **Robert Schindhelm**, promoted to ad & promotion mgr.; **James Camacho**, dbx foreign mktg. & sales dir., elevated to new post of corporate mktg. dir.; **Robert McNeill** & **James Freeman** named Sharp professional video products east & southeast regional sales mgrs.; **George Schediv** promoted to Audiovox northeast region vp, succeeding **Stephen Trentacoste**, named Hi-Comp vp.

Edward Reardon, public affairs dir. for GTE International, adds similar responsibility for GTE Products Group, succeeding **Robert Sheeran**, retired; **Wilma Gottlieb**, Bell & Howell mktg. services vp, temporarily assumes duties of consumer photographic products ad mgr., replacing **Patrick McNamara**, named micro-computer mktg. mgr.; **Robert Gildea Jr.** named RCA Electro-Optics Systems sales mgr.; **William Douglass** appointed Oak Technology Switch Div. pres.; **Darwin Delans**, C&D Batteries mktg. services mgr., named to new post of new product & market development mgr.; **Daniel Leckrone**, Memorex domestic operations gen. counsel, named Memorex Europe legal vp.

George Sullivan, ex-Rockwell, appointed Northern Telecom Inc. pres., succeeding **Monson Hayes Jr.**, now Northern Telecom Electronics pres. & chief exec. officer; **Samuel Getzoff** named to new post of Answerex mktg. vp.; **Karl Butkema** resigns as SBE vp to form Chicago rep firm.

Robert Sarnoff, former RCA chmn., elected Planning Research Corp. chmn., succeeding **Kenneth Poovey**, resigned.

ITA Home Video Programming Seminar Oct. 23-25 at N.Y. Sheraton will feature talks & sessions highlighted by Electronic Data Systems Pres. **Ross Perot**; RCA's **Gordon Bricker**, **Arnold Valencia** & **Seth Willenson**; JVC's **Richard O'Brien**; Magnavox's **Robert McCarthy**; Matsushita's **Irwin Tarr**; Quasar's **Anthony Mirabelli**; Sony's **Ken Tsunoda**; Bell & Howell's **Robert Pfannkuch**; TDK's **Edward Pessara**; BASF's **Jack Dreyer**; Fuji's **John Dale**; Memorex's **Jake Rohrer**; Ampex's **Eric Jensted**; 3M's **William Madden**; Consolidated Film Industries' **Stephen Poe**; 20th Century-Fox's **Steven Roberts**; UA's **Gerald Phillips**; Disney's **James Jimirro**; Warner Records' **Jo Bergman**; Caravatt Communications' **Paul Caravatt**; Time Life's **Paul Eisele**; VidAmerica's **Richard Kelly**; Fotomat's **Stephen Wilson**; Magnetic Video's **Andre Blay**; Pickwick's **James Lara**; S/T Duplicating's **William Follett**. Information from ITA, 10 W. 66th St., N.Y. 10023.

WEEKLY Television Digest

with
Consumer Electronics...

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H-P's COMPUTER PUSH: Hewlett-Packard, reportedly alarmed by TI's introduction of home computer at CES last month (Vol. 19:23 p13), made first move in personal computer field last week, introducing \$295 calculator-computer. Supercalculator is half-way between calculator & computer, with keyboard & readout in calc-format but 4 ports for hookup to optional \$350 printer, \$195 card memory. or \$75 memory modules. Spokesman said unit's computing power is equal to personal computer such as Apple II or Radio Shack TRS-80.

H-P refuses to confirm or deny that next new product will be \$2,500 personal computer, reportedly with full keyboard, monitor & built-in printer. Other major computer news of week was Zenith's acquisition of Heath, giving TV manufacturer direct access to personal computer field for first time (see p. 9).

Meanwhile, Radio Shack, citing mass-production savings, cut price of basic 4K TRS-80 personal computer \$100 to \$500, 16K version \$138 to \$850. Apple will run first TV spots for personal computer in Houston market in early fall. Imsai, hobbyist-small computer manufacturer retailing through Computerland chain, remains in Chapter XI bankruptcy after creditors rejected 10¢-on-dollar cash offer on \$3.1-million debt.

Commodore has abandoned attempt to make PET personal computer in U.K., plans to shut down 80-worker Eaglescliffe plant (Vol. 18:37 p11) end of July. Producing 1,000 PET computers a month in U.K., Commodore reportedly clashed with labor unions. NEC is attempting to establish small-computer beachhead in U.S. as first of \$13,000 Astra small-business computers arrives from Japan this month. NEC sells \$3,000 personal computer in Japan, is considering bringing it to U.S.

Financial Reports of TV-Electronics Companies

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

Company & Period	Revenues	Net Earnings	Per Share
Automatic Radio			
1979-9 mo. to June 30	20,690,000 ^a	(11,000)	--
1978-9 mo. to June 30 ^b	17,050,000 ^a	(10,660,000)	--
1979-qtr. to June 30	10,104,000 ^a	1,607,000	.67
1978-qtr. to June 30 ^b	7,579,000 ^a	(8,838,000)	--
Bell & Howell			
1979-6 mo. to June 30	289,898,000	1,909,000	.34
1978-6 mo. to June 30	262,312,000	6,476,000	1.16
1979-qtr. to June 30	153,504,000	886,000	.16
1978-qtr. to June 30	138,341,000	3,374,000	.61
Buckbee-Mears			
1979-6 mo. to June 30	36,207,000	1,983,000	.65
1978-6 mo. to June 30	32,344,000	1,380,000	.45
1979-qtr. to June 30	18,964,000	1,165,000	.38
1978-qtr. to June 30	16,540,000	854,000	.28
Conrac			
1979-6 mo. to June 30	65,207,000	(2,332,000)	--
1978-6 mo. to June 30 ^b	56,782,000	1,569,000	.68
1979-qtr. to June 30	35,313,000	(3,249,000)	--
1978-qtr. to June 30 ^b	30,222,000	591,000	.24
GTE			
1979-6 mo. to June 30	4,694,290,000	315,970,000	2.07
1978-6 mo. to June 30	4,132,395,000	298,243,000	2.02
1979-qtr. to June 30	2,441,239,000	167,638,000	1.10
1978-qtr. to June 30	2,143,002,000	143,363,000	.96
Harte-Hanks Communications			
1979-6 mo. to June 30	112,064,000	8,315,000	.90
1978-6 mo. to June 30	83,341,000	7,100,000	1.78
1979-qtr. to June 30	60,671,000	5,184,000	.56
1978-qtr. to June 30	44,907,000	4,358,000	.48
E. F. Johnson			
1979-6 mo. to June 30	20,338,000	877,000 ^d	.34
1978-6 mo. to June 30	22,011,000	557,000	.22
1979-qtr. to June 30	11,100,000	717,000 ^d	.28
1978-qtr. to June 30	10,352,000	440,000	.17
Lee Enterprises			
1979-9 mo. to June 30	87,095,000	10,994,000 ^d	1.51
1978-9 mo. to June 30	78,021,000	12,207,000 ^d	1.66
1979-qtr. to June 30	29,713,000	4,272,000	.58
1978-qtr. to June 30	27,915,000	3,703,000	.50
Lloyd's Electronics			
1979-year to March 31	108,442,400	(2,595,800)	--
1978-year to March 31 ^b	116,542,400	(3,024,400)	--
1979-qtr. to March 31	18,239,400	(2,625,800)	--
1978-qtr. to March 31 ^b	20,578,400	(3,509,300)	--
Metromedia			
1979-6 mo. to July 1	190,717,000	17,414,000	3.79
1978-6 mo. to July 2	165,738,000	16,298,000	3.00
1979-qtr. to July 1	95,374,000	10,531,000	2.29
1978-qtr. to July 2	85,125,000	9,937,000	2.06
3M			
1979-6 mo. to June 30	2,651,000,000	313,700,000	2.68
1978-6 mo. to June 30	2,249,000,000	262,400,000	2.26
1979-qtr. to June 30	1,347,000,000	161,600,000	1.38
1978-qtr. to June 30	1,165,000,000	143,100,000	1.23
Motorola			
1979-6 mo. to June 30	1,289,492,000	79,543,000	2.56
1978-6 mo. to June 30 ^b	1,047,007,000	61,363,000	1.98
1979-qtr. to June 30	676,931,000	43,408,000	1.40
1978-qtr. to June 30 ^b	551,031,000	33,366,000	1.08
Multimedia			
1979-6 mo. to June 30	61,505,925	8,486,697	1.27
1978-6 mo. to June 30	51,477,298	6,962,008	1.05
1979-qtr. to June 30	34,517,646	5,237,269	.78
1978-qtr. to June 30	28,420,524	4,173,115	.63
North American Philips			
1979-6 mo. to June 30	1,164,046,000	38,642,000 ^d	2.97
1978-6 mo. to June 30	1,043,503,000	28,445,000	2.20

