

WEEKLY

Television Digest®

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The authoritative service for broadcasting, consumer electronics & allied fields

SEPTEMBER 3, 1979

VOL. 19, NO. 36

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Broadcast

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SMALL FOLLOWS SALANT TO NBC: Veteran exec. gets 3-year, \$225,000 contract as NBC News president. (P. 4)

CPB DELAYS PBS AD BUDGET as last-minute presentation of TV Guide campaign irks board. Grossman proposes teleconferenced CPB board meeting to approve \$1.27 million to meet ad schedule. (P. 5)

BLACKMUN CALLS SUPREME COURT Gannett decision 'outrageous, totally in error.' (P. 5)

SAG'S NOLAN THREATENS to quit CPB in dispute over research firm which produces TVQ. (P. 5)

DIRECT SATELLITE MAJOR WARC ISSUE: Major dispute on eve of WARC (starting Sept. 24): U.S. vs. Canada over use of 12-GHz Ku-band for direct-to-home satellite TV service (DBS). Canada says DBS needs include retaining option of "hybrid" satellites serving either broadcast or common-carrier point-to-point users as requirements dictate. U.S. wants WARC to segregate the 2 by "frequency segmentation" of Ku-band, eliminating hybrid option.

[Definition of broadcast & fixed satellite services, adopted as part of ITU Radio Rules at 1971 WARC-ST (space telecommunication): (1) "Broadcast" is intended for "direct reception by the public." (2) "Fixed" is used for communication between "specified fixed points."]

Chief of U.S. WARC delegation, Ambassador Glen Robinson, calls Canada's hybrid satellite plan "exotic." Not so, says senior official on Canada's 5-member WARC delegation: Hybrid satellite already exists—Anik B, made by RCA Astro-Electronics, now located at 109° west longitude, carrying both C-band (4-6 GHz) and Ku-band transponders. Anik B is currently being tested with 100 1.2- and 1.8-meter home-type earth stations made by S.E.D. Ltd., Saskatoon. Canada says it has derived 2 color TV channels from one Ku-band transponder using 1.8-meter antenna, one-channel-per-transponder with 1.2-meter size.

"We see hybrid satellites as being very attractive for many applications in Canada, and possible for several other administrations in the region, particularly in the case of new, first-generation satellite systems," Canada states in WARC option paper. "Canada's work to date

Consumer Electronics

AUG. COLOR SALES OFF nearly 12% as month closed out with 2 down weeks. VCR, b&w sales-to-dealers continued strong. (P. 7)

PHILIPS CHALLENGING JAPAN'S domination of world VCR market with offer to sell transport for new Video 2000 system to U.S. and other OEM. Gauntlet thrown in Berlin. (P. 7)

U.S.-MADE COLOR PRICES rose on average in 2nd quarter despite shift in production mix to smaller screen sizes, ITC reports. Figures show manufacturers held output down. (P. 9)

INOVISION CLUB LAUNCHED by EDS offering discounts on video software, hardware, computers. Columbia names videocassette film titles. (P. 10)

EUROPEAN MARKET EYED by color manufacturers in Taiwan & Korea. Tatung looks for European production-venture partners. Koreans work on Finnish-connection. (P. 10)

SEARS RECALLING 21,000 Sanyo-made 19" color sets it sold in 1973-75 because of fire hazard. Sanyo says own-brand sets not involved. (P. 12)

indicates that [hybrid satellites of Anik B type] offer the most flexibility in use and the most cost-effective design. This type of satellite could not be implemented if the overall frequency band were segmented by service at this time. By 1983, administrations will have had more time to determine whether to take such a decision."

U.S. doesn't want postponement of final decision on Ku-band, instead proposing: (1) Immediate expansion of Ku-band to 1,000-MHz width. (Canada proposes lesser expansion, to 800 MHz.) (2) Abandon "arc segmentation" decided by 1977 Space WARC, separating broadcast & fixed satellite along the geosynchronous orbit. (3) Create exclusive fixed allocation covering 11.7-12.2 GHz. (4) Create shared fixed & broadcast allocation from 12.2-12.7 GHz. U.S. says in briefing paper that its plan would "increase orbital positions" for both broadcast & fixed satellites "by a factor of 3 or more and would appear to meet both broadcast & fixed requirements to the year 2000."

Efforts to compromise U.S. & Canadian positions at July meeting of Inter-American Conference on Telecommunications (CITEL) in Bogota resulted in what Robinson called a "standoff—there was no yielding." Conference (last pre-WARC gathering of Region II western hemisphere administrations) ended with Brazil & Chile broadly supporting U.S. proposal; Mexico, Argentina & Venezuela tilted towards Canada's proposal to delay decision.

Robinson told Satellite Week that 12-GHz dispute is now "most controversial" issue in Region II (western hemisphere). Failure to reach agreement on issue could "seriously impede" further development of Ku-band fixed satellites and "might impede" progress on a U.S. DBS system, he said. Robinson said he's optimistic WARC will extend bandwidth for 12-GHz satellite services to full 1,000 MHz proposed by U.S., but in absence of agreement to frequency-segment the band, "interim solution" may be necessary—allowing sharing between broadcast & fixed throughout band—pending 1983 regional conference.

Since Comsat's announcement that it's considering DBS service (Vol. 19:32 p2), several technical issues have been clarified. Comsat intends multiple satellites using multiple spot beams to serve time zones and non-continental points. Number of spot beams determines number of program choices.

Early spacecraft in Comsat's DBS series would probably be based on 12-GHz design of Anik C/SBS series made by Hughes Aircraft. Initial procurement would be 3 spacecraft—2 in orbit, one as ground spare—each with 12 transponders, giving Comsat total of 24 transponders. Because system configuration depends on frequency coordination around terrestrial Ku-band services, number of program services is 2-6.

On regulation front, little has happened since preliminary round of (largely predictable) reactions to Comsat's announcement. Comsat officials will start briefing members of govt. this week, starting with 2-hour closed presentation to NTIA chief Henry Geller. Geller told us Comsat's DBS statement caught NTIA by surprise. NTIA currently has only a summer intern assigned to researching DBS. FCC has no broad-ranging inquiries into satellite policy, Chmn. Charles Ferris (with full agenda already this fall) saying he wants to see a filing from Comsat first. Comsat is watching WARC closely before deciding on final regulatory strategy.

Opposition to Comsat so far—from A. James Ebel, KOLN-TV Lincoln pres. & member of U.S. WARC delegation (Vol. 19:34 p2)—hasn't fazed Comsat. Comsat says Ebel erred by charging in letter to AMST and others that Comsat is "part-owned" by govt. Comsat isn't, it said. "We expected opposition," said Comsat official.

HAVE MILLIONS, WILL BUY UHF's: "I can handle a deal in any size market," broadcast exec. of non-public company recently told Television Digest in describing his long and fruitless attempts to buy a TV station in a major market. "Find me a U independent in a major market, and I'm ready to sign," echoed another.

Fact that UHF has arrived after years of struggle is no surprise to anybody in the business, and dimensions of that success may be gauged by: (1) Fight for channels in FCC hearings; (2) frenetic bidding for stations and prices for which they're being sold; (3) great financial figures reported for 1978, compared with earlier UHF years.

Rebirth of UHF has resulted in 212 pending applications (in 109 communities), 163 of them mutually exclusive. In week ended Aug. 30, 6 more were filed, 3 for Ch. 15 in Omaha. (Note: At our deadline next day, another 6 were submitted).

There are multiple applications in 52 communities, but most sought after is Ch. 29, San Antonio, which has 8 applicants. Tulsa has 7 seeking 3 channels.

A fifth of UHF applications—44—are for STV. Religious groups have 31 applications on file. Forty-seven applicants own at least one station, and 20 applicants are seeking more than one CP. Ten are multiple cable system operators.

Increasing interest in UHF has left only 14 channels unapplied for in Arbitron top 50 markets: Tacoma (Ch. 20), Hartford (Ch. 61), Sacramento (Ch. 15), Stockton (Ch. 58), Providence (Ch. 16), New Orleans (Ch. 38), Asheville, N.C. (Ch. 62), Daytona Beach (Ch. 26), Charleston, W. Va. (Ch. 23 & 29), Birmingham (Ch. 68), Scranton (Ch. 38), Norfolk (Ch. 49), Syracuse (Ch. 62).

All told, 30 UHF stations were sold in last 12 months—prices including \$75,000 for Ch. 43 WOHN Syracuse CP and \$15.5 million paid by Taft for Ch. 20 WDCA-TV Washington (see p. 4). Times Mirror's \$82.4 million purchase of Newhouse stations involved 2 U's—WSYE-TV Elmira, N. Y. & WTPA Harrisburg. Shamrock's \$24.4 million buy of Starr Bcstg. included Ch. 62 WTVQ-TV Lexington, Ky. Other major purchases included Detroit Evening News' buy of KVUE Austin for \$13.2 million; Meredith's acquisition of WPGH-TV Pittsburgh for \$11.7 million; Providence Journal purchase of WPHL-TV Philadelphia for \$10 million; Booth American's buy of KGSC-TV San Jose for \$9 million.

STV-UHF combines are flexing muscles, nearly won rights to N. Y. Yankees baseball for next 5 years. Jerry Perenchio reportedly bid \$20 million for his WNJU-TV Newark, lost to WPIX N. Y. —which has carried Yankee games since 1951.

Major reason for surge of interest in UHF can be gained from FCC financial figures for 1978 (Vol. 19:31 p3). Of 197 UHF's reporting, 135 were profitable—94 affiliated with network, 41 independents. However, independent UHF's generally were more profitable than those with affiliations: One independent reported profit over \$5 million; 9 more over \$3 million. No network affiliated U reported profit of over \$3 million, although 10 were above \$1.5 million.

Total time sales of 71 independent UHF's reporting were \$298.8 million, while 126 affiliates had \$290.7 million. In 1974, 4 years earlier, figures were \$115.4 million for 57 independents and \$143.5 million for 124 affiliates. Last year, only 47 UHF's reported losses—20 were affiliates, 27 independents; most of latter group were fairly new starters.

Black Entertainment Television is new organization designed to serve cable systems with satellite-distributed programming, formed by Robert Johnson, NCTA govt. affairs vp. He aims for Jan. 1980 start, leaves NCTA Oct. 31, accompanied by Vivian Goodier, NCTA congressional affairs dir. Programs will be ad-supported, offered free to cable operators, distributed via Madison Sq. Garden Network, run 2 hours weekly to start, probably Sun. night. Johnson said programs will be "particularly attractive ad medium to reach the black audience" but also will appeal to whites. First ad inquiry, he said, was from new cola—King Kola. Johnson is pres. of new company, Goodier affiliate relations vp.

Top FCC staffers, along with Chmn. Ferris, plan Sept. 7-9 "planning conference" in Harpers Ferry, W. Va. Among those attending: Gen. Counsel Robert Bruce, Chief Scientist Stephen Lukasik, OPP Chief Nina Cornell, Bcst. Bureau Chief Richard Shiben, Common Carrier Bureau Chief Philip Verveer, Private Radio Bureau Chief Carlos Roberts and Office of Public Affairs Dir. Robert Mann.

Charles Firestone, head of UCLA Communications Law Div. and former exec. dir. of Citizens Communications Center, wants FCC to add "several" 800 phone lines—it now has only 3, for fee refund information—for public use. In letter to FCC Chmn. Ferris, he noted agency has 955 WATS lines in Washington area, 38 in field offices. He suggested Commission use its WATS facilities to inform parties of decisions: "I have personally learned of decisions as much as a week [later] when the releases finally arrive." He also urged Ferris to reinstate "open forum" sessions—started under Chmn. Burch—for public and interested groups to come in to discuss issues.