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
North American Philips (continued)			
1979-qtr. to June 30	617,917,000	23,838,000 ^d	1.83
1978-qtr. to June 30	579,467,000	17,579,000	1.36
RCA			
1979-6 mo. to June 30	3,694,000,000	147,700,000 ^d	1.94
1978-6 mo. to June 30	3,116,100,000	133,200,000 ^d	1.74
1979-qtr. to June 30	1,894,100,000	85,600,000 ^d	1.13
1978-qtr. to June 30	1,612,100,000	78,300,000	1.02
Rockwell International			
1979-9 mo. to June 30	4,566,700,000	199,000,000 ^e	5.60
1978-9 mo. to June 30 ^b	3,931,400,000	136,100,000	3.88
1979-qtr. to June 30	1,585,600,000	69,400,000 ^e	1.94
1978-qtr. to June 30 ^b	1,383,000,000	52,500,000	1.50
Storer Bcstg.			
1979-6 mo. to June 30	83,802,000	10,596,000	2.06
1978-6 mo. to June 30	69,797,000	7,856,000	1.61
1979-qtr. to June 30	47,702,000	7,344,000	1.42
1978-qtr. to June 30	40,032,000	5,523,000	1.13
Tektronix			
1979-year to May 26	786,936,000	77,151,000	4.28
1978-year to May 27	598,886,000	56,846,000	3.19
1979-qtr. to May 26	210,500,000	21,528,000	1.19
1978-qtr. to May 27	159,842,000	14,667,000	.83
Viacom International			
1979-6 mo. to June 30	49,905,000	6,175,000 ^d	1.62
1978-6 mo. to June 30 ^b	37,088,000	3,103,000	.82
1979-qtr. to June 30	25,594,000	2,218,000	.58
1978-qtr. to June 30 ^b	19,217,000	1,642,000	.44
Warner Communications			
1979-6 mo. to June 30	821,571,000	51,010,000	2.60
1978-6 mo. to June 30	587,864,000	38,418,000	2.07
1979-qtr. to June 30	367,776,000	20,192,000	1.03
1978-qtr. to June 30	275,367,000	18,036,000	.95
Wells-Gardner			
1979-6 mo. to June 30	8,277,000	(88,000)	--
1978-6 mo. to June 30	5,690,000	(937,000)	--
1979-qtr. to June 30	4,897,000	71,000	.17
1978-qtr. to June 30	3,379,000	(461,000)	--
Zenith			
1979-6 mo. to June 30	475,800,000	6,000,000	.32
1978-6 mo. to June 30	440,800,000	6,700,000	.36
1979-qtr. to June 30	238,400,000	2,300,000	.12
1978-qtr. to June 30	226,900,000	5,600,000	.30

Notes: ^aFrom continuing operations. ^bRestated. ^cAdjusted. ^dIncludes special credit. ^eRecord.

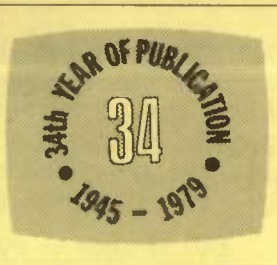
Audio notes: Pioneer is set to begin specialty marketing of mini-components in Aug., with set of mini-separates appearing in American Express catalog and mini-receiver to be offered in selected dept. stores... **Canadian Dept. of National Revenue** is investigating charges by Morse that U.S.-made stereo consoles are being dumped on Canadian market... **IHF Fall Audio Conference**, Oct. 2-4, N.Y. Statler, will have 10 sessions on such topics as "Dept. Store Management Evaluates Hi Fi's Potential," "Selling the Women's Market," and "Laser Audio & Digital Dynamics"... **JVC** starts professional audio dept. within High Fidelity Div.; first products will be \$440 pre-amp, \$730 power amp, \$1,250 turntable.

Polish picture tube plant, built under \$71-million contract by RCA as part of glass, tube & TV-set-producing complex (Vol. 16:18 p11), was dedicated July 19 with RCA Pres. Edgar Griffiths among speakers.

WEEKLY

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JULY 30, 1979

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SUMMARY-INDEX OF WEEK'S NEWS

Broadcast

HOUSE COMMON CARRIER BILL favors cable. Successor to Rewrite II would put telco-cable agreement into law, limit franchise fees to 3%. Wheeler praises bill. Goldwater examines wattage fee proposal. Quello lauds Van Deerlin effort. (P. 1)

TELECASTING 1978 SCOREBOARD: Official FCC figures show earnings up 17.6%, gross ad revenues rising 17.8%. Network up 14.9%, national & regional up 16.8%, local up 24.5%. UHF shows major improvement. (P. 3)

'GIANT STEP' FOR COURT COVERAGE is hope of broadcast media for ABA experiment Aug. 12 in Dallas as lawyers seek understanding of 'complex and controversial issue.' (P. 3)

ABC 1979-80 PRIME-TIME schedule 85% sold out, with up-front sales 50% above last year, network says. Affiliates up 35 in 3 years. Record earnings for quarter & half. (P. 5)

GROUP W WESTAR DEAL: Westinghouse to use satellites for TV station interconnection, syndication distribution. (P. 5)

NEW HOUSE BILL FAVORABLE TO CABLE: Proposed and highly tenuous common carrier bill—successor to late Rewrite II—includes provisions generally favorable to cable interests. Bill late last week was still being drawn up, but Rep. Van Deerlin (D-Cal.), Communications Subcommittee chmn., circulated summary (titled Telecommunications Facilities & Services Act of 1979) to Subcommittee members.

Those close to situation say bill is extremely fluid, and cable section is area of strong disagreement, but here are cable provisions: (1) Cross-ownership is forbidden between cable companies, networks, TV stations whose coverage overlaps cable system. Commission could adopt multiple-ownership rules. (2) Telcos couldn't offer cable unless there are fewer than 30 subscribers per mile in exchange area, carrier is eligible for REA assistance or FCC has granted waiver. Cable couldn't provide local exchange service and cable and telcos could provide all non-restricted services. This provision based on cable-telco agreement (Vol. 19:26 p1).

(3) Controversial programs originated by cable must be presented in manner to serve public interest, and conflicting views should be carried. (4) Neither FCC nor states could force cable operators to lease channel to 3rd party, although franchising authorities can require cable operators to provide access channels for local governments, general public and educational agencies. Cable systems could charge for such use, however.

(5) Current pole attachment law is kept essentially as is, with minor changes. (6) Tech-

Consumer Electronics

TOSHIBA LAUNCHES LVR crash development program, aims to market first model next year, portable camera-VCR combo by 1983. Standards effort starting in Japan. (P. 7)

JAPAN COLOR EXPORTS to U.S. off sharply for June, first half & 2nd quota year, raising doubts quota agreement will be extended next year. AHAM charges 8 Japanese manufacturers dump MW ovens here. (P. 8)

NBC FORECASTS 17.8 MILLION videodisc players, 13.3 million VCR households by 1988, but Pres. Silverman sees no siphoning of TV audience, vows NBC won't produce programs for disc or tape. (P. 9)

EMI ENTERS U.S. HOME VIDEO, will offer 25-30 programs by Christmas. Features Hitchcock, Alec Guinness films. Capitol Records distribution to be used. (P. 10)

ADVENT SALES FELL, loss deepened in first quarter, company says. Reports on N. American Philips, Tandy, Warner, Motorola, GRT. (P. 11)

nical standards remain same but enforcement authority is also given to non-federal officials. (7) Franchise fees would be limited to 3% (FCC now says 3-5%). (8) All rate regulation prohibited, except for new franchises which can be regulated for one year. Regulation is also approved if cable system is located outside Grade B contour of 3 network signals. (9) States and franchising authorities are barred from regulating programming, although programming agreements could be reached by cable system and franchising authority.

Bill is seen as good for cable, although there is concern that there's "a big open door for broadcasting to put syndicated exclusivity in there," according to one cable source.

NCTA Pres. Thomas Wheeler said bill shows "the committee has come a long way since the early days when there were comparisons of cable to a taxicab. We are encouraged by the federal mandate the bill appears to provide for cable and the approach it has taken to permit de-regulation where marketplace forces warrant."

Meanwhile, Reps. Swift (D-Wash.) and Broyhill (R-N.C.) met last week and reportedly are preparing broadcast amendments to bill. And NRBA has submitted radio amendments it favors. Highlights: (1) Licenses extended to 7 years. (2) Non-entertainment programming meeting public interest standard should not exceed 8% of programming for AM stations, 6% for FM stations. (3) Criteria of license revocation include "willful & intentional" reporting of false information to FCC and failure to operate as set forth in license, and lotteries, fraud or obscenity.

(4) During renewal proceedings, FCC should be forbidden from judging program content, format, presentation or topics covered in non-entertainment programming. (5) Repeal of sponsorship identification rules. (6) No competing applications should be considered while renewal application is pending hearing. (7) Ownership limit—10 AM & 10 FM stations, with no restrictions on cross-ownership. (8) Set FCC standards for petitions to deny or revoke. (9) Fund, administered by FCC, for minority applicants.

On Senate side, ranking Republican on Communications Subcommittee has ordered minority Subcommittee staff to study possibility of using broadcast stations' power as basis for determining how much they should pay to handle costs of broadcast regulation.

Sen. Goldwater (R-Ariz.) has been "looking for an appropriate basis for devising a fee," staffer said, "and he asked to look at this matter. His mind has never been closed to devising a way to put value on the spectrum."

Whether this was attempt by Goldwater to find compromise between his bill and that of Sen. Hollings (D-S.C.), Subcommittee chmn., was unclear. Goldwater has written Hollings (Vol. 19:30 p2) that he wouldn't back off in opposing Hollings' spectrum fee concept, opting instead for fee to pay only cost of regulation. Majority Subcommittee staffer didn't think much of Goldwater wattage proposal.

First step by minority staff last week was to assign Congressional Research Service to study wattage concept, which is said to have been proposed as far back as 1934.

Also, Comr. Abbott Washburn responded to Goldwater's request for comments on Senate amendment bills. Washburn reiterated opposition to spectrum fees for both broadcast and common carrier services, recommended cable TV-cross-ownership legislation and approved giving FCC jurisdiction over specific cable TV areas such as technical standards, signal carriage, EEO, political access time. Washburn pleaded for "statutory guidance" in setting priorities for selecting licensees, begged off making specific radio de-regulation comments until he has read staff documents.

* * * *

At Rocky Mountain Bcstrs. convention in Lake Tahoe, FCC Comr. Quello had high praise for Van Deerlin Rewrite efforts, was critical of broadcasters who helped defeat bill: "He did a prodigious amount of work, personally, to bring about change. I believe the seeds he sowed will ultimately take root... Ultimately, the citizens of this nation will recognize the massive opposition which arose from [public interest groups] motivated by something other than the real public interest."

Quello said original fee proposal "was so exorbitant that broadcasters were shocked into immediate and permanent opposition... Broadcasters who take comfort in the defeat of the House Rewrite efforts might well have cause to regret their opposition somewhere down the road." He stressed that Act "needs a considerable amount of amendment before it can become adequate to the task of guiding broadcasting systems of the present and the future. Without such amendment, the Commission and the courts will doubtless continue to zig and zag as personalities and ideologies change."

TELECASTING's 1978 FINANCIAL SCORECARD: Telecasting earnings showed another solid rise last year, FCC reporting increase of 17.6% to \$1.65 billion; increase in 1977 was 12.1%. Total gross advertising revenues in 1978 were up 17.8% to \$8.06 billion. Of gross, \$3.72 billion was network, up 14.9%; \$2.3 billion national & regional, up 16.8%; \$2.03 billion local, up 24.5%.

Industry's net broadcast revenues (gross ad revenues plus all other broadcast revenues, minus commissions) were \$6.9 billion, up 17.4%. Of net broadcast revenues, networks garnered \$2.96 billion, up 14.8%, but their profits dropped 8% to \$373.5 million. Network-owned stations had \$584.5 million net broadcast revenues, up 16.1%; their profits were \$186.3 million, a 24.8% increase. All other stations had net broadcast revenues of \$3.364 billion, up 20%; their profits were \$1.087 billion, up 28.6%.

FCC doesn't reveal individual network performance. However, Television Digest's exclusive report in June disclosed revenues & profits of each (Vol. 19:23 p1).

FCC's 1978 figures show strong improvement of UHF: UHF network affiliates had net broadcast revenues of \$254 million, up 25.6%, while their profits rose 53.7% to \$42 million. UHF independents achieved revenues of \$257 million, up 29%, and their profits rose 19.1% to \$52 million. Of all UHF stations, 74.2% were profitable; in fact, one UHF independent (unidentified, of course), reported profit in \$5-\$10 million range, and 9 independent UHFs had profits of \$3-\$5 million. Seven VHF affiliates reported profits over \$15 million each; 13 VHF affiliates & 3 VHF independents reported \$10-\$15 million. Of VHFs, 36 reported losses, 7 of them over \$400,000 each; of UHFs, 47 had losses, with 11 dropping more than \$400,000 last year.

Other highlights of 1978 report: (1) All-industry tangible property original cost was \$2.-674,962,000; minus depreciation, \$1,253,076,000. Average VHF original cost was \$3,665,000; minus depreciation, \$1,692,000. Average UHF original cost, \$1,939,000; minus depreciation, \$1,031,000. (2) Employee total, 70,492 vs. 67,178 in 1977. (3) Average station in market below top 100 had net broadcast revenues of \$570,201, profit of \$119,308; for 1977, figures were \$454,908 & \$71,013; 1976, \$404,108 & \$64,142; 1975, \$343,657 & \$38,152; 1974, \$315,541 & \$30,823.

Full report, including traditional market-by-market totals, includes 21 tables, available from Public Affairs Office, Washington.

'GIANT STEP' FOR COURT COVERAGE: To help "advance our understanding of this complex and controversial issue," American Bar Assn. plans demonstration of microphones & cameras in courtroom during Dallas convention Aug. 12, according to ABA Pres. S. Shepherd Tate. This encouraging move toward opening courts to TV-radio coverage comes on heels of successful year for media in opening state courts.

RTNDA, one of participating groups, labeled ABA's cooperation "a giant step" toward opening nation's courtrooms to electronic news coverage. NAB Pres. Wasilewski saw it as an opportunity for TV-radio to show they "can operate without any interference to the dignity and decorum" of court proceedings.

Tate said experiment is designed to "explore the advantages and disadvantages" of cameras in courtrooms for lawyers & judges. Demonstration will include a mock criminal trial, debate over effects of cameras covering trials in 2nd courtroom, at Dallas County Court House. Arguing for admission of cameras will be communications lawyers Floyd Abrams & Lee Loevinger

(ex-FCC member); opposing will be Chicago attorney Robert Hanley and former ABA Pres. Whitney Seymour of N. Y.

Debate & mock trial will be covered by single TV camera with existing lighting; 2 still cameras will be permitted. Monitors will show trial in 3rd courtroom, giving lawyers & judges opportunity to move back & forth for comparison. Typical pool pressroom also will be operational.

Also as part of experiment, history of TV battle to cover courts will be shown on videotape (prepared by Post-Newsweek's Norman Davis), along with display of TV-radio equipment from first TV cameras to current microcams. Coordinator of demonstration is Steve Nevas of NAB; past RTNDA Pres. Ernie Schultz of KTVY Oklahoma City is exec. producer; WFAA-TV News Dir. Marty Haag is producer.

Nine states now have permanent rules allowing some form of TV-radio coverage of court proceedings; 12 more have experimental programs underway; 13 additional states are considering court coverage. All federal courts are still closed to electronic media.

"Commercial TV has had more than 5 years of unprecedented growth and success—and we are nowhere near the end of it," in view of NBC Pres. Fred Silverman. Speaking to Cal. Assn. of Bcstrs. in Monterey, he predicted network and affiliated stations will remain dominant force in TV entertainment & news, won't be hurt by new technology. He said NBC doesn't expect "any significant increase in occasional networks, even with the increased use of satellites... because of the program development risks involved." For NBC's predictions on growth of home video, cable, STV, etc., see p. 9.

"TV Super Meetings" is way NAB is billing 3 mini-conferences this fall and each will feature prominent member of Congress—not to make speech but to listen to broadcasters and answer questions. Schedule: Omni Hotel, Atlanta, Oct. 18-19, Sen. Cannon (D-Nev.), chmn. of Commerce Committee; Fairmont Hotel, Denver, Nov. 1-2, Sen. Hollings (D-S.C.), chmn. of Communications Subcommittee; Hyatt Regency Hotel, Houston, Nov. 19-20, Rep. Van Deerlin (D-Cal.), chmn. of Communications Subcommittee.

"Ludicrous," that's what AAF Pres. Howard Bell said of Justice Dept.'s "perplexing suit" charging NAB TV Code time standards violate antitrust laws (Vol. 19:25 p1). Speaking to Cal. Assn. of Bcstrs., the onetime NAB Code Authority dir. said irony of suit is that if standards are abolished, "the government will establish its own standards, the taxpayers will pay the bill and industry restraint and responsibility will be dealt a serious blow."