Equal-time rule exemption for "Good Morning America" is asked by ABC, which told FCC program is now "significant news show" serving as "video newspaper" for viewers.

3M has obtained exclusive marketing rights in U.S. & Canada for recently announced NEC Type C helical scan videotape recorder.

'STATUS QUO' ON WDCA-TV: After week of legal machinations, D.C. Appeals Court Aug. 31 ordered FCC "only to maintain the status quo" that exists in transfer of WDCA-TV Washington to Taft Bcstg. (Vol. 19:35 p3). In reversing itself from order 2 days earlier which told Commission to require Taft to give up ownership of WDCA-TV, Court also told agency to "order Taft to take no action in operating WDCA-TV... which in any way affects" FCC's ability to rescind sale. Taft already had agreed to such condition, as sought by FCC in seeking reconsideration of Aug. 29 Court order which would have required Taft takeover to be rescinded.

Unusual twist in case: Seller, Improvement Leasing Co., no longer wants to sell to Taft. It told Court it agrees with petition by WATCH that consummation of transfer should be reversed and that the Aug. 29 order should remain in force. Improvement told Court "on the basis of information" obtained since consummation of sale, it "has concluded that the Commission did not in fact issue the requisite consent to the transfer." Improvement said it would support this conclusion in FCC filing "at an early date."

FCC approved transfer 4-3 Aug. 16, and, at insistence of Taft, station immediately changed hands. Improvement had rejected several pleas by Taft to extend contract deadline (Aug. 17) in \$15.5 million sale so commissioners wouldn't have to return to Washington during customary Aug. recess. Improvement refused.

SMALL FOLLOWS SALANT TO NBC: Based on a commitment to make "news a much more important part of NBC's broadcast service in the '80s," veteran news exec. William Small will move from CBS to pres. of NBC News. He'll succeed Lester Crystal (Vol. 19:35 p5), who will be offered another spot in company.

Small negotiated his contract with NBC Chmn. Jane Pfeiffer, rather than Vice Chmn. Richard Salant—Small's boss at CBS News for many years—reportedly has been assured "he'll run his own show" and will be in complete charge of News Div. Presumably, Pfeiffer dealt with Small because Salant had vowed he wouldn't raid CBS. Network official said Small's contract is for 3 years at \$225,000 a year; he's expected to join NBC in mid-Sept.

For last year, Small has been CBS's chief lobbyist as Washington vp, replacing William Leonard, who now is CBS News pres. Before that, he was CBS News senior vp and No. 2 man under Salant. He also headed CBS's Washington news bureau for several years. CBS official said Small's successor in Washington won't be picked until Pres. John Backe returns from vacation, expected this week.

Major Telerep personnel expansion was announced by Pres. Alfred Masini for 12 of 14 sales offices. At 8 offices, staff will be split into 2 sales teams. Masini said Telerep added 56 to staff in year.

Govt. Printing Office has published first update of Communications Act since 1974, available for \$5 from Supt. of Documents, GPO, Washington 20402.

Major issue in case—and basis of WATCH appeal now (filed on its behalf by Citizens Communications Center)—is that transfer was made illegally, since no Commission order had been released; in fact, text of FCC decision still hasn't been released. Said seller: "If... the Commission did not issue its consent to the transfer on Aug. 16th, improvement is entitled to receive back its station." Improvement included affidavit from Gen. Mgr. Milton Grant stating that "since the transfer of the station to Taft... the confusion and uncertainty... are seriously undermining the morale and efficiency of the station's staff to the detriment of the station's service to the public."

Also on Aug. 31, WATCH asked Court to find FCC in contempt for not complying with Aug. 29 order to rescind transfer: "It is a simple, unambiguous command [yet] for the past 36 hours, the Commission has done nothing... The Commission... has devoted all its efforts to evasion."

Judges Tamm & Wright (Wilke not participating) ordered FCC to act by Sept. 13 on WATCH petition to rescind transfer. They also asked for briefs by Sept. 21 on WATCH's Court petition, promised prompt consideration by Court.

Perhaps waiting in wings: Gannett's \$370 million merger with Combined, which also was consummated hours after FCC vote and before written decision (Vol. 19:24 p4). Citizens also is seeking FCC reconsideration of that merger (Vol. 19:35 p2), although not on same grounds (premature consummation) of WATCH Court action.

Bcst. Financial Management Assn. annual conference Sept. 16-19, Waldorf-Astoria, N.Y., anticipates 1,000 attending, speakers including: Thomas Bolger, NAB chmn.; Elliot Janeway, economist; Edwin Newman, NBC; Joel Stern, Chase Financial Policy; William Suter, Merrill, Lynch; Henry Geller, NTIA. There are 3 major sessions on "Broadcasting in the 1980's": Technology, moderated by Vern Pointer, ABC; economics, moderated by Suter; "Federal Involvement," moderator not indicated.

Ch. 4 WAPA-TV San Juan has been denied waiver by FCC of multiple ownership rule to apply for Ch. 18 there. WAPA-TV (principally owned by Dale Moore) argued that independent UHF operation wasn't possible in P.R., that its proposed English-language programming on UHF was "greatly needed." In dissenting, Comrs. Lee & Washburn said FCC "had a chance to let an entrepreneur underwrite UHF development in the San Juan market. [Instead] it has chosen to wait indefinitely..."

Burke Bcst. Research, which recently suspended radio rating service for lack of support (Vol. 19:33 p5), has gained Metromedia's 13 radio stations and 4 from Century Bcstg., along with ad agencies Leo Burnett & BBD&O as future clients. Burke officials said decision will be made by Sept. 15 regarding continuing service.

Wis. Cable Assn. convention Oct. 2-4, Holiday Inn, Stevens Point, includes Rep. Baldus (D-Wis.) discussing REA loans; Mary Lou Burg, Copyright Royalty Tribunal, on copyright; panel discussion on satellite services.

PBS AD BUDGET TABLED: PBS staff was scrambling last week after CPB board tabled entire \$3 million CPB matching grant share of \$5.1 million PBS promotion and advertising budget. Board was clearly angered when told by Pres. Robben Fleming on last day of meeting that by approving entire 1980 budget it had already said yes to \$3 million CPB share for PBS ad campaign. So board voted to hold ad budget for further consideration.

Sudden budget squeeze at PBS led Pres. Lawrence Grossman to propose special CPB "teleconferenced" board meeting for Sept. 10, in time to approve \$900,000 needed to start TV Guide campaign on scheduled Sept. 29. PBS staff is concerned that waiting for regularly scheduled Sept. 17 board meeting would push back campaign to mid-Oct. & Nov., when PBS ads would face heavier competition from commercial TV print ads.

"We hope to go to CPB with a proposal for funding in 2 phases," said Daniel Agan, PBS ad dir. "Phase 1, which we'll present Sept. 10, is the money for the TV Guide campaign, plus some other promotion money, totalling \$1.27 million. Phase 2—the rest of the budget—they can decide at the Sept. 17 meeting."

Teleconferenced board meetings have been used in past for emergency matters, and CPB officials indicated board probably would be receptive to PBS plan. Much of board's initial irritation with \$3 million ad budget was due to fact that discussions were placed near end of agenda Aug. 24, day after total budget had been considered.

"You mean to say you're telling us to examine something we can't accept or reject because we've already approved it?" board member Kathleen Nolan asked Fleming. Geoffery Cowan reacted particularly strongly to request, outlining 3 areas he thought needed more consideration: (1) Ad campaign's implication for PBS common carriage and "networking." (2) Whether "matching" type funds should be used for ad purposes. (3) Whether requirements for applying ad funds to federally funded programming should be set up.

"It was just an oversight on management's part—not explaining this problem in more detail to the board beforehand," said board member Michael Kelley. "I hope it doesn't look like the board is opposed to promotion. We're not. It's just that when the sums are this large and the issues still unclear, the board should be setting policy, not management..."

"I think it's an outrageous decision, totally in error," Supreme Court Justice Blackmun said of Court's decision in Gannett case permitting closing of courtrooms to press & public (Vol. 19:28 p3). He wrote dissent in 5-4 case. Speaking to federal judges for 8th Circuit in Rapid City, S.D. last week, he also disputed earlier statements of Chief Justice Burger and Justice Powell that decision gave judges right to close pre-trial proceedings only, not actual trials.

WGAL-TV Lancaster & WTEV Providence, recently acquired by Pulitzer, appoint Blair TV rep.; WUTV Buffalo shifts from WGN Continental to Katz American TV.

NOLAN THREATENS TO QUIT CPB: After only her 2nd meeting, SAG Pres. Kathleen Nolan threatened to resign as CPB board member if CPB went ahead with plans to do business with TVQ, according to internal CPB memo.

Memo said that Nolan, who couldn't be reached for comment, "almost had hysterics and threatened to resign if one dollar of taxpayer money went to Marketing Evaluations Inc." Memo was from Communications Research Dir. Leon Rosenbluth. Another board member confirms memo.

Nolan told board she was extremely unhappy with firm because of harm she believes it has done to acting community through some of its research.

Rosenbluth memo went to CPB Pres. Robben Fleming and states: "To halt our access to these valuable data because of one board member's self interest would make a mockery of our attempts to establish program priorities... If the top management will not act in defense of the department directors' prerogative to do their jobs without board interference, then I suggest the board members be asked to give us their 'white' and 'black' lists of acceptable and nonacceptable research firms."

Preparing for cable TV, W. German newspaper publishers invited NCTA Pres. Thomas Wheeler over for Aug. 23 speech in Berlin (paying his expenses), heard him warn how "established interests and the govt. combined to restrict the new technology." Addressing some 300 publishers, members of parliament & politicians, Wheeler said: "I'm not that certain about the ins and outs of your country's politics, but it seems to me that in most 20th century democracies, the govt. is a tool used by the entrenched interests to insure their continued dominance." Wheeler says German entrepreneurs have even tougher job than U.S. counterparts because "there, the govt. is the entrenched interest, because it owns the TV system." Future of cable, Wheeler told Germans, is to "find a consumer interest, no matter how small, and market to it with video information." He starts 6-week U.S. speaking tour Sept. 9, visiting regional & state conventions across country.

STV on KBSC-TV L.A., joint venture of Oak & Chartwell, reports reaching 200,000 subscribers. Called "ON-TV," it started April 1977, went into black in Aug. 1979, according to Oak. Oak's next STV operation, in Phoenix, is due to start this month; Ft. Lauderdale inaugural is due "before year end."

FTC's Kroger ad inquiry received support from Council of Wage and Price Stability. COWPS agreed with FTC that "Price Patrol" ads—which compare Kroger and competitors' prices of 150 grocery items—are misleading.

AP will abandon phone lines, will use satellites in serving all clients, said David Bowen, vp & communications dir. AP has application pending at FCC for satellite service to 50 cities using 15-ft. antennas but also is testing 6- & 10-ft. dishes.

TV robots in childrens' cartoons have been banned on Philippine TV by President Marcos because they are "too warlike" for children.

Personals

NBC Pres. **Fred Silverman** addresses National Press Club luncheon Sept. 19, Washington... Sen. **Barry Goldwater** (R-Ariz.), ranking minority member of Communications Subcommittee, addresses NRBA convention Oct. 9, Mayflower Hotel, Washington; retired CBS News correspondent **Eric Severeid** is keynoter, receives "Golden Radio Award"... House Communications Subcommittee Chmn. **Lionel Van Deerlin** (D-Cal.), FCC Comr. **Anne Jones** and **Mary Jo Manning**, chief counsel of Senate Communications Subcommittee, participate on Oct. 8 panel at N.C. Assn. of Bcstrs. convention, Asheville; Jones also is featured speaker at Ohio Assn. of Bcstrs. convention, Oct. 24-25, Columbus... FCC Chmn. **Charles Ferris** speaks at Sept. 19-20 NAB-NABOB seminar on black ownership; Comrs. **Tyrone Brown** & **James Quello** also will participate.