NPR and PBS locked horns openly for first time in major battle over CPB funding. NPR is unhappy with what CPB management provided for it in 1980 budget (\$31.6 million), has gone over management's head and appealed to CPB board for additional \$5 million. PBS, which would lose that much, countered by calling on PBS stations to write CPB board.

Reply comments in FCC inquiry on improving UHF reception now are due Sept. 14; digest of earlier comments filed May 5 are available from Commission's Public Information Office. In related development, FCC plans special meeting Sept. 11 for report from UHF Comparability Task Force.

FCC has some 50 items on agenda for Aug. 1 meeting, last until after Labor Day. Among significant items: Several FOI requests; Commission-wide priorities for budget purposes (Vol. 19:30 p4); rules for regulation of CATV pole attachment rates; proposal to require cable systems to maintain logs of program originations; carriage of specialty stations by cable; reconsideration of Artec decision and whether to postpone its effectiveness until D.C. Appeals Court has ruled; waiver of top-50 rule in Taft's buy of WDCA-TV Washington; several contested renewals; impact on UHF of shift to common transmitter site by KTEW & KOTV Tulsa. Comr. Lee—member of FCC for 26 years who traditionally has been member who stayed around in Aug.—will miss meeting. He'll be on month's vacation in Europe.

Federal Election Commission reportedly is reconsidering controversial set of rules on televised debates which could preclude stations from setting up their own debates (Vol. 19:30 p4). Protests have been lodged by CBS & NAB.

FCC public workshops are planned Sept. 14 in Boston, Sept. 19 Detroit, Sept. 26 Houston, Sept. 28 Sacramento. Chmn. Ferris will attend Boston session; all are designed to increase public participation in FCC rulemakings.

SATELLITE WEEK, VOL. 1, NO. 1

Included with this issue of Television Digest is a copy of first issue of Satellite Week, our new sister publication. It's dedicated to all communications uses of satellites, worldwide. It's designed to fill demand for immediate coverage of fast-breaking satellite news which now affects all users of communications—broadcasting, telephone, data, whatever. Satellite Week's principles, in gathering and presentation of news, are exactly same as those of Television Digest—straightforward, clear, brief—designed for top management. To begin your subscription to Satellite Week immediately, complete and mail enclosed order card—or call in your order to Circulation Dept., 202-872-9200.

ABC'S BRIGHT PROSPECTS: As parent company was reporting record earnings for 2nd quarter & first half (see financial table), ABC broadcasting officials indicated more of same could be coming up, with up-front sales for 1979-80 strongest in history and 675,000 more homes in its audience as result of affiliate additions and changes.

TV network and owned stations increased revenues & profits during 2nd quarter, network said, with radio showing "modest" revenue increase but decline in net due to "discernible slowdown in the overall radio economy and to increased competition within the industry." In announcing 2nd-quarter profit increase of 36% on revenue gains of 11% on continuing operations, ABC said its "basic businesses still show every sign of continuing strength."

Elaborating on bright prospects for network TV in general and ABC TV in particular, TV Network Pres. James Duffy told N.Y. security analysts that network's "strongest up-front selling season in history" was "expression of confidence [in ABC] and in TV." He gave these details on network's 1979-80 selling to date: Up-front prime-time sales 50% above year ago, schedule now 85% sold out, prime-time prices up 15-17%, with 38 new up-front advertisers. In daytime, ABC-TV is 34% ahead of last year, with prices up 18-19%. Programming costs, exclusive of election campaign and Winter Olympics, are being held to 15% increase.

Station clearances are strongest in history, Duffy said, with number of affiliates rising from 182 in Jan. 1976 to 203 today—becoming 204 when WTOK-TV, only VHF in Meridian, Miss. switches from CBS in March next year. In last 3 years, ABC has gained 35 affiliates, mostly at expense of other networks (but including new stations). When all new affiliation contracts are in effect, ABC will serve 675,000 more homes, 200,000 more for daytime & late night, 750,000 for news, 300,000 for Good Morning America.

ABC-TV Pres. Fred Pierce said news investment is "beginning to pay off financially" and will "begin to moderate." He said ABC News apparently now has passed NBC in audience—"if we haven't, we will by fall, and we're catching CBS." Owned stations' national spot is up 10-12% this year, and ABC is shooting for 8-10% increase next year.

ABC Entertainment Pres. Anthony Thomopoulos, pointing to growth of CBS's ratings this summer, said ABC wasn't shooting strictly for ratings during summer season, had programmed documentaries in good time slots. "CBS's growth has been at the expense of NBC," he added. As to next season's ratings, he forecast ABC again will be No. 1 in prime time. He foresaw, early in 4th quarter, CBS & NBC neck-and-neck for 2nd place, but with CBS eventually pulling ahead of NBC.

July 17 All-Star baseball game gave NBC TV its first top-rated show of 1979, but it wasn't enough to pull network out of 3rd place for week, according to Nielsen. CBS won (only its 4th weekly win of year) with a 14.7 rating, compared to ABC's 14.5 and NBC's 13.9.

GROUP W WESTAR DEAL: Westinghouse Bcstg. will use Western Union Westar satellite system for delivery of syndicated and Group W TV programs to and between its owned stations and news bureaus. WU will establish TV distribution center at Group W facility in Pittsburgh.

"It's the beginning of something very big for us," said Daniel Ritchie, Group W pres. "We will be the only group with the ability to interact between stations. The whole area of interactive programming is going to be important."

Hardware cost for 3 transmit-receive earth stations to be built by Group W in Philadelphia, Pittsburgh and Baltimore will be about \$800,000 per copy. Group W will use WU earth stations in San Francisco and L.A. PBS earth stations will be shared in Boston and Washington, if FCC approves. Group W will also have access to WU transportable earth stations for remotes.

Deal is major step for WU, which announced it will concentrate on broadcast uses of its 3-satellite Westar system (Satellite Week Vol. 1:1 p1).

Radio superstation—with new wrinkle—is offered by United Video with N.Y.-based Music Preview Network. Cable systems will be paid 1¢-per-subscriber-per-month to take all-music satellite-distributed cable radio service, with costs underwritten by record companies and promoters. Service is "expected to complement rather than compete with local radio," said backers. Reaction from NAB Radio Board Chmn. Arnold Lerner was negative: "Somebody should look into the legality of using radio frequencies... for this purpose, whether it's the NAB, the FCC or maybe me."

TV station sales: Time Inc. cable subsidiary ATC is buying 50% of WSNS Chicago from group (which retains 50%) headed by Burt Harris; station has application pending at FCC to become pay operation. N.Y. Times purchased WHNT-TV Huntsville, Ala. Price wasn't disclosed in either transaction.

Cox reports all phases of broadcasting improved in 2nd quarter—up 16%—while cable revenues rose 38%, Pres. Clifford Kirtland saying pay cable "continues to exceed all projections." Total cable subscribers are 630,000, pay cable 258,000. (For company totals, see financial table.)

ABC has backed Metromedia, as have NAB & MPAA, in seeking inquiry into grant of authority to ASN to distribute signal of KTTV L.A. to cable via satellite (Vol. 19:28 p5). ABC questions whether ASN is true common carrier, raises issue of unfair competition.

Macon, Ga., Cable TV estimates that 2,000 people were pirating HBO off system by using cable-channel VHF mid-band TVs. Scrambling system has been installed to prevent further pirating.

Long-time CBS affiliate WTOK-TV Meridian, Miss. plans switch to ABC next March, adding 70,000 homes to ABC primary line-up.

KTTV Austin appoints Blair TV rep.

Personals

John Agoglia, ex-CBS, moves to NBC Entertainment as vp-program & talent negotiations... **Ronald Taylor** promoted to vp-current programs, ABC Entertainment; **Herbert Jelline** to vp-production, ABC Entertainment and Motion Pictures; **Hal Rubenstein** to mgr.-on-air advertising, ABC TV Network East Coast; **Paul Mastern**, ABC vp-administration, West Coast, also assumes direct responsibility for ABC Entertainment Center; **Alan Cohen** advanced to asst. to **Seymour Amlen**, ABC Entertainment vp and dir., late night development & specials, new post.

Weston Elliot, ex-NBC vp-special program sales, moves to BBDO as programming head; **Irv Wilson**, ex-Chuck Fries Productions, joins NBC as vp-special programs... **Edward Herlihy**, Golden West vp-engineering, promoted to vp-gen. mgr. of new pay-TV div.

Betty Buff promoted to vp-personnel, **William Murray** to vp-systems, Field Communications... **John DeRoche**, ex-WTEN Albany, N. Y., appointed gen. sales mgr., KCMO-TV Kansas City... **Thomas Owens** named program dir., **Kenneth Rundel** news dir., WFAA-TV Dallas... **Verna Smith** named promotion mgr., WHO-TV-AM & KLYF(FM) Des Moines.

Stanley Cohen promoted to deputy administrator-operations, NTIA... **Sue Blumenfeld**, ex-FTC, named special asst. to FCC Common Carrier Bureau Chief **Philip Verveer**; **Larry Povich** promoted to chief, Policy & Rules Div... **Norman Sinel**, ex-PBS, joins Washington law firm **Arnold & Porter**... **Robert Schwartz** promoted to vp-public affairs, Comsat; **Jerome Breslow** succeeds **Schwartz** as Comsat secy.; **Nancy Weber** promoted to asst. secy.

Jerry Lee, WDVR(FM) Philadelphia, elected Bcst. Pioneers pres., succeeding **Norman Cash**, TvB; Exec. Secy. **Don Kearney** retires; Pioneers' hq moves to 320 W. 57th St., N.Y. 10019... **Fred Pierce**, WJCL-TV-AM Savannah, elected pres., Ga. Assn. of Bcstrs.; **Otto McDonald**, WLET-AM-FM Toccoa, vp-radio & pres.-elect; **Walter McCroba**, American Family TV, vp-TV.

Robert Goldman, ex-Dymo Industries, named pres.-chief exec. officer, International Video... **Jack Williams**, ex-Fanfare, appointed pres., Prism pay-TV network; **James Barnick** joins as PR & sports dir... **Jerry Kaufer**, ex-Paramount TV, joins Viacom Enterprises as creative services dir... **Kenneth Cook**, ex-ATC, appointed asst. to exec. vp, Daniels Properties... **A.C. Deichmiller** named market research dir., Times Wire & Cable... **Sanford Freeman**, ex-Fanfare, appointed exec. vp-Starscan Div., Gardiner Communications.

James Harmeyer, Blair TV Chicago, promoted to mgr., Jacksonville office... **Philbin Flanagan** appointed marketing dir. for Group II of TV Marketing Assoc., subsidiary of TeleRep... **Susan Wilcox**, ex-Tatham-Laird & Kudner, appointed Nielsen sales-service exec. for station, agency & advertiser accounts.

Gerald Rudman joins PBS as controller; **Gloria Feinberg** promoted to assoc. gen. counsel. Re-

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with
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signed from PBS: **Lee Sauser**, educational services dir.; **Deanna Nash**, systems research dir.; **William Mason**, station relations asst. dir... **Stephen Smith**, ex-KUED Salt Lake City, appointed gen. mgr. of WGBY-TV Springfield, Mass., succeeding **John Caldwell**, now pres.-gen. mgr., WTVS Detroit... **Kenneth Murr**, ex-WLIW Garden City, N.Y., appointed dir.-educational services, Catholic TV Network of Chicago... **David Litroff**, ex-KETC St. Louis, appointed broadcast mgr., WGBH-TV Boston.

Obituary

W.E. Williamson, 71, chief clerk & staff dir. of House Commerce Committee since 1957, died of cancer July 24 in Fairfax (Va.) County Hospital. Before coming to Washington, he was mayor of Magnolia, Ark. and high school football coach. Survivors include wife, 4 children.

But not this year! IRTS has traditionally opened fall luncheon schedule with speech from FCC chairman—and govt. officials traditionally have used prestigious platform for major policy pronouncements—but current Chmn. Ferris has declined invitation for Sept. IRTS official said it's first time in memory that FCC chairman has said no (lame duck Chmn. Wiley wasn't invited in 1977). Ferris aide said he declined because of busy fall schedule and fact he didn't have anything important to say.

Refusal to grant oral hearing in cable economic inquiry (Vol. 19:26 p5), FCC said, is because better judgment on procedures can be made after written comments are in. It dismissed petition without prejudice to refiling later. It granted 2 months' extension of comments deadline sought by NAB—to Sept. 17, replies Oct. 17.

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STATE OF THE INDUSTRY

Sales to dealers (total market), from EIA, for week ended July 13 (28th week of 1979):

	July 7-13	1978 week	% change	June 30- July 6	1979 to date	1978 to date	% change
Total TV.	240,970	262,561	-8.2	248,191	7,874,063	7,640,901	+3.1
color	145,916	160,170	-8.9	161,156	4,935,416*	4,872,878	+1.3
monochrome . .	95,054	102,391	-7.2	87,035	2,938,647	2,768,023	+6.2
Home VCR	4,211	—	—	6,552	191,207*	—	—
Total radio	826,011	1,019,537	-19.0	614,201	21,466,326	24,133,734	-11.1
home, portable	618,384	806,291	-23.3	397,365	14,104,094	17,201,061	-18.0
AM-only	87,795	123,928	-29.2	89,280	3,179,280	4,124,834	-22.9
FM & FM-AM	530,589	682,363	-22.2	308,085	10,924,814	13,076,227	-16.5
auto	207,627	213,246	-2.6	216,836	7,362,232	6,932,673	+6.2

Color TV 5-week moving average: 1979—205,264*; 1978—191,369 (up 7.3%).

*Record for period.

TOSHIBA's LVR DEVELOPMENT DRIVE: Toshiba has launched all-out development effort which could lead to marketing of its first fixed-head longitudinal video recorder (LVR) next year, introduction of compact color camera-LVR combo within 3 years. We learned this from Norikazu Sawazaki during his visit to N. Y. where he presented paper on LVR at recent Joint Intermag conference on magnetism.

Sawazaki heads Toshiba's Sawazaki Research Lab, developed first helical-scan VTR in 1957, followed with invention of dropout compensator, is responsible for endless-loop LVR Toshiba demonstrated at CES in Chicago last June (Vol. 19:23 p14). Preliminary timetable for first consumer LVR calls for completion of pre-production prototype this fall, showing at Jan. CES in Las Vegas and, if all goes well, availability by end of 1980. Schedule depends in part on standardization effort by multi-company LVR standards committee now being formed in Japan, he said.

Toshiba experimented with several LVR formats before settling on present fixed-reel endless-loop cartridge in which tape feeds out across cavity in center to pass across head. Sawazaki said idea of reversing reel-to-reel format, used in BASF LVR, was abandoned as unsatisfactory. Also dropped was endless-loop cartridge which fed from front, similar to 8-track audio cartridge.

Binding is major problem in all endless-loop tape systems. In Toshiba system, friction is held down by air cushion which forms between layers of lubricated tape, giving cartridge at least 500-hour record-play life. While Sawazaki feels this is long enough for consumer use, Toshiba continues to seek improvement.

Extent to which LVR will displace helical VCR in market is uncertain, but there will be some displacement, Sawazaki says. Most obvious area is in compact portables where he says helicals already are running up against mechanical tolerance limits. Toshiba is working on CCD color camera containing a 1/8-in. tape-cartridge LVR that will provide 20-min. record capability with quality comparable to current Beta & VHS helical VCRs, according to Sawazaki. Whole package will be same size as current Super-8 movie camera, and at least one U. S. TV network says it will buy units for ENG, Sawazaki states.

Toshiba is studying various ways to improve LVR system; it now gets hour playing time from 220 tracks on 328-ft. 1/2-in. tape moving at 236 ips. Use of metal tape or high-density recording system could permit halving speed to double play time without affecting picture quality, and application of semiconductor technology may make single head with up to 220 gaps practical. This could lead to even simpler LVR deck design, make possible one-pass duplication of recorded tape.

Method of increasing recording density, called "vertical recording" was discussed at Joint Intermag by metal tape-inventor Shunichi Iwasaki, Tohoku U., Japan (Vol. 19:29 p10). Applicable to magnetic discs as well as tape, system uses "perpendicular head" to record & play back data on successive one-micrometer layers of cobalt-chromium & iron-nickel. Most immediate application is in data processing, where density could be increased tenfold to 100,000 bits per sq. in., but audio-video recording density could also be hiked 2-4 times. Hottest topic at session was magnetic bubble memories, which drew 48 papers. Other subjects included new TDK cobalt-iron oxide tape synthesis and Matsushita evaporated metal-tape processes.

Recordable videodisc with pre-recorded servo guide tracks has been developed by Drexler Technology, which started offering sample quantities of laser-recordable disc last Aug. (Vol. 18:36 p8). Inclusion of guides makes discs readable on players with optical tracking systems such as those used on Magnavox Magnavision consumer and Universal-Pioneer industrial models.