John Baziotis, ex-RCA, switches to NBC as vp-finance; **Jane Deknatel** promoted to vp-motion pictures for TV & miniseries, NBC Entertainment, succeeding **Deanne Barkley**, resigned; **William Nuss** promoted to dir.-current drama programs, **Michael Klein** to dir.-current comedy programs, and **Michele King** to mgr.-current drama programs, NBC Entertainment.

Frank Curtis promoted to exec. vp-asst. gen. mgr., WTRF-TV-FM Wheeling, W. Va... **Jerry Hellman** advanced to gen. sales mgr., WTMJ-TV, Milwaukee, succeeding **Edward Quinn**, now vp-gen. mgr. of co-owned KSHO-TV Las Vegas... **Thomas Johansen** promoted to gen. sales mgr., WNJU-TV Newark... **Steven Kargman** advanced to local sales mgr., KMBC-TV Kansas City.

Alex Bonner promoted to vp-gen. mgr., WHBQ-TV Memphis... **Gene Herbert** advanced to news dir., WXII Winston-Salem... **Steven Fisher**, ex-WJRT-TV Flint, Mich., appointed program dir., WDTN Dayton... **Wanda Townsend** moves from NAB govt. relations dept. to coordinator of NAB employment clearing-house for minorities.

Alan Fields promoted to vp-corporate planning, Paramount Pictures, will make "6-month intensive study of home entertainment, cable TV and pay TV" outside U.S... **James Kitchell**, ex-NBC, joins Turner Bcstg. Cable News Network as senior vp... **Ronald Randall**, ex-GE, appointed group dir.-business development, GI Broadband Communications Group... **James Keane** promoted to dir.-international marketing, Chyron Corp., new post... **Ronald Abate** advanced to engineering mgr., Systems Communications Cable.

U.S. Chamber of Commerce's weekly TV talk show "It's Your Business" premieres Sept. 9 on 74 stations. Group has budgeted \$1.7 million for syndicated half-hour Q-&-A show's first year, plans to build \$2.5-million studio and add \$1 million in equipment, including satellite uplink, at Washington hq.

Showtime's new regional mgrs. (Vol. 19:35 p5): **Robert Mason**, Atlanta; **Pat Grotto**, Chicago; **Carroll Wood**, Dallas; **Curt Bennett**, San Francisco; **Art Gusow**, N.Y. Showtime now is on about 450 cable systems with 800,000 subscribers.

WEEKLY Television Digest

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Consumer Electronics...

(ISSN 0497-1515)

PUBLISHED BY TELEVISION DIGEST, INC.

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

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Sheridan Bcstg. has completed purchase of 51% of **Mutual Black Network** for \$1.2 million, took over Sept. 1. **Sheridan** already owned 49%, has named **Ewell (Skip) Finley** vp-gen. mgr. Sale will give **Black Network** seat on **NAB** radio board since it no longer is owned by **Mutual** (Vol. 19:27 p2), which already has a seat.

CTAM has opened Washington hq office (1629 K St., NW 20006, 212-296-4219), named **Lucille Larkin**, ex-NCTA, exec. dir. **CTAM** Pres. **Thomas Johnson**, **Daniels & Assoc.**, said office was established because **CTAM** is "outgrowing the voluntary support traditionally provided by our affiliates and members."

PBS & NPR have signed copyright agreements with Assn. of American Publishers and Authors League of America for recited or displayed literary material.

Obituary

Sydney M. Kaye, 79, legal expert on copyright and first chief executive of **BMI**, died Aug. 27 of heart attack in N.Y. He was prominent in formation of **BMI** as senior partner in N.Y. law firm **Rosenman, Colin, Kaye, Petschek, Freund & Emil** (which represented **CBS** for many years), represented U.S. in international conferences, also was special counsel to **NAB** on several issues. He was **BMI** chmn. emeritus at time of death.

Samuel Newhouse, 84, publishing and broadcasting magnate, died in N.Y. hospital Aug. 28 after suffering stroke, brief illness. Eldest son of poor East Side N.Y. immigrant family, he built media empire which once included 31 newspapers, 7 magazines, 6 TV stations, 5 radio stations and 20 cable TV systems. In 1978, he sold 5 TV stations to **L.A. Times Mirror** for \$82.38 million (Vol. 18:50 p3). Wife, 2 sons, 2 brothers survive.

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STATE OF THE INDUSTRY

Sales to dealers (total market), from EIA, for week ended August 17 (33rd week of 1979):

	Aug. 11-17	1978 week	% change	Aug. 4-10	1979 to date	1978 to date	% change
Total TV.	233,018	292,226	-20.3	258,142	9,256,497	9,126,970	+1.4
color	143,787	188,212	-23.6	150,054	5,795,345*	5,781,870	+0.2
monochrome . . .	89,231	104,014	-14.2	108,088	3,461,152	3,345,100	+3.5
Home VCR	4,562	4,770	-4.4	9,899	229,711*	177,931	+29.1
Total radio	591,422	771,832	-23.4	519,501	25,952,306	29,315,453	-11.5
home, portable .	377,521	547,415	-31.0	325,014	17,700,477	21,381,717	-17.2
AM-only	94,721	158,355	-40.2	91,243	3,698,768	4,883,251	-24.3
FM & FM-AM .	282,800	389,060	-27.3	233,771	14,001,709	16,498,466	-15.1
auto	213,901	224,417	-4.7	194,487	8,251,829	7,933,736	+4.0

Color TV 5-week moving average: 1979-171,986; 1978-188,212 (down 8.7%).

Home VCR 5-week moving average: 1979-7,701*; 1978-5,002 est. (up 54.0%).

*Record for period.

AUG. COLOR SALES CLOSE WITH WHIMPER: Industry closed out generally sluggish summer sales period with back-to-back declines in color sales to dealers in last 2 Aug. weeks. Drop of 23.6% in 33rd week, biggest such fall-off in 5 years (see State of Industry box above), was followed by 15% decline to about 206,000 in week ending Aug. 24, EIA is expected to report later this week.

Pair of down weeks left Aug. sales total at about 686,000, off nearly 12%, a steeper drop than 11.1% recorded in April, 3.3% in May, year's other 2 down months. Aug. annual sales rate of less than 9.2 million was lowest for any month this year.

As for good news, both VCR & b&w TV put in strong end-of-month performances. Closing week's VCR sales were highest of year at better than 11,000. B&w sales of 162,500, an increase over same week last year of nearly 22%, were both 2nd best this year.

PHILIPS' AID TO U.S. VCR MARKET: Dutch Philips last week offered to put U.S. TV makers into VCR manufacturing business by selling them heart of its new Video 2000 system in same way it supplies picture tubes to European OEMs. As European consumer electronics industry grasped for video life-preserver to pull itself out of recession, Philips' mighty force behind new VCR was top trade talk topic at Berlin's 1.4-million-sq.-ft. Funkausstellung TV-Radio Exposition.

Philips Video Group Adjunct Dir. W. G. Maeyer acted as if he held world in palm of his hand. What he actually held was Philips' "Microworld," compact assembly containing all critical mechanical components of Video 2000, which mounts on chassis panel with just 3 screws. "None of the American manufacturers can produce a VCR," said Maeyer. "They are distributors of Japanese products. The technology required for VCR manufacture is complicated." As a sort of reverse technological Marshall Plan, Philips says, it will supply Microworld "to all reputable manufacturers" in U.S. & Europe. Only electronics need be assembled locally. He declined to give price of Microworld, but said it would be "attractive." Maeyer said Philips won't solicit Japanese manufacturers, though it will exhibit Video 2000 at Japan Electronics Show Oct. 5-10 in Osaka.

Video 2000 clearly put Japanese manufacturers on defense at exposition where main theme

was video. "Interesting" was universal (and noncommittal) comment on new system by both Japanese & European makers. Philips didn't hesitate to push advantages of new system (Vol. 19:28 p7), forecasting that majority of European VHS adherents would switch within year. "Our machine is at the beginning of life," Maeyer told us, "the Japanese machines are at the end."

Beta was designed as one-hour system, VHS as 2-hour, Maeyer pointed out, adding that attempts to increase their recording time represent compromise in picture, sound & compatibility. Philips' 8-hour system couldn't have been developed at time Beta & VHS (or older Philips VCR & SVR) systems were introduced, he said. Entire system is designed to be "upward compatible," so new technology can be incorporated as developed. Within year, he forecast, metal tape will be introduced—but to improve video & audio quality for true hi-fi enthusiasts, not to slow down speed or extend playing time.

Philips has made 500 Video 2000 prototypes, will introduce limited production quantities in Europe before Christmas. NTSC units, we were told, will be available in late 1980 or early 1981 from Magnavox, priced in \$1,250-\$1,300 range, same area as programmable Beta & VHS models. All top Magnavox marketing officials were on dealer incentive cruise last week, so were unavailable for comment on that timetable.

Video 2000 cassettes will sell in U.S. & Europe at \$5 an hour—2-hour for \$10, 4-hour for \$20, 8-hour for \$40. Among developmental accessories & features displayed by Philips was 48-hour 6-cassette changer which plays all 12 sides of flip-over cassettes in any order. Also shown was self-diagnosing feature. Unit does own trouble-shooting, tells technician where defect is through LEDs & digital readouts. All units are consumer-adaptable to full-function wireless remote control.

Philips' new Vienna VCR factory has capacity to produce up to 750,000 VCRs & 250,000 Microworld assemblies (or any combination up to million Microworlds) annually, will be supplemented by 2nd plant. Philips didn't give immediate plans, but it's believed to be targeting for about 100,000 in 1981.

As to BASF's LVR (Vol. 19:34 p7), Maeyer said he respected its technology, but said he thought it was too late in terms of tape economy and features. He called Toshiba's LVR (Vol. 19:23 p14) "ridiculous," termed it's endless-loop cartridge system "far too complicated & costly," prone to reliability problems. BASF was quietly showing trade visitors mockup of 2nd-generation LVR, tiny 4-lb. portable. Blaupunkt, which developed own incompatible version of BASF LVR with partial financing from German govt. (Vol. 19:35 p6), said it was committed to VHS system but is working on combination portable LVR-camera, and is talking with BASF to clear up problems between them. BASF says Austria's Eumig may distribute LVR on OEM basis to photo supply retailers.

As for potential Video 2000 portable, Maeyer was noncommittal on whether Philips was working on compatible 1/4" cassette, but agreed that would be "good solution"—system records first on upper, then on lower half of 1/2" tape cassette. At week's end, 7 European brand names were publicly committed to Video 2000, 5 announced earlier plus Philips affiliates Pye of U.K. & Schneider of France, but there were no significant defections from Beta or VHS camps. Other deals are "under negotiation," Maeyer said.

There were no hot new VCR announcements from Beta or VHS proponents. European versions of portables & programmables already seen in Japan & U.S. were introduced, along with proliferation of lightweight color cameras using 2/3" pickup tubes. VHS followers showed prototypes of new thinner tape which increases recording to 4 hours from current 3 (European units are single-speed). Same thin tape could extend time of new U.S. 6-hour machines to 7-1/2. European Beta remains at 3-1/4 hours.

Grundig, now negotiating its partial takeover by Philips, demonstrated Philips-compatible videodisc player, quoted 1981 delivery. Philips had low-keyed videodisc exhibit in small room, said it probably would start European sales in 1982, depending on software availability. As for our report that it was seeking U.S. disc duplication plant (Vol. 19:34 p8), we learned in Berlin that Philips was talking joint venture with CBS, 3M & others as well as considering wholly owned facility. Philips already has video tie-in with 3M, which made cassettes Philips used in Video 2000 demonstrations.

HIGHER 2nd QTR. COLOR PRICING: Those color TV price increases generally announced by domestic manufacturers in fall 1978 finally showed up at factory level in 2nd quarter this year, International Trade Commission's quarterly industry survey shows. ITC studies industry to check effect of import quotas on color imports from Japan, Taiwan & Korea on factory activity.

Average factory pricing for all screen sizes 19"-&-under in 2nd quarter was highest ever since 4th quarter 1976, first period for which survey was conducted, and average for 20"-&-over was 2nd highest, falling below peak of Jan.-March this year. Shift in sales mix to smaller screen sizes, however, kept overall price average down.

ITC production figures confirm our earlier report that, despite increased output from Japanese-owned factories, domestic producers held to conservative output schedule, and total new supply—production-plus-imports—trailed 1978 levels in both quarter & half (Vol. 19:34 p10). Domestic factories, ITC says, turned out 2.21 million sets in quarter, up 3.8%, 4.36 million in half, up 8.7%. Added to complete-set imports as reported by Commerce, that puts new supply for quarter at 2.54 million, down 8.9%, and for half at 5.11 million, down 2.6%, both lower than our estimates based on EIA & Commerce figures.

Shipments outpaced production in quarter, rising 2.1% to 2.05 million, a growth rate somewhat below 3.3% of year's opening quarter. For half, shipments trailed production, rising 2.7% to 2.99 million. Factory sales value of \$702.7 million in quarter was up 5.4%, for 6-month total of \$1.37 billion, up 4.8%. Also up was apparent productivity, as higher production & sales totals were made by fewer employes. Average total factory employment of 25,663 in quarter was down 0.5% from opening period, 6.1% from same 1978 quarter. Average number of production workers rose 0.9% from first quarter to 22,024, but was down 5.3% from year-earlier. However changes in production methods, increased use of foreign-made sub-assemblies in U.S.-based plants, make employment-to-output a questionable productivity measurement method. ITC doesn't release figures indicating percentage or amount of American labor & parts included in shipment value.

U.S. factory inventories, including imported sets stored at factories, stood at 925,066 at end of June, up from 844,800 at end of March, and well above 828,669 at end of June 1978. Comparison of ITC and EIA figures indicates that importer color TV inventories at end of June were about 483,000, down 29.1% from 681,000 at same time last year.

Here's rundown on average U.S. factory color TV pricing as derived from ITC figures:

U. S. AVERAGE FACTORY COLOR PRICES

	13"	16"-17"	18"-19"	20"-&-over	All sizes
1st qtr. 1978.	\$217.83	\$292.05	\$290.07	\$446.51	\$338.60
2nd qtr. 1978.	219.36	292.00	286.94	433.07	332.35
1st half 1978.	n. a.	n. a.	288.48	439.55	335.38
1st qtr. 1979.	218.28	283.92	300.43	470.55	341.09
2nd qtr. 1979.	228.32	302.95	305.41	467.77	343.26
1st half 1979.	n. a.	n. a.	303.04	469.16	342.20

FBI confiscated more than \$100,000 worth of video duplicating equipment, some 600 video cassettes of "Star Wars," "Alien," "Superman," etc., in Aug. 29 raid on 2 homes in Portland, Ore. & Vancouver, Wash. No arrests were made, but hardware (including U-Matic, VHS & Beta VCRs and a Magnavox Videodisc player), tapes and interviews with 12 prospective customers on premises will be introduced as evidence when U.S. Attorney goes to grand jury for indictment Sept. 24. Duplicators Tim Ronning & John Cermak had been under surveillance for 2 months

by agents, with assist from MPAA Film Security Office. U.S. Attorney in Portland says another such investigation is pending.

Israel finally goes to color in Oct., using PAL system, by allowing colorcasts of imported programs. Heretofore, color signal had to be deleted (to discourage purchase of imported color sets) but residents bought them anyway. Despite \$2,000 average price, about 180,000 of 850,000 TVs in use are color. Most receive color programs from Jordan.

PRERECORDED PUSH: Electronic Data Systems of Dallas unwrapped home video plans and Columbia Pictures finally released titles of first 20 video cassettes scheduled for distribution via retailers and Time-Life Films' Video Enterprises Div.

EDS, a \$250 million-a-year computer services company, formed marketing subsidiary Inovision in May, claims operation will reach breakeven early in 1980 offering mix of prerecorded programs, VCRs and other consumer electronic products, including home computers.

Keystone of unit, headed by Lloyd Haldeman, ex-managing dir. of Dallas Symphony, is Inovision Club which gives members 22.5% discount on programs and hardware listed in quarterly catalog. First edition is due at end of month, when club membership jumps from introductory \$55 a year to \$75. Inovision has launched 200,000 direct mail membership campaign.

Promotion offers cassette rentals at \$8.95-\$11.95 for 2 weeks (plus \$2.50 for shipping & handling), but "we're having difficulty with this," admits Club Mgr. Mary Sasser. Negotiations for rental rights to 85-90 titles scheduled for catalog are still underway, with 20th Century-Fox subsidiary Magnetic Video apparently offering most resistance. MV opposes rental of its cassette library, has anti-rental clause in contract with distributors & dealers.

Inovision plans to have 2 original programs, on Christmas carols and "Making of a Quarterback" (Dallas Cowboys' Roger Staubach) in Oct. All cassette duplication will be done at EDS's new \$500,000 video center, will include transfer of home movies and slides to tape. Other services will include monthly magazine "Visionary" and annual product guide on videocassette.

First 20 titles from Columbia Pictures Home Entertainment feature "Anderson Tapes," "The Deep," "Fun With Dick & Jane," "Shamus," plus such oldies as "Mr. Smith Goes to Washington," "Here Comes Mr. Jordan" & "Gilda," all listing at \$59.95. Distribution starts in 10 states next month, will widen later this year and include rentals.

TLF's Video Enterprises Div. Senior Vp Bruce Barnett notes lack of Columbia blockbusters, but says variety of titles will give consumers chance "to react to all kinds of programs" when promotion for home video club starts this fall. T-L Multimedia, also under Barnett, sells Columbia big-name features at higher prices to institutional market, but they're not available for home video use.

Sanyo is negotiating to buy all or part of financially-troubled Telefunken, according to persistent reports we heard in Berlin. Telefunken spokesman declined to comment. "That would be like the Japanese buying the German govt.," commented one British journalist. Earlier reports that Sanyo was seeking to buy into Saba were denied by Saba parent GTE. Telefunken has agreed to put its color tube production operation into venture with Thomson-Brandt of France (Vol. 19:35 p9). Sanyo announced plan to increase 30% interest in Italian licensee, Emerson, last July (Vol. 19:30 p9).

TAIWAN, KOREA EYE EUROPE: Tatung, slated to be first Taiwan company to produce TVs in U.S., now plans to be first in Europe, and Korea says it's working out European color TV distribution arrangement. Behind drive to open new market territory, of course, is current quota pact which sharply restricts exports of color sets & chassis from Taiwan & Korea to U.S.

Tatung says it's looking for joint venture partners to set up production operation in one or more countries. Ireland, Italy, Greece & West Germany are being considered. Tatung is no stranger to off-shore manufacturing. It's partner in ventures making b&w TV in Hong Kong & Singapore; it has PAL license to assemble color in Hong Kong but can't export from there to Europe. Tatung is currently completing color TV assembly plant in Long Beach, Cal., is slated to start test runs next month, launch full-scale output by end of Nov.

EIA-Korea is trying to open door to European color market through Finland. Assn. says it has already reached agreement in principle to supply complete sets to Salora & Finlux for distribution through existing sales networks. Sets will be made under PAL licenses already owned by Finnish manufacturers. Koreans say this is first step to launch of own-brand color marketing in Europe by its manufacturers.

Strike has kept Sanyo Mfg. Co.'s Forrest City, Ark. plant closed since Aug. 5. Negotiations between SMC & IUE local officials are slated to resume Sept. 5, with major issues being basic wages, cost-of-living adjustment & attendance checking procedure changes made by SMC last year. Labor isn't only negotiation area SMC faces this year. Contract under which Sears agreed to purchase 70% of console color TV requirements from SMC, at least 70% total color needs from Sanyo Japan or affiliates, runs out at year-end. Purchase arrangement was part of deal when Sears joined Sanyo as 25% partner in venture formed to buy former Warwick TV business in 1976 (Vol. 16:50 p7). Except for 2% of shares still in public hands, Sanyo owns rest of SMC.

Sarkes-Tarzan is negotiating sale of some TV Tuner Div. assets to semiconductor maker Semicon, Burlington, Mass. Firms have declined additional details. If deal goes through, however, it's expected to mark end to S-T's involvement with TV tuners. S-T is last of major independent TV tuner suppliers, now produces both VHF & UHF mechanical tuners in Mexico. Its tuner business has been hurt seriously by general industry shift to electronic tuners, most of which are produced in house by TV OEM. Also damaging was departure of Admiral, a major S-T customer, from TV field at end of last year.

Edward Rhein Prize, awarded annually in Europe for technological advances in consumer electronics, this year went to 3: Johannes Wessels, Dutch Philips Research Labs technical dir., for magnetic video recording work; Nobutoshi Kihara, Sony managing dir., for high-density video recording; Yuma Shirai-shi, JVC Japan Development Dept. gen. mgr., for long-playing VTR system.

MAXELL ON TAPE: Growth of do-it-yourself taping is having no adverse impact on phono record business, and in fact may be keeping disc sales from sliding lower than they already have this year, according to Gene LaBrie, Maxell sales & mktg. vp. Major slowdown in LP sales hit record industry at end of last year, is only now starting to show signs of reversal. Number of record company officials point to substantial growth of blank cassette business as evidence they're losing out on sales because of in-home duplication.

Maxell research doesn't indicate that tape buyers have significantly cut down on disc purchases. "Most people record from their own albums rather than borrow from friends" because they don't want to record noise found on used discs, LaBrie says. Fact that premium-quality is fastest growing cassette area indicates home tapers aren't "interested only in saving money by avoiding the purchase of an album," but are probably reacting to inferior quality of commercially produced pre-recorded cassettes, he claims. Knowledgeable hi-fi owner can hear difference "between a pre-recorded product made on inferior tape and a home-made recording on a premium-quality cassette," LaBrie says.

Disc manufacturer complaints prompted Copyright Royalty Tribunal to launch survey to determine economic impact home taping is having on music business (Vol. 19:14 p16). Survey is being conducted by D.C.-based firm William R. Hamilton. Results are due this fall, will be made public. Survey will be used by Tribunal to help determine need for some form of tax on recorders & blank tape to create pool of funds to compensate copyright holders for lost royalties.

Intel announced opening of MPU Design Center in Japan and lashed out at unfair trade practices of Japanese semiconductor exporters at same time. At recent press conference in Tokyo, Intel Pres. Andrew Grove said Japanese sell their products in foreign markets at unfair low prices to keep domestic employment high, warned U.S. industry will take action if dumping in U.S. market becomes "vigorously apparent." Referring to Japanese claims that their technology lag makes them no threat to U.S. semiconductor producers, Grove said Japanese color TV makers used to say same thing, and "you know what happened to the U.S. color TV industry." Design Center will develop new standard MPU devices using VLSI technology.