JAPAN COLOR EXPORT SLIDE CONTINUES: Japanese color exporters marked end of 2nd quota year in June with continuation of month-to-month drop in shipments to U. S., prompting EIA-Japan spokesman to express view that restriction should be allowed to expire on schedule next year. In other developments last week: (1) Treasury received microwave oven dumping complaint from AHAM. (2) Senate passed & President signed trade bill. Measure covers tariff reductions, easing of trade restrictions and changes in dumping & countervailing duty regulations agreed to at Geneva GATT meetings last April. (3) President's plan for restructuring U. S. trade bureaucracy hit snag in Senate.

Japan's total TV exports to U. S. dropped 64.6% in June to 104,600, with color off 50.6% to 57,900, b&w down 73.8% to 48,600, Finance Ministry reports. Month's exports of complete color dropped 49.1% to 55,700, while incompletes fell 72.1% to 2,200. In first half, total imports were down 63.4% to 597,400, as color dropped 52.3% to 354,800, b&w sank 72.7% to 242,600. Full-period exports of complete color were down 55.2% to 291,300, while incompletes were off 32.6% to 63,500.

Value of Japan's TV exports to U. S. in first half was down 48.8% to \$114.7 million, calculated using June 1979 & 1978 exchange rates, with total color off 43.1% to \$91.4 million, b&w down 63.1% to \$23.3 million. Average value of complete color export in half rose to \$287.08 from \$220.87 as average for incomplete color dropped to \$127.26. B&w average rose to \$96.05 from \$71.17.

In quota year, which ended June 30, Japanese exported 1.15 million complete & incomplete color sets to U. S. That's 32.3% fewer than in first year of quota, when just under 1.7 million were shipped, and 34.3% below 1.75-million limit. Quota agreement was for 3 years, will run out next June 30—as will 17-month quotas on color from Taiwan & Korea—unless extended by President. Labor-industry group COMPACT, which has been trying to get quota umbrella expanded to cover shipments from Singapore, is expected to ask that quotas continue for at least one more year. Our talks with U. S. trade officials indicate there's little chance of extension unless current pattern of record production & shipments by domestic industry (which includes Japanese-owned factories) is reversed sharply in 2nd half.

Second time was charm for AHAM. Treasury says it has accepted complaint charging Japanese MW oven dumping, will decide by end of Aug. whether there's enough evidence of less-than-fair-value sales to justify formal investigation. It's understood Treasury rejected earlier complaint as too sketchy. Filing comes at time of MW oven market stagnation and declining imports (see p. 10). Imports, virtually all from Japan, accounted for some 31% of U. S. MW oven market last year, but only about 23% in first 5 months this year. Import decline,

however, is considered to be mainly due to high yen value which makes Japan-made units too expensive. Matsushita (Panasonic & Quasar) will start MW production at Franklin Park, Ill. plant soon and Sanyo, Sharp & Toshiba are slated to launch output here next year. So even successful pressing of dumping action will have only minimal impact on competitive market conditions.

AHAM complaint cites 8 Japanese companies as dumpers, says match of prices on similar models sold in U.S. & Japan shows following range of dumping margins: Hitachi \$85-\$165; Mitsubishi \$110-\$225; Panasonic \$45-\$275; Quasar \$35-\$205; Riccar \$155-\$360; Sanyo \$125-\$285; Sharp \$60-\$320; Toshiba \$75-\$310. Growth of U.S. industry "has been stultified by unfair import pricing," complaint states, pointedly notes that MW oven market history "bears an uncomfortable resemblance to the decline of other U.S. consumer electronic industries—radio, TV, audio equipment—in years past."

Administration proposal to shift trade law enforcement & administration from Treasury to Commerce (Vol. 19:30 p8) has drawn opposition from key members of Senate Govt. Affairs Committee. As alternative, Sens. Ribicoff (D-Conn.) & Roth (R-Del.) are urging creation of totally new International Trade & Investment Dept. responsible for all foreign-trade activities. Administration plan would leave policy matters in hands of President's Office of Special Trade Representative.

NBC's VIDEO FORECASTS: NBC expects 17.8 million homes to have videodisc players and 13.3 million with VCRs by 1988, but this audience will be so dwarfed by number of TV homes (89 million) and commercial TV viewing time (47 hours weekly) that they won't provide competition for broadcast TV, and NBC has no intention of developing programming for them. So said Pres. Fred Silverman last week to Cal. Bcstrs. Assn. in NBC's closest public look to date at new media (see also p. 4).

Revealing NBC Corporate Planning Dept. statistical projections, Silverman said TV homes are expected to grow by about 15 million to 89 million, over-the-air subscription TV reaching 4% penetration (3.56 million homes), cable 30% (26.7 million) including 12% by pay cable (10.68 million), VCRs 15% (13.35 million), videodisc players 20% (17.8 million), home computers 10% (8.9 million), video games 20% (17.8 million).

Some new services "will grow on their own without having any negative impact on our audience," he said, while VCRs "could actually increase network & local [TV] audiences" by letting viewers "reschedule our shows at their convenience." He saw new services as increasing total viewing time, rather than decreasing TV audiences.

Silverman made it clear that NBC disagrees sharply with ABC's strategy of entering all forms of video and theatrical production (Vol. 19:29 p8). "Whatever our competitors may do, we are not going to dissipate our creative energies by producing software for other media or other technologies. We are broadcasters and we are going to remain broadcasters."

Silverman saw new video services being viewed "no more than 4 or 5 hours a week," and, except for pay TV, "they will primarily be aiming at special-interest audiences with lower-priced programming." Because part of attraction of new video services is lack of advertising, "customers will certainly object if advertising is put in later."

Meanwhile, at N.Y. session for security analysts, ABC-TV Pres. Fred Pierce said in answer to question: "We have much product which can be developed for use in other media. Our overseas [video] project will develop into a pretty significant profit center."

In related development, David Kolozy told us his Overseas Tele-Video Corp. has bought videocassette rights to Winter Olympics from Lake Placid (ABC has TV rights) and to U.S.-Russian Spartacade track competition.

Montgomery Ward marks first involvement in consumer video programming with videocassette highlights of 1976 Olympics, to be marketed by Sports World Cinema at \$75 in Beta or VHS format, \$150 in U-Matic. Ward was official licensee for 1976 Olympics films. Company spokesman said there were no plans to market the cassettes through company's catalog or retail outlets, but that sale of recorded cassettes directly by Ward wasn't ruled out. Company features Panasonic VCR in its catalog.

Sears ordered 100,000 decoder-equipped 19" color TVs from Sanyo for sale next year under HEW-sponsored program to provide captioning for hearing-impaired viewers (Vol. 19:13 p6, 19:14 p14). Sanyo, which will also produce decoder attachments for existing sets, said about half of sets would be made in Forrest City, Ark. plant, rest in Japan. Sears has indicated sets will retail for about \$500, decoders at about \$250. Prices include \$8-per-unit royalty to National Captioning Institute. ABC, NBC & PBS all will feature some captioned programming. CBS, which opposes system selected, isn't participating.

Bearcat "cartridge" turns 8-track player into scanner. Inserted into player like regular cartridge, \$100 unit can scan up to 4 VHF high/low band communications channels.

Korea is asking U.K. for increased 1980 b&w import quota. It's currently limited to supplying 75,000 sets annually, is understood to be looking for 100,000.

EMI TO MARKET HOME VIDEO: Another entry to increasingly crowded home videocassette (and eventually videodisc) field is EMI Ltd., whose new U.S. subsidiary EMI Videograms Inc. hopes to enter market with 25-30 home programs before Christmas. Company plans to draw on its own backlog of movies, including some produced originally for TV, as well as resources of its worldwide record companies (Capitol Records in U.S.) and independent productions, according to EMIV Pres. Gary Dartnall, who has been prominent in motion picture & TV program marketing for EMI in U.S. & England. EMI also makes video, TV, studio and other equipment in England.

EMIV was formed in June, with hq in Hollywood, parallels structure of Britain's EMI Videograms, headed by Donald McLean, but will operate independently for U.S. market. Company plans to handle own marketing here, utilizing Capitol Records distribution. Dartnall told us he's currently clearing rights to programming, including some not now owned by EMI. Among movies in EMI library, dating back to 1927, are recent "Death on the Nile," early Hitchcock movies, Alec Guinness features. Dartnall says Capitol-EMI has extensive library of promotional films made of its recording artists, may edit some of these into special variety shows & concerts. EMI owns audio rights to all Beatles output.

In addition to using existing distribution system, Dartnall feels "mail order is very important," isn't sure there's a rental market—but "if it's there we'll be in it," possibly by licensing outside firm. Dartnall finds VCR circulation buildup "exciting—there'll be a million in use by Christmas." He says EMI plans ultimately to "record, press & market" own videodiscs, believes tape will continue to provide significant vehicle for prerecorded programming, growing alongside discs.

EMI's TV production company currently is making 8-9 TV movies a year. Dartnall sees video release of theatrical features eventually coming after pay-TV and prior to network exposure. He said EMIV hopes to market pictures made by "3rd-party producers who aren't in the business of sale to retailers."

Sale of 50% of British parent EMI's music business to Paramount Pictures for about \$154 million won't have immediate effect on video operations, Dartnall said, but he conceded that this corporate tie eventually could lead to some form of video cooperation. Associated with Dartnall in EMIV planning is economist William Burkhalter, market research dir., 23-year Capitol Records veteran.

Computer notes: TI's personal computer waiver request to FCC (Vol. 19:12 p10) is on agenda of Aug. 1 open meeting... Japan's leading computer makers have formed Electronic Computer Basic Technology Development Assn. to handle computer software R&D. New unit has \$260-million 5-year budget, half being contributed by MITI. Toshiba Pres. Kazuo Iwata is pres.; Mitsubishi Electric Pres. Sadakazu Shindo & Matsushita Communications Pres. Akisada Ogama, vps.

Fear of protectionist backlash stemming from U.S. IC manufacturer allegations of unfair competition is forcing Japanese producers to broaden their U.S. production involvement. Hitachi has begun assembling ICs at test facility of Hitachi Semiconductor in Dallas, plans further expansion to more vertically integrated output. NEC has earmarked about \$5 million for expansion of U.S. IC-producing subsidiary Electronic Arrays it acquired last year for \$8.6 million (Vol. 18:26 p12). Fujitsu reportedly is negotiating to acquire site near San Diego for IC and computer memory components plant. Oki Electric has begun having its proprietary ICs made in U.S. by subcontractors, plans to set up test facility in Cal., eventually expand into production. Toshiba is weighing make-or-subcontract U.S. IC production options, is also understood to be considering acquiring U.S. manufacturer. Meanwhile, Kyoto Ceramic is doubling holdings in Sanken Electric, will start marketing Sanken's ICs through U.S. subsidiary Kyocera International which produces capacitors & IC substrates in San Diego. Firms have also agreed to interlocking executive arrangement, will consider production here if U.S. marketing effort succeeds.

Multichannel TV sound system proposals have been invited by EIA task force, which asked that technical descriptions be sent by Sept. 1 to Task Force Chmn. Carl Eilers, Zenith, Glenview, Ill. 60025... Stereophonic sound TV broadcasting system from Telesonics received high marks from PBS station WTTW Chicago in report to FCC: "System proved to be simple to operate, nearly costless to install, enabled us to telecast full-bandwidth stereophonic programs (of the finest technical sound quality we could obtain), and reproduce these stereophonic programs with low-cost receiving equipment." During one-year test, 2 Telesonics receiving systems were examined—outboard adaptor connecting TV to stereo system and inboard TV tuner.

Microwave oven sales by retailers should total 2.75 million this year, up 15% from 2.4 million in 1978, Litton estimates; growth rate is about same as last year. Company says dealer sales in first quarter were up 25% to 580,000, notes that retailer inventory cutbacks and fall-off in volume by importers are keeping overall improvement from showing up in industry factory sales figures. AHAM put 1978 factory sales (including imports) at 2.5 million, up 16%, but says first-half total this year was up just 0.9% to 967,500. Commerce figures show imports through May were down 24.5% to 181,400.

Motorola is pressing small Japanese semiconductor makers for royalty payments on transistors they have been producing without licenses. Motorola holds number of basic transistor patents and has licensed most major companies there. Motorola, it's understood, is seeking back payments as well as license agreements, asking 2.5-3% royalties from about dozen companies. Motorola says it hadn't pressed in past because of large number of companies and small quantities involved. Now, however, several have started exporting to U.S. and, Motorola says, it can't ignore infringement any longer.

Consumer Electronics Personals

Louis Couttolenc, RCA Mexico pres., adds post as RCA International (Bermuda) vp, responsible for corporate and international relations in Central & South America... Donald Winn joins Atari as Consumer Div. pres., post last held by Pres. Raymond Kassar; William Grubb, ex-Black & Decker, joins as video games sales & mktg. vp; Robert Hovee, ex-Questor, appointed personal computers sales & mktg. vp. They replace Donald Kingsboro, who resigns as sales & mktg. vp to rejoin D.K. Mktg... Malcolm Kuhn resigns as Mattel Electronics sales dir. to form rep organization in Tucson... Tom Larson promoted at Panasonic West from dist. sales mgr. to dist. mgr., Pacific NW... Ron Prather advanced at Interstate Supply, St. Louis, to vp-gen. sales mgr.; Joe Manion promoted at Interstate to RCA sales mgr., succeeding Prather.

John Nugent advanced at GTE from Sylvania Distributor & Special Mkts. Div. controller to electronic components vp-controller, GTE Consumer Electronics, succeeding Phillip Wolf, now Entertainment Products Group vp-controller; William Harrison advanced from GTE senior vp to exec. vp, finance... Lew DeBise joins Video Concepts as projection TV national sales mgr... Chuck Baker, former Fisher PR mgr., appointed Altec Lansing ad & promotion dir... Lloyd Haug promoted at Radio Shack from management analysis dir. to mgr. of new National Bid Dept. with responsibility for contract bids... Cathy Ciccolella, Mart Magazine editor-in-chief, adds post as assoc. publisher.

Larry Chalfan, ex-Frontier Mfg. vp-gen. mgr., joins Oki Semiconductor (U.S.) as mfg. vp, new post... Kenyon Mel, ex-Hewlett-Packard, appointed National Semiconductor MPU engineering mgr... Sandra Tripp advanced at Wabash Tape to product mktg. mgr... John Shoulta appointed Motorola Semiconductor ceramic products mktg. mgr... John Johnson advanced at Belden to diversified services vp, new post; Jack Krejca promoted from asst. controller to asst. treas. & asst. secy., succeeding Johnson.

British teletext growth has been slow (Vol. 19:28 p8) because of lack of promotion & glamor, Wireless World concludes in editorial. Pointing to dismal record in attracting users (9,000 decoder-equipped sets sold in its 4th year), publication says not many consumers "have a clear idea of just what it is they are being asked to buy." It accuses BBC & IBA of failing to promote service, touches only lightly on fact that system is "severely handicapped by the coarse format of only 960 characters per 'page'," concludes more publicity and more attractive programming are needed if service is to grow.

Ad notes: Magnavox launches 4th annual "Trade-In for Touch-Tune" promotion for selected 19" & 25" color models Aug. 26. Program gets network & spot TV, magazine ad support, will feature repeat of NFL Record Book giveaway. Effort ends Oct. 12... Magnetic Video appoints J. Walter Thompson, Detroit, as first outside agency, has estimated \$1-million budget.

ADVENT SALES DOWN: Advent expects to report 30% sales decline in fiscal first quarter to June 30, or about \$5.9 million, compared to \$8.4 million in same 1978 period, and as result losses will be larger than expected, according to Pres. William Anderson. "Audio product sales suffered the most, although TV was also affected," he said, attributing drop to economic conditions. Advent expects improved results in 2nd quarter when new plant goes on stream, he said. Anderson also said Advent has arranged for private sale of \$1 million in 10% convertible debentures due July 1, 1982.

North American Philips said "significant sales & earnings increases... in electrical/electronic components and electrical consumer products" contributed to profit increases of 35.6% & 35.8% on sales gains of 6.6% & 11.6% in 2nd quarter & first half (Vol. 19:30 p12).

Tandy Corp. announced preliminary sales figures for year to June 30 totaled \$1.215 billion, up 15% from \$1.059 billion in fiscal 1978, while subsidiary Radio Shack reported June sales of \$83 million, up 19% from June 1978, 2nd highest percentage increase of 12-month period. In June, Radio Shack accounted for 82.6% of Tandy's sales.

Warner Communications said sales of Toy & Electronic Games unit rose 61.3% in 2nd quarter to \$45.1 million, were up 56.6% for half to \$81.7 million, and loss position improved. Unit lost \$1.7 million in quarter, \$6.1 million in half, compared to respective deficits of \$2.2 million & \$7.7 million last year.

Motorola said lower sales and CB inventory adjustments in 2nd quarter & half left Auto Products Div. in red for both periods.

GRT filed Chapter XI bankruptcy petition in L. A. federal court. Move was prompted by call of \$6 million in loans by Bank of America.