Color TV & VCR business in U.K. through first 5 months this year was similar to that in U.S., BREMA figures show. Color TV deliveries by U.K. manufacturers (excluding Sony & Matsushita) and importers totaled 637,000, up 0.5%. U.K. production accounted for 453,000, down 12%, while shipments of imports rose 54.6% to 184,000. As result, market share of domestic factories dropped to 71.1% from 81.2%. VCRs, all imported, jumped 287.5% to 62,000 from 16,000. Totals for other products: B&W TV 555,000, up 28.5%; portable radios 1.75 million, up 10.6%; compact & console stereo 294,000, up 3.5%; phonos & record players 223,000, up 64%.

Mergers & acquisitions: Bell & Howell is quitting consumer photography business. In move underscoring B&H commitment to video, it agreed to sell interests in Bell & Howell-Mamiya of U.S. and Bell & Howell Japan to venture partner J. Osawa, terms undisclosed. B&H financial statements show pre-tax loss of \$22.5 million in photo operation in 30 months to June 30. Company said it's establishing \$45-million reserve to cover disposition costs and operating losses for rest of year. Osawa will get right to make & market photo products under B&H name... **Pertec** has agreed in principle to sale of 45% to North American Philips (Vol. 19:34 p10). Arrangement calls for NAP to buy stock at \$15 per share through \$56.1 million tender offer, prohibits purchase of additional shares for 2 years unless 3rd party makes tender offer... **Sylvania** has agreed to sell assets of Western Div. Laser Products Dept. to Spectra-Physics for \$4.1 million... **Mattel** is hedging bet on future of home electronic data equipment with investment in another form of solid-state memory—books. It has agreed to acquire publisher Macmillan through \$24.50-per-share cash & stock tender offer valued at \$329 million.

Duty-free import list, applicable to products from underdeveloped countries, has been expanded to include phono tone arms at request of Argentina, while bid by Portugal & Malaysia to add variable resistors was rejected, U.S. Trade Policy Staff Committee announced. Still under consideration are inclusion requests for: B&W TV tubes 11.5"-&-under, tube parts (Argentina); transistors, ICs, diodes, rectifiers, crystals, semiconductor & receiving tube parts (Malaysia & Singapore). In related action, duty-free privileges are being withdrawn for calculator parts from Mexico & Hong Kong; tape players from Korea & Taiwan; coils & rectifiers from Mexico; microphones, speakers, headphones & audio amplifiers from Taiwan; home radios from Hong Kong, Korea, Singapore & Taiwan, tape recorders from Korea. Privilege is canceled on product and country basis when value of shipments exceeds trigger level in calendar year. Office of Special Trade Representative starts public hearing on new preference requests in Washington Sept. 24, including one from Korea on car radios.

Suits & settlements: Superscope is being sued for \$12.4 million by Ga. sales rep Manumark which claims Superscope engaged in wrongful acts while dropping it as a Marantz Pianocorder rep. Superscope says it may countersue... **Inmos** of U.K. reached out-of-court settlement of antitrust suit brought by Mostek, terms undisclosed. Mostek filed action last year to stop U.K. Govt.-financed IC firm from luring away Mostek employees and from using Mostek trade secrets... **TI** will make cash payment to Bowmar as part of settlement of legal actions firms have brought against each other over last 5 years. In first suit, filed in 1974, Bowmar charged TI with antitrust violations.

Rep appointments: Gold Star names Marketex, Des Plaines, Ill. & Eskenazi Mdsgr., L.A. Ampex names Paul Seaman Co., San Leandro, Cal., for N. Cal. & Nev.

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
Audiotronics			
1979-year to June 30	19,338,000	819,000	.88
1978-year to June 30	16,504,000	991,000	1.07
Craig^a			
1979-year to June 30	119,086,000	1,802,000	.59
1978-year to June 30	119,008,000	6,960,000	2.23
1979-qtr. to June 30	30,443,000	(680,000)	--
1978-qtr. to June 30	33,975,000	1,938,000	.62
International Rectifier			
1979-year to July 1	123,768,000	6,141,000	2.31
1978-year to July 2	100,716,000	3,351,000 ^b	1.28
1979-qtr. to July 1	33,996,000	1,831,000	.69
1978-qtr. to July 2	26,309,000	1,102,000 ^b	.42
Outlet Co.			
1979-6 mo. to July 31	131,309,000	(457,000)	--
1978-6 mo. to July 31	129,671,000	1,773,000	.54
1979-qtr. to July 31	69,329,000	96,000	--
1978-qtr. to July 31	69,218,000	1,132,000	.37

Notes: ^aFinal report. ^bAfter special items.

SEARS COLOR RECALL: Sears is recalling some 21,000 19" color sets sold in 1973-75 to replace focus resistor which could overheat, start fire inside cabinet. Sears said consumers have reported 5 incidents of fires in those sets, but no injuries.

Involved sets were all made for Sears by Sanyo in Japan. Spokesman for Sanyo's U.S. sales operation said it's believed no similar models were sold here under Sanyo brand name. Color TV recall is 2nd this year. Last April, Zenith recalled 67,000 new 13" & 17" models, most still in distributor & dealer inventories, to eliminate potential shock hazard caused by defective component used in producing a small number of them (Vol. 19:17 p9).

"World's smallest" is claim Hitachi is using for color TV combo it plans to offer in Japan later this month. Unit has flat-face 5" tube, features electronic on-screen bar display scan-tuning, FM-AM-audio cassette, measures 13" X 5.5" X 12", weighs 14.3 lbs. without self-contained batteries (10 D-cells). It draws 28 watts in AC operation, 14 watts DC, can be operated from external 12-volt source. Price & export plans weren't disclosed... Toshiba is offering in Japan one-piece 45" projector that uses trio of 7" monochrome tubes as picture source, has brightness of up to 100-ft.-lamberts. Unit folds into 38" x 28" x 50" package, has stereo audio capability, lists at just under \$3,000. Accessory remote MPU tuner adds \$500.

3D broadcast TV system being installed in Australia (Vol. 19:10 p9) will be on display at movie technology exhibition Oct. 2-4, Lincoln Center, N.Y. Also on view will be videotape time code techniques adapted to film, including SMPTE format developed by Rochester Institute of Technology. Show runs in conjunction with 17th Annual N.Y. Film Festival.

Consumer Electronics Personals

Gerald Phillips resigns as United Artists vp responsible for home video & pay-TV activities, rejoins N.Y. law firm Phillips, Nizer, Benjamin, Krim & Ballon... **Phil Welch**, ex-Philips Labs & BSR, joins U.S. Pioneer (hi-fi) as system components mktg. mgr... **Richard Clark**, ex-U.S. Borax, named Superscope treas. and financial planning & analysis dir... **James Baker**, Tandy exec. vp, named a dir.; **Robert Bourland** advanced from Tandy International U.K. vp-managing dir. to div. vp responsible for Chicago, Columbus, Detroit & Pittsburgh... **Mark Welland** named Maxell Battery Div. sales mgr.

Gary Stein, former General Instrument Discrete Semiconductor Div. mktg. vp, appointed vp-gen. mgr. of Playcable, joint venture of GI's Jerrold & Mattel, responsible for merchandising CATV-fed video game-computer system (Vol. 19:21 p13)... **Ron Freedman**, ex-Home Theatre Movies, appointed asst. to Pres. S. Gerald Stone, National Video Group, formed last May to enter home video business... **David Galpern** advanced at North American Philips from budgets & analysis dir. to Consumer Products Div. vp-controller... **Stanley Gault**, GE industrial products & components senior vp, to join Rubbermaid as vice chmn. Jan. 1, is slated to be named chmn. May 1... **Richard Brown** advanced at Radio Shack to eastern computer mktg. dir.

John Guilfoyle, ITT Europe pres., named exec. vp of U.S. parent... **George Johnson** resigns as Swire InterMagnetics pres.; **James Lantz** advanced from vp to exec. vp, consumer products... **Lorell Pender**, ex-Maxell, appointed Fuji Photo consumer tape products midwest mgr.; **Robert Smith** named for west... **Donald Scott** advanced at Motorola Auto Products from direct sales to special markets national sales mgr., with expanded responsibility for mass merchandiser accounts.

Raymond Payne, Javelin chief engineer, named vp... **Ron Means**, ex-Altec Lansing, joins JBL as Professional Div. mgr... **Charles Liddic** advanced at GE Tube Products Dept. to semiconductor & special products mgr... **Marshall Bartlett**, ex-General Instrument, joins Bourns as corporate staff operations senior vp... **Jack Strange** promoted at Du Pont to Electronic Materials Div. dir... **David Russell** advanced to Monsanto Electronics Div. commercial development dir.; **Haskell Waddle** named materials mktg. dir.

Sylvania rolled back June price hikes somewhat (Vol. 19:21 p10) with new 25" Superset leaders, 19" drop-in, at recent distributor meeting. In 19", where basic table-model leader continues at \$400, Sylvania added step-up model with one-knob electronic tuner at \$440, down \$10 from preceding initial step-up featuring GT-Matic, mechanical tuning; also added in 19" was GT-Matic drop-in with one-knob tuning at \$480. New Superset 25" consoles with one-knob tuners start with pair at \$670, down \$30, with step at \$690. Also announced, but unpriced, was 6-hour VHS VCR with 7-day 4-selection programmable tuner-timer.

WEEKLY

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SEPTEMBER 10, 1979

VOL. 19, NO. 37

SUMMARY-INDEX OF WEEK'S NEWS

Broadcast

FCC's DE-REGULATION MOVE: First official action on radio is rulemaking & inquiry including options—from all wraps off to mostly status quo. Only Ferris & Quello go all out; others generally wait & see. (P. 1)

'NAZI-LIKE' COURT DECISIONS hit by keynoter Smith at RTNDA convention in Las Vegas; many others follow same theme. Salant asks 'detente' in fight with courts. Leonard worried about loss of professionalism. (P. 2)

WARC DEFEATS PREDICTED: U.S. broadcast positions in trouble; 3 of 4 likely to fall, according to A.D. Little. (P. 4)

HILL PROGRESS UNLIKELY: Congressmen & Hill observers see little chance for communications legislation in near future. (P. 5)

RADIO DE-REGULATION—FIRST OFFICIAL MOVE: After years of talk, FCC last week finally took first official step toward commercial radio de-regulation—adopting notice of rulemaking & inquiry. But this is only first step; there's long way to go before final action—and that undoubtedly includes long orbit through courts.

Though all 7 commissioners voted to issue proposal, only 2 went for it without reservation—Ferris & Quello. Document itself (not issued yet) will state FCC "preference" for certain options, list others, but 5 commissioners say they're not frozen on any of them. At week's end, people were wondering what Commission really voted for. Some, however, didn't have many doubts—and they didn't like it. Everett Parker, United Church of Christ, for example, is expected to appeal. Even before FCC voted, he was castigating agency for "propagandizing" for de-regulation in its upcoming workshops around country. Specifically, proposal says Commission intends to eliminate (for commercial stations, not public stations):

(1) Specific requirements regarding non-entertainment programming. (2) Ascertainment rules. (3) Restrictions on commercial time. (4) Program log keeping.

Commission said it was proposing de-regulation because number of stations has grown so that marketplace competition can police programming. Of course, commissioners wandered all over the place as they discussed what they'd do "if the marketplace failed"—i.e., if public failed to get served the way FCC thinks it should be. They also debated at length what to do about challenges to specific stations by competing applicants and petitions to deny. Some said programming should be eliminated as a comparative factor—unless incumbent puts its performance in issue. Others disagreed.

In each of the 4 de-regulation areas, FCC staff offered variety of options—stating preference for those taking Commission out of regulating any of them at all. Other options are more & more restrictive.

Consumer Electronics

IBM-MCA VIDEODISC partnership seen setting standard for industrial-education-data markets, but should have little immediate impact in developing consumer field. New firm to have minimal direct involvement in home discs & players for time being. (P. 7)

VIDEO EQUIPMENT IMPORTS soft in July, as color, b&w TV and b&w camera shipments dropped below year-earlier levels. VCRs, color cameras, color TV chassis up. (Pp. 8 & 11)

VCRs & PROJECTION TVs shared spotlight at Berlin's semi-annual Funkausstellung, as manufacturers from around world displayed latest in consumer electronics. (P. 9)

AUG. COLOR TV SALES results dishearteningly low. Inventories continued decline. VCRs & b&w close month on strong upbeat. (P. 10)

Ferris remains surprise, going all out for taking off all wraps. As one colleague said: "He's miles away from that, philosophically." Most common interpretation is that he's being "good soldier" and carrying out de-regulation directives of White House. Said another FCC official: "He must be torn apart inside." Quello remains no surprise, favoring even more de-regulation, calling last week's action "good first step."

Commission said it proposed to rely on "structure" of industry, rather than regulation, to provide adequate service. Hence, it said, it would concentrate on multiple ownership, EEO rules, minority ownership, spectrum efficiency, new technologies, etc.

Among separate statements: Ferris—"In each of the areas we propose to de-regulate, our preliminary data reveals that radio stations have, by and large, exceeded the requirements govt. has imposed. Survival in a competitive marketplace appears to require radio stations to impose upon themselves a heavier burden of responsiveness to community needs than has govt. regulation."

Lee—"I agree completely with the issuance of a notice raising questions about our historical interpretation of our statutory mandate and our role as regulators. I am concurring because I don't feel wedded to any particular language or proposal." Quello hadn't issued statement yet, told us: "I completely support it. It's an important step, but it isn't nearly far enough. I hope for more down the line."

Washburn went along with seeking comments, disagreed on commercialization: "It can be argued... that the marketplace will take care of this, that the public will avoid stations that overcommercialize. But there is not much evidence to support this contention... The public expects the FCC to involve itself in commercialization."

Fogarty hadn't issued statement yet, said: "Unless we have a real record, we'll be overturned. We have no record. There's been no experiment." He said he went along with issuing proposal but opposes abandonment of regulation, doesn't specify options he prefers.

Brown hadn't released statement either, said: "I favor substantial de-regulation. However, I think we should have a fixed percentage of local programming. If a licensee has it, he gets renewed. If he doesn't, he doesn't. And, in face of a challenge, it would be prima facie evidence of performance. I don't think we can go all the way in eliminating regulations, under the statute. As for ascertainment, let's keep it, but let it be up to the licensee; get rid of those silly guidelines." Jones said she agrees with "general thrust" of proposal but isn't ready to state preference for any option.

NAB Pres. Wasilewski was enthusiastic: "NAB is pleased with the decision... and we are very optimistic concerning the outcome of this proceeding. For the first time, radio appears to be on the brink of being allowed to prove that the public can be best served in the free and open marketplace."

Rep. Van Deerlin (D-Cal.), chmn. of Communications Subcommittee, warned that de-regulation alone isn't enough: "The goal is to increase programming choices for listeners. You do that by stimulating competition; by giving a shot in the arm to cable, radio superstations and satellites and other new technology that can deliver audio programming. If the FCC settles for radio de-regulation without taking other actions to stimulate competition, it's not serving the public interest—it's serving only the broadcasters' interests."

'NAZI-LIKE' COURT DECISIONS HIT: Keynoter Howard K. Smith opened last week's RTNDA convention in Las Vegas with bitter denunciation of several recent anti-media Supreme Court decisions. While being interrupted several times by applause—with a standing ovation at the end—he labeled them "Nazi-like," "outrageous," "almost vicious in nature."

And set keynote Smith surely did, as subsequent speakers & panelists joined in attacking Court, although there was disagreement on how to proceed. Smith, for instance, said "I'm very chary of asking for legislation" to overturn Court's anti-news decisions because: "The Congress which legislated in our favor today will, when stung by inevitable criticism by the media in the future, use that as a precedent for legislating against us... The last Congress was

the worst Congress we've ever had and this Congress is even worse."

CBS News Pres. William Leonard told us he agrees with Smith because "I'm very leery of any legislation as it affects news." NBC Vice Chmn. Richard Salant said "I both agree and disagree." Expressing greatest concern over Stanford Daily decision on news room searches, he said it will be tougher for newsmen to do their jobs without "protection for the next 25 years"—which, Salant predicted, is about how long it will take Court to reverse itself.

Salant asked for moratorium on criticism of courts, said: "A temporary honeymoon might be in order. By not choosing this as my major topic tonight, I make my small contribution to a lowering of voices and to a moratorium which may lead to some kind of detente between us and the judges and the lawyers while we try to understand each other better." Most other speakers, however, called for continued all out attack on anti-media court decisions.

Outgoing RTNDA Pres. Paul Davis, WCIA Champaign, Ill., hit Gannett decision as "great potential threat," said RTNDA favors shield legislation. On same panel, ASNE Gen. Counsel Richard Schmidt said he would take issue with Smith. Schmidt called for shield legislation, pointed out First Amendment doesn't prohibit Congress from "enhancing" press freedoms and that "legislation can only be an enhancement."

Smith had pleaded: "Let us stand with our simple beautiful First Amendment that says that there shall be no law abridging freedom of the press... Let those few words not be overgrown or complicated by legislation which can take disastrous turns for us." He labeled as "ridiculous" statements about "the awesome power" of TV, said Supreme Court's domination of legislative & executive branches of govt. last 25 years—and Court's anti-media decisions—is best example of fallacy of such statements. "And we can't even interview a member of that Court," he stressed.

NAB Pres. Vincent Wasilewski noted that Spiro Agnew's attacks on media decade ago "did not change the rules by which we live, but now the Supreme Court is. It has been a terrible year for all of us in the media—and for the public we serve, although they do not seem to realize it... We cannot sit idly by. All of us must act... together."

Second major issue—next to Supreme Court—seemed to be new technology, and most speakers told TV newsmen not to worry, that localism would survive. Said Smith: "We stand on the verge of a technological revolution more drastic than any I think this business... has ever faced... The networks are in for a great deal of competition. With some imagination, one can even imagine the possible demise of the networks." But that won't happen, he added, and stations "have almost nothing to fear... You're going to enjoy abundant riches. You're going to have too much, too many offerings from too many people."

Paul White Award winner Salant, in remarks prepared for closing banquet Sept. 8, cited "possibly ominous question of the effect of new technologies," said "I doubt that anyone really knows, I know that I don't," what their effect will be on broadcasting and electronic journalism.

At session on future, news directors viewed demonstration of teletext by Don Gale of KSL-TV Salt Lake City, heard NAB TV Vp Jane Cohen talk about "astonishing array of services" soon to be available on home TV screens. She said current system based on advertising will continue "but it's going to change" and there will be continuing reliance on local service provided by stations.

Cable News Network Pres. Reese Schonfeld told news directors that "we're going to give you your best chance" to get more news in prime time because of competition 24-hour cable news operation will offer. He said major effort of CNN will be 8-10 p. m. news to counter network entertainment offerings.

(Note: Schonfeld told us later that CNN now has 200,000 cable homes, will announce first MSO client at southern cable show in Atlanta this week, expects to have 500,000 at end of that show. CNN charges 15¢ per subscriber per month, will have 200-250 news people, expects 7.5 million subscribers 2 years after start in 1980.)

Leonard warned that on-going success of TV news could lead to undoing of broadcast journal-

ism because of "the concern of thoughtful people...that news will become entertainment... The great danger to our profession is a blurring of the lines between news and entertainment, between journalistic enterprise and artistic creativity—in short, the feeling that the viewer can't tell where fiction ends and fact begins."

U.S. WARC DEFEATS PREDICTED: Two weeks before start of WARC '79, 3 of 4 U.S. broadcast proposals look likely to be defeated, the 4th has only a chance of winning approval. This is conclusion of report to Senate Commerce Committee by A.D. Little consultants, requested by Sen. Goldwater (R-Ariz.). We've obtained report and here is outlook:

Issue: Sharing of HF channels by fixed & shortwave broadcast, changing from current arrangement in which fixed HF has exclusive assignment from 5900-5950 kHz, 7300-7350 kHz, 9375-9500 kHz & 9775-9825 kHz. **Comment:** "It's likely that this proposal will be supported only by nations using extensive HF broadcast service or manufacturing HF broadcast equipment. Some 3rd World countries may oppose...on political grounds, viewing it as a frequency-grab by the U.S." **Probable outcome:** "It appears that this proposal will receive very little support from within Region II or other parts of the world and will very likely not prevail."

Issue: Reassignment of number of channels in 3-27.5 MHz band from HF fixed to HF international broadcast service. **Comments:** Proposal will be "controversial" at 6 MHz, 7.3-7.5 MHz, 7.5-7.55 MHz & 9.375-9.5 MHz. Proposal is likely to be supported by NATO, maybe by Japan. Opposition is expected by authoritarian govts. desiring limitation of international broadcasting. **Conclusion:** "We can see support for this proposal from a maximum of 15 countries, therefore, it will very likely be defeated..."

Issue: Sharing of UHF spectrum from 470-890 MHz in Region II between land mobile & broadcast services, changing current primary assignment to broadcasting. **Comment:** While basically western hemisphere issue, it's of interest to other nations because of precedent-setting aspects. Only strong support in Region II will come from Brazil, softer support from Mexico & Canada. Counter-proposals are expected from Europe, while remaining countries will remain neutral or oppose on political grounds. **Conclusion:** "It appears that a plenary session vote on this issue could be favorable to U.S. interests, although specific splitting proposals of other nations could prevail. If, however, the conference vote turns out to be adverse to U.S. interests, footnoting of the regulations can be employed by the U.S. to accommodate regional coordination."

Issue: Abandoning arc segmentation for 12-GHz satellite services in Region II, replacing it with frequency segmentation scheme (Vol. 19:36 p1). **Comment:** Proposals will have support from broadcast satellite proponents, some support from "marginal" countries favoring educational broadcast satellites, opposition in Region II, USSR, Eastern Bloc, Africa, Middle East, South Asia. **Conclusion:** "This proposal will undoubtedly be defeated within Region II as political reasoning overcomes sound, rational, technical argument. The rest of the world can...be expected to follow the pattern of Region II."

Commenting on WARC status, Sen. Schmitt tells us he remains concerned that U.S. enters conference without having "prepared the groundwork. I just don't think we're going to have the horses." Schmitt said he's prepared to lead fight in Senate against ratification of WARC result if results aren't acceptable. He said U.S. should be prepared to walk out of WARC if it becomes political rather than technical. Sen. Goldwater told us he remains "very, very worried" about WARC prospects.

Lotteries to determine radio CPs should be subject of separate rulemaking, not decided at end of specific adjudicatory proceeding, NAB told FCC. FCC requested comments on lottery and other methods for choosing among 3 FM applicants in Media, Pa.

House Speaker O'Neill has dropped plans to restrict TV coverage of House floor saying: "It's pretty clear that the will of the membership is to go along with what we've been doing."

UHF comparability progress report will be presented to FCC by staff Sept. 11, covering: Channel selectivity, picture quality, programming deficiencies. Staff notes that several contracted research reports are expected within next few months.

AFM and HBO reached new collective bargaining agreement designed for pay-TV. Before, new agreement, AFM members worked under network contracts with clauses allowing "non-standard" cable distribution.