Cross complaints of unfair import competition involving U.S. & French resistor network manufacturers were combined into single case by International Trade Commission. Vishay Intertechnology & Societe Francaise d'Electroresistance have accused each other of patent violations and theft of trade secrets. Each is asking ITC to ban other's imports (Vol. 19:4 p11). Vishay imports from manufacturing subsidiary in Israel; SFE resistors are imported here by its U.S. sales subsidiary Resistor Research. ITC has designated case as "more complicated," extending deadline for decision from Jan. 7, 1980 to July 7, 1980.

Morse & Soundesign have agreed to settlement of Federal Maritime Commission complaints their Far East subsidiaries accepted illegal rebates from ocean carriers. Cases are among many stemming from campaign against rebating conducted by FMC.

CBS Records is acquiring Ampex's custom audio tape duplicating equipment & inventory, price undisclosed. Ampex had been doing some duplicating for CBS.

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.			
1979-6 mo. to June 30	953,426,000 ^a	82,423,000	2.94
1978-6 mo. to June 30 ^b	867,141,000 ^a	64,691,000	2.35 ^c
1979-qr. to June 30	501,819,000 ^a	56,956,000	2.03 ^d
1978-qr. to June 30 ^b	451,996,000 ^a	41,788,000	1.51 ^c
Andrea Radio			
1979-6 mo. to June 30	1,348,966	124,500	.25
1978-6 mo. to June 30	1,061,885	39,317	.08
1979-qr. to June 30	730,604	59,384	.12
1978-qr. to June 30	587,327	43,066	.08
Arvin Industries			
1979-6 mo. to June 30	241,116,000	10,277,000	1.45
1978-6 mo. to June 30 ^b	231,998,000	11,135,000	1.65
1979-qr. to June 30	117,051,000	3,737,000	.51
1978-qr. to June 30 ^b	124,962,000	6,759,000	1.00
BBD International			
1979-6 mo. to June 30	65,600,000	4,751,000	1.89
1978-6 mo. to June 30	56,300,000	5,004,000	1.99
1979-qr. to June 30	33,900,000	2,494,000	.99
1978-qr. to June 30	29,700,000	2,759,000	1.10
John Blair			
1979-6 mo. to June 30	88,541,000	5,578,000	1.50
1978-6 mo. to June 30	80,123,000	4,859,000	1.29 ^c
1979-qr. to June 30	45,746,000	3,216,000	.86 ^d
1978-qr. to June 30	41,477,000	2,947,000	.78 ^c
Bowmar Instrument			
1979-9 mo. to June 30	21,810,000	924,000	.12
1978-9 mo. to June 30	12,489,000	542,000	.07
1979-qr. to June 30	8,911,000	291,000	.04
1978-qr. to June 30	4,327,000	256,000	.03
Capital Cities Communications			
1979-6 mo. to June 30	198,242,000	30,322,000	2.20
1978-6 mo. to June 30	175,434,000	26,872,000	1.88
1979-qr. to June 30	108,447,000	18,352,000	1.33
1978-qr. to June 30	95,779,000	16,165,000	1.13
Clarostat			
1979-6 mo. to June 30	9,978,900	332,900	.60
1978-6 mo. to June 30	7,962,500	441,300	.80
Cohu			
1979-6 mo. to June 30	10,644,452	475,035	.28
1978-6 mo. to June 30	9,063,403	216,759	.13
1979-qr. to June 30	5,610,309	270,533	.16
1978-qr. to June 30	4,765,556	136,866	.08
Cox Bcstg.			
1979-6 mo. to June 30	125,073,000	21,335,000 ^d	3.17
1978-6 mo. to June 30	104,867,000	14,799,000	2.22
1979-qr. to June 30	69,271,000	11,961,000	1.77
1978-qr. to June 30	58,052,000	9,507,000	1.43
Craig			
1979-year to June 30	119,500,000	1,750,000	.57
1978-year to June 30	119,009,000	6,960,000	2.23
1979-qr. to June 30	31,000,000	(750,000)	--
1978-qr. to June 30	33,975,000	1,938,000	.62
Fuqua Industries			
1979-6 mo. to June 30	1,010,741,000	28,534,000	2.18
1978-6 mo. to June 30 ^b	770,934,000	13,046,000	.98
1979-qr. to June 30	546,511,000	18,295,000	1.41
1978-qr. to June 30 ^b	425,256,000	8,674,000	.66
Gross Telecasting			
1979-6 mo. to June 30	4,889,457	1,192,801 ^e	1.49
1978-6 mo. to June 30	4,540,927	988,008	1.23
1979-qr. to June 30	2,614,771	680,515 ^e	.85
1978-qr. to June 30	2,496,807	556,941	.70
Interpublic Group			
1979-6 mo. to June 30	171,174,000	9,962,000	2.27
1978-6 mo. to June 30	143,596,000	8,699,000	1.97
1979-qr. to June 30	98,185,000	8,728,000	1.98
1978-qr. to June 30	79,679,000	6,307,000	1.43

Company & Period	Revenues	Net Earnings	Per Share
Johnson Controls			
1979-9 mo. to June 30 ^f	754,188,000	36,346,000	2.61
1978-9 mo. to June 30	330,402,000	20,619,000	2.37
1979-qr. to June 30 ^f	222,550,000	5,295,000	.38
1978-qr. to June 30	95,999,000	4,669,000	.53
LIN Bcstg.			
1979-6 mo. to June 30	27,065,000	6,141,000	2.23
1978-6 mo. to June 30	24,218,000	5,094,000	1.82
1979-qr. to June 30	15,879,000	3,973,000	1.44
1978-qr. to June 30	13,694,000	3,233,000	1.15
Rollins			
1979-year to June 30	346,053,000	29,733,000	2.22
1978-year to June 30	295,418,334	26,854,411	2.00
1979-qr. to June 30	98,806,000	11,578,000	.87
1978-qr. to June 30	85,511,976	10,390,983	.77
Scientific-Atlanta			
1979-year to June 30	124,205,000	7,214,000	1.76
1978-year to June 30	94,205,000	5,063,000	1.39 ^c
1979-qr. to June 30	38,215,000	2,205,000	.52 ^d
1978-qr. to June 30	27,721,000	1,410,000	.39 ^c
Taft Bcstg.			
1979-qr. to June 30	51,988,310	7,022,557	.83
1978-qr. to June 30	43,687,979	5,978,023	.71
Technical Operations			
1979-9 mo. to June 30	97,179,000	1,272,000 ^d	.91
1978-9 mo. to June 30	61,477,000	554,000 ^d	.41
1979-qr. to June 30	37,395,000	412,000	.29
1978-qr. to June 30	21,649,000	192,000	.14
Texscan			
1979-year to April 30	10,797,855	324,574	.37
1978-year to April 30	9,714,832	219,608	.25
TRW			
1979-6 mo. to June 30	2,253,600,000	98,000,000	3.07
1978-6 mo. to June 30	1,826,700,000	82,700,000	2.58
1979-qr. to June 30	1,188,900,000	54,200,000	1.71
1978-qr. to June 30	956,400,000	46,900,000	1.48
Washington Post			
1979-26 wk. to July 1	282,570,000	24,048,000	1.51
1978-26 wk. to July 2	247,909,000	24,271,000 ^d	1.49 ^c
1979-13 wk. to July 1	152,253,000	15,411,000 ^d	.98 ^d
1978-13 wk. to July 2	135,103,000	17,208,000 ^d	1.06 ^c

Notes: ^aFrom continuing operations. ^bRestated. ^cAdjusted. ^dIncludes special credit. ^eRecord. ^fIncludes Globe Union.

IBM Japan was Japan's largest foreign-affiliated company last year, with earnings of \$324.6 million, according to survey by *Nikki Business* magazine, which also shows Sony's ventures are paying off. Survey covered Japanese companies which are at least 30% foreign-owned. Matsushita Electronics, TV tube, semiconductor & lighting venture with Dutch Philips, ranked 7th with earnings of \$91.1 million. Other industry-related companies listed (with income in millions): CBS/Sony 31st (\$15.5); Sony/Tektronics 45th (\$13); TI Japan 56th (\$11); Toshiba-EMI 64th (\$9.4); Memorex Japan 104th (\$5.5); Sony-Eveready 133rd (\$4.1); CBS/Sony Family Club 138th (\$3.4); Nihon Philips 140th (\$3.9); CBS/Sony Records 166th (\$3.1); Toshiba Ray-O-Vac 194th (\$2.5).

Lexicon translator (Vol. 18:48 p10) receives tepid review in Aug. *Consumer Reports*. Testers reported difficulty in finding key words in several languages, recommended traveler buy cheap pocket dictionary instead of \$225 unit.

Toshiba is opening patent research office in Washington to feed relevant data to Japan, protect Toshiba's patent position in U.S.