HILL PROGRESS UNLIKELY: Nothing of substance is likely to happen on a new communications law in Congress by end of year. This is unanimous conclusion of staffers, lobbyists & members we consulted last week. "I wouldn't be surprised if we didn't get a bill at all," said Sen. Goldwater (R-Ariz.), referring to inconclusive negotiations between majority & minority on substitute bill for S-611 (Hollings [D-S.C.] & S-622 (Goldwater & Schmitt [R-N.M.]).

On House side, Rep. Van Deerlin (D-Cal.) plans introduction of scaled-down substitute for HR-3333 amid signs that fellow members of Communications Subcommittee are no longer that interested in reporting legislation. Van Deerlin's bill will focus on telecommunications. If any Senate bill emerges, Goldwater says it will focus on broadcasting.

With SALT II and budget dominating congressional agenda for foreseeable future, and short pre-election session expected next year, Washington observers have never been in so much consensus that legislation is unlikely. If there is any possibility for legislation, it lies in Administration, which is circulating final drafts of a telecommunications proposal. But observers doubt that White House has clout (or sufficient interest) to devote effort to pushing legislation.

"I don't see much happening," said Rep. Al Swift (D-Wash.), who has voiced particular interest in broadcast changes. "It's like looking at a brick wall. I'm becoming increasingly pessimistic."

Broadcast lobbyist, asked for prediction on fall communications action, replied: "I'll give you an answer in one word—nothing."

Rep. Van Deerlin (D-Cal.), House Communications Subcommittee chmn., says pressure for legislation should come from industries that want changes, and only then can legislation be passed. "I shouldn't be in the position of goading the Subcommittee into action. This depends on forces outside Congress."

One of those forces, AT&T Chmn. Charles Brown, met with Van Deerlin last week, and latter says acrimony between him and company (Vol. 19:32 p3) is done with. "We're back to square one," he said. If there's any broadcast legislation to be moved on House side, vehicle will be common carrier bill, and AT&T vs. Van Deerlin battles won't result in legislation.

Qube in Columbus "is certainly expected to become profitable," Warner Cable Chmn. Gustave Hauser states, saying he was misunderstood regarding use of Columbus as R&D (Vol. 19:35 p4). "We are trying all kinds of new things there," he said. "They don't show immediate profitability, but we expect Columbus to be a profitable business."

NBC anchor John Chancellor had his Sept. 7 luncheon speech at RTNDA convention interrupted for live audio of President Carter's speech on Russian troops in Cuba. Chancellor's reaction: "My impression is the President didn't say a damned thing." Comment brought house down.

Mutual Bcstg. celebrates 45th anniversary Sept. 15.

Hispanic broadcasters have 3 priorities: (1) Explore alternatives to Nielsen and Arbitron Spanish language ratings. (2) "The exorbitant payment demanded by ASCAP & BMI from Spanish-format stations." (3) Importance of accurate Hispanic count in 1980 census. Goals were set at first meeting of interim board, National Assn. of Spanish Bcstrs., in Washington Aug. 14. Interim board consists of Nelson Lavergne, WADO(AM) N.Y., chmn.; Ed Pena, KMXN-TV Albuquerque, vice chmn.; Efrain Archilla-Roig, WALO(AM) Humacao, P.R.; David Jack, Cascade Bcstg., Portland, Ore.; Rene Anselmo, SIN; Eva Esparza Wardlow, KORO Corpus Christi; Joe Aguayo, Children's TV Workshop.

Ad on bulletin board at RTNDA convention last week: "For sale. Helicopter. 1974 Hughes 300C, 3-place, \$43,000. KOOL-TV Phoenix." On exhibit floor there were 2 specially equipped helicopters for sale (see p. 2). At RTNDA for first time was Robert Wehrman, Cox Bcstg. engineering vp. He said he came to keep up with new technology.

Broadcast news coverage of candidate debates shouldn't be considered contribution of time or money to candidates or political parties, NBC advised Federal Election Commission. In letter from Gen. Counsel Corydon Dunham, NBC expressed concern that proposed FEC regulation might limit First Amendment rights of broadcast newsmen.

TV Guide adds pay-TV programming to N.Y. edition Sept. 15, will include HBO, Showtime, Wometco, Madison Sq. Garden. It adds HBO to Sarasota, Orlando & S. Fla. editions Sept. 15, N. Ga. Sept. 22. It has been carrying HBO in Buffalo, San Diego, S. Mich & Spokane, and lists Madison Sq. Garden in "several."

NAB has asked Supreme Court to reverse decision allowing closing of courtrooms in criminal pre-trial hearings, or to specify when it applies. NAB filed as friend of the court in behalf of Richmond Newspapers, which is seeking to overturn a Virginia court decision based on Supreme Court decision.

CBS and Crum & Forster have held discussions on merger. Insurance company said talks were unsolicited and no firm offer was made; CBS declined comment. Crum & Forster, with 13.7 million shares and market value of more than \$700 million, had losses in first half of \$72.3 million.

Japanese consumers' suspicions of TV advertising were illustrated in recent govt. survey: 98.2% of 1,400 Tokyo women interviewed said ads had bad effect on children; only 2.5% said they believed ad claims; 20% said products didn't live up to ad claims.

Second guilty plea in NBC expense account padding case (Vol. 19:13 p7) was entered by Carlyle Robinson, ex-NBC unit mgr. Federal authorities continue to investigate case; about 40 NBC unit managers have resigned since March, when probe began.

General Cable dedicates new R&D lab, Edison, N.J., Oct. 25, includes seminar on fiber with Hugh Robertson, Union Pacific; David Hanna, GTE; Robert Tenton, Manhattan Cable; Larry Dworkin, U.S. Army.

Personals

Ted Harbert promoted to asst. to vp, Program Planning & Scheduling, ABC Entertainment; **Paul Hunter** promoted to vp, comedy development; **Paul Bengtson** named talent dir., Comedy Programs; **Peter Roth** promoted to current dramatic series dir.; **Franco Garcia** promoted to asst. gen. attorney.

Herminio Traviesas, NBC vp, broadcast standards policy, who had planned to retire at 65 Nov. 1, has agreed to stay on, dividing time between N. Y. & L. A. . . **Haidees Granger**, ex-Granada TV, named to new post of vp & gen. mgr., Time-Life TV.

New INTV board members: **Jack Matranga**, pres. & gen. mgr., KTXL Sacramento-Stockton; **John Serrao**, vp & gen. mgr., WPTY-TV Memphis; **Thomas Tilson**, Metromedia pres.; **Herb Victor**, exec. vp, Field Communications.

Curtis Beckman, WCCO(AM) Minneapolis, moves up to RTNDA pres., succeeding **Paul Davis**, WCIA Champaign, Ill.; **Jack Hogan**, WZZM-TV Grand Rapids, defeated **Phillip Mueller**, KSL-TV Salt Lake City, for vp-pres.-elect; winners in 5-way contest for directors were **Countess Jones**, KOBE(AM) Las Cruces, N.M., & **Wayne Godsey**, WTMJ-TV Milwaukee.

Leonard Davey, ex-WJAR-TV Providence, named gen. mgr., WDBO-TV Orlando, succeeding **Arnold Schoen**, retired. . . **Tom DeMuth**, ex-Louisville Times, named station mgr., WDRB-TV. . . **Bill Applegate**, ex-WKBW-TV Buffalo, named news dir., KPIX San Francisco, succeeding **Gary Elton**; **Jan Zinman**, ex-KTVU Oakland, named creative services dir., succeeding **Dick Newton**, who was named promotion dir., Group W Productions.

Jim Chirumbolo, ex-WIVB-TV Buffalo, appointed broadcast operations dir., WUTV Buffalo. . . **Brink Chipman** promoted to news dir., WTCN-TV Minneapolis-St. Paul; **Gil Amundson** named mgr. for special news projects & documentaries. . . **Jim Rose** named asst. gen. sales mgr., WIIC-TV Pittsburgh; **Bruno Graziano** appointed local sales mgr.

Clark Grant, ex-KTVI St. Louis, appointed promotion dir. KNTV San Jose. . . **Lori Wucherer** advanced to promotion mgr., WVTW Milwaukee. . . **James Kitchell**, ex-NBC, joins Cable News Network as senior vp. . . **Stanley Thomas** appointed asst. to HBO Pres. N. J. Nicholas.

Cohen & Dippel consulting engineers move Sept. 15 to 1015 15th St. NW, Suite 703, Washington, D. C. 20005, 202-783-0111. . . **Perry Bascom** TvB south eastern sales dir., named vp; **John Pauza** joins Atlanta office as mktg. sales exec.

Carleton Musson promoted to mgr., studio & control equipment engineering & product management, RCA Bcst. Systems.

Ralph Green promoted to engineering vp, CBS Radio. . . **Toby Harder**, ex-minority staff counsel, House Communications Subcommittee, named legislative counsel to govt. relations consulting firm of **Alcalde, Henderson & O'Bannon**. . . **Patricia Dignam** named mgr., Nielsen Station Index Analysis Information Dept., N. Y.

WEEKLY Television Digest

with
Consumer Electronics . . .

(ISSN 0497-1515)

PUBLISHED BY TELEVISION DIGEST, INC.

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

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20th Century-Fox Sports is sponsoring annual \$600,000 World Games of Tennis tournament, will sell TV rights by Jan. to highest bidder, including networks, syndicators, pay-cable distributors. Matches are scheduled for live telecast via Comsat Dec. 6-7 & 13-14, 1980. Possibility also exists for release on videocassettes through Fox subsidiary Magnetic Video. Other sports ventures this fall include Pacific Gymnasts Tournament for HBO and CBS (finals) and L. A. Women's Marathon for NBC o-&-o's and syndication.

New technical studies from NTIA: "Ground Wave Propagation Over Irregular Inhomogeneous Terrain," by Randolph Ott, Lewis Vogler & George Hufford, \$7.25; "Automated Digital System Engineering Model," \$6; "Design Handbook for Optical Fiber System," by Robert Hubbard & Robert Gallwa, \$10.75. Details: Russell Stoner, 303-499-1000.

Film workers strike threat dimmed after management of 24,000-member IATSE agreed to new contract raising wages \$2.75 per hour over 3-year period and adding pension & health care benefits. Membership votes on contract this week.

Jewish group has opposed sale of WEVD(AM) N. Y. to Winston-Salem N. C. Christian broadcasting firm for \$1.2 million. In comments to FCC, Coalition to Save WEVD said sale would cut off Yiddish programming to thousands.

"All in the Family" gross of \$87 million—attained recently—makes program biggest money-making comedy series in TV syndication history, Viacom reports.

Engineering Emmy, from ATAS, goes to Ampex, for automatic scan tracking for helical video gear.

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STATE OF THE INDUSTRY

Sales to dealers (total market), from EIA, for week ended August 24 (34th week of 1979):

	Aug. 18-24	1978 week	% change	Aug. 11-17	1979 8 months	1978 8 months	% change
Total TV	368,461	375,545	-1.9	233,018	9,624,958	9,502,515	+1.3
color	205,944	242,251	-15.0	143,787	6,001,289	6,024,121	-0.4
monochrome	162,517	133,294	+21.9	89,231	3,623,669	3,478,394	+4.2
Home VCR	11,166*	7,899	+41.4	4,562	240,877	185,830	+29.6
Total radio	808,147	908,077	-11.0	591,422	26,760,453	30,223,530	-11.5
home, portable . .	594,419	689,689	-13.8	377,521	18,294,896	22,071,406	-17.1
AM-only	98,190	145,318	-32.4	94,721	3,796,958	5,028,569	-24.5
FM & FM-AM . .	496,229	544,371	-8.8	282,800	14,497,938	17,042,837	-14.9
auto	213,728	218,388	-2.1	213,901	8,465,557	8,152,124	+3.8

Color TV 5-week moving average: 1979-181,401; 1978-196,031 (down 7.5%).

Home VCR 5-week moving average: 1979-8,839*; 1978-5,339 est. (up 59.6%).

*Record for period.

IBM & MCA MERGING VIDEODISC FORCES: Formation of 50-50 videodisc & player partnership announced by MCA & IBM last week seemingly insures laser-read optical format will be standard in industrial video & computer markets, but for immediate future at least will have little impact on odds in multi-standards race for consumer business.

New entity, DiscoVision Assoc. (DVA), begins life with MCA's disc manufacturing assets, including patents & technology, and IBM chips in cash, fruits of its own optical disc R&D efforts & patents.

Mention of "home entertainment" in joint press release is something of smokescreen; except for disc mastering & pressing, DVA will have no immediate involvement in consumer area. MCA keeps consumer disc distribution business, and along with it commitment to support Magnavox's Magnavision player sales effort with software. That appears to mean MCA will deal with DVA at arms length, as it would with any outside contractor.

DVA relationship with Universal-Pioneer (U-P) is also up in air. MCA's 50% interest in U-P, Japanese player-producing venture with Pioneer, is included in agreement with IBM, but transfer is subject to Pioneer's approval, may also need Japanese govt. clearance. Without U-P, DVA is out of player manufacturing business. U-P, we've learned, is contractually obligated to supply DVA with industrial players, such as those being bought by GM (Vol. 19:33 p8). U-P is free to sell less-sophisticated consumer models to all comers. Planned limited output of consumer players in 1980 is believed fully earmarked for U.S. Pioneer's scheduled marketing test.

General tenor of public statements indicate conservative IBM, rather than show-biz MCA, will be in DVA driver's seat. Director of IBM's research effort indicates it believes main payoff of optical disc system will come from its information handling applications, both in industry and home, with pure entertainment being just one. IBM has shown interest in systems with read-write capabilities. Philips is already on that trail with initial development of a DRAW (Direct Read After Write) system; a number of firms, including Drexler Technology, are working on materials suitable for laser-recordable discs.

Exxon, Xerox & Atlantic-Richfield, along with RCA, are among others known to be working on non-consumer optical disc systems. IBM says its long-term disc project is still extant, but will be taken over by DVA, with hq at disc replication plant in Carson, Cal.

Along with immediate entry into field, partnership gives IBM membership in exclusive club—only commercial videodisc manufacturing operation anywhere. If Pioneer goes along as expected, IBM also gets piece of U-P, which, with Magnavox, makes up universe of active videoplayer production. MCA shakes go-it-alone burden of difficult, capital-intensive production process, is no longer responsible for disc manufacturing. IBM expertise may help ease disc backorder situation, though under MCA management plant was showing signs of improvement. DVA is, of course, going business; it includes MCA, GM, U. of Neb., various U.S. govt. agencies and now probably IBM among steady disc customers.

Emergence of DVA is resulting in reorganization of MCA DiscoVision, now only a consumer disc marketer. Pres. John Findlater & Mktg Vp Norman Glenn remain in those posts. Exec. Vp James Fiedler becomes interim DVA pres., is expected to return to MCA at year end and be succeeded by John Reilly, who moves from IBM Gen. Business Group operations planning staff dir. to DVA exec. vp. Named to head DVA policy-making Associates Committee were IBM GBG Senior Vp George Beitzel & MCA Pres. Sidney Sheinberg.

While DVA won't be immediate factor in home market, its formation does put strong psychological pressures on others with home systems to come up with unified non-optical standard for U.S. market. Line-up in optical camp presents formidable potential for home market development. It includes Dutch Philips, Magnavox, MCA, IBM, Pioneer & Sharp all linked together. Non-optical contenders include RCA capacitance Selectavision, Matsushita mechanical Visc-O-Pac, JVC capacitance VHD. RCA, which has number of relatively inactive disc licensees, has had several meetings on standards issue with Matsushita interests, but we've seen no sign of agreement.

Non-optical players are essentially video phonographs intended primarily for playback of entertainment discs and designed to sell at \$400-\$500 range. Optical players, priced at \$775 for Magnavox consumer & about \$1,650 for DVA industrial models, have much broader performance capabilities. Assuming price differential continues, both types could occupy secure niches in consumer market.

Initial reactions to IBM-MCA venture were predictably noncommittal. Philips "welcomed" IBM to optical fold, pointedly noted that MCA's obligation to provide discs for Magnavox players continues. DVA announcement was complete surprise to Philips, underscoring just how far apart MCA & Philips have drifted since 1974 when they agreed to joint optical disc standardization & market development effort (Vol. 14:39 p8). RCA spokesmen restricted comment to restating intention to proceed with Selectavision disc development, reminder that marketing program is to be announced by year end.

VIDEO IMPORTS SOFT IN JULY: TV & video equipment importers turned dull performance in July as incoming shipments of complete color and b&w TV, b&w cameras dropped well below year-earlier levels, and FCR figures were essentially flat, according to Commerce figures. Imports of color chassis & kits were up (particularly from U.S.-owned export-assembly plants in Mexico), as were color cameras.

Month's VCR imports of 43,600 were up just 2.1% from July 1978, bringing 7-month total to 289,800, up 7.8%. VCR import figures should be up substantially in Commerce's Aug. report, which is expected to reflect sharp hike in Japan's July exports to U.S. (Vol. 19:35 p8) caused by first shipments of new multi-speed 1980 models. Color camera imports jumped 264.9% in July to 7,500, for cumulative total of 42,400, up 291.7%. For 2nd straight month, however, imports of b&w cameras were down by half, with July total at 6,400, leaving full period at 44,700, down 22.2%.

In TV, total July imports of sets & chassis were down 14.9% to 926,300, as color dropped 22% to 351,300, b&w slipped 9.8% to 575,000. Through first 7 months, total TV imports were down 7.2% to 5.51 million, with color down 15.9% to 2.26 million, b&w off just 0.1% at 3.25

million. Color import total for July includes 125,900 complete sets (down 48.7%), 225,400 incompletes (up 9.8%). For first 7 months, complete color imports stood at 880,600 (down 39.6%), incompletes at 1.38 million (up 12.2%). For by-country TV import picture see p. 11.

BERLIN SHOW HIGHLIGHTS: Focus of attention at Berlin's Internationale Funkausstellung, which closed Aug. 31, was video—home video recording, to be specific. Japanese manufacturers put on brave front, but seemed to be on defensive as result of new European challenges from BASF & Philips (Vol. 19:35 p6, 19:36 p7). They seemed particularly concerned over Philips-developed helical-scan Video 2000 system. ("Do you think they would let us see it?" asked one Japanese executive.)

Main theme in most video exhibits was hands-on operation. Show was open to public, and more than half-million visitors were offered opportunity to handle cameras, make own tapes of live name performers on elaborate stages. Between shows, JVC let customers appear on stage, interviewed them before camera, gave them cassette, presumably in hope they'd buy VHS recorder to play it back on.

For time being, at least, VHS has commanding lead in Europe. Video consultant & trade assn. chief Klaus Mueller-Neuhoff estimates VHS accounts for 60% of VCRs in use, vs. 20% each for Beta and old Philips-Grundig systems (VCR & SVR). Ten manufacturers at show exhibited VHS (mostly JVC-made), including German majors Blaupunkt, Nordmende, Saba & Telefunken, as well as Japanese companies. Beta was shown only by Sony and subsidiary Wega, Sanyo and subsidiary Fisher, plus Toshiba.

Most intriguing new camera was 6-lb. Sony with 2/3" Trinicons, remote, electronic viewfinder with waveform monitor, picture crispener, automatic 4-sec. fade-to-black between scene, 6-1 motorized zoom, focus to less than one inch for close-ups. It will sell for about \$2,000 in U.S.

Sensation of 1977 Funkausstellung, "picture-in-picture" TV set (Vol. 17:37 p9), was nowhere to be seen this year. Second only to VCR as attention-getter at this show was projection TV, displayed by most Japanese manufacturers (including newcomers Hitachi & Toshiba), by Advent representative Trans Video and others. Only 2 were reasonably new: Grundig's 2-piece 3-tube system at about \$3,850, as against \$5,500 for most others (identical unit was shown by Philips); Sanyo 3-tube 50" rear-projection receiver somewhat resembling overgrown filling station pump. Common observation among skeptical dealers was that "projection TV is this year's picture-in-picture."

European TV industry has just gone through hectic year of poor sales, inventory liquidation and price cutting. It's seeking to restore stability through new 1980 features ("the only thing we've imported from America," quipped one manufacturer). Most color brands feature new hi-fi picture tubes, many with tinted phosphors, optional wireless remote adaptors, direct video inputs, readiness for videotext & viewdata (both starting experimentally in Germany). Some remote controls are designed to operate VCRs, videotext & games as well as TV.

As for future developments, videotext demos were everywhere. Sony, Panasonic, Philips & ITT demonstrated direct satellite-to-home receiving systems. Saba showed electronic ghost-canceller developed in parent GTE's U.S. lab, estimated marketing within 2 years. To be added soon to Saba line is talking clock radio using speech synthesizer, priced about 25% above conventional unit.

Video Warehouse, N. J. -based distributor of prerecorded cassettes, has been acquired by National Video Group, L.A. One result of acquisition will be deletion of VW's R-rated titles in favor of children's & family entertainment programs, such as recently purchased "Pippi Longstocking" series. National Video plans name change, additional financing, before launch of major marketing effort, with VW responsible for cassette duplication & fulfillment. VW expects capacity to produce 3,500-4,000 tapes per week, about 3 times current

level. VW now distributes to about 600 dealers, says it will gross \$1.6 million this year despite disappointing summer. Sales last year were \$650,000.

Helping hand to export-minded U.S. semiconductor & equipment producers is being extended by Japanese trading company Kanematsu-Gosho. K-G is seeking Commerce Dept. cooperation for plan to hold U.S. semiconductor technology exhibit in China later this year.

AUG. COLOR SALES: Drop in final week's color sales to dealers turned Aug. into year's 3rd down month for both color & total TV, when compared with same 1978 month (see State of Industry, p. 7). Both were also off in April & May, according to EIA figures.

While there's still plenty of hope for fall comeback, Aug. color results were disheartening, to say least. Based on unadjusted patterns of last 5 years, Aug. sales were at 9.19 million annual rate, lowest of any month since Aug. 1977. Unit volume was 313 sets below that of preceding month, and last time industry had July-to-Aug. color decline of any kind was 1974.

Industry's conservative approach to production continued in Aug., with apparent justification. End of Aug. color stockpile of about 2.46 million, representing 11-week supply at current sales rates, was down 2.5% from last year, down 1.5% from July. Factory inventories were down 10.6% from last year to 1.34 million, while distributor warehouses held 1.12 million, up 9.4%. Compared with July, factory inventories were down 1.9%, distributors' down 1%. Inventory drop can be traced, in part at least, to strike which has halted production at Sanyo's Forrest City, Ark. plant since Aug. 6 (Vol. 19:36 p10). Negotiators met for first time since walkout Sept. 5, resumed talks Sept. 7.

Final week's record VCR sales made Aug. 3rd best month of year in terms of percentage growth. Month's annual rate, based on 1978 pattern, was 619,000, with 8-month results pointing to full-year total of about 520,000. But those are very shaky projections. Total VCR inventories of 109,500 were down 13% from last year, off 0.6% from July. Factories held 88,100, down 19% from last year, up 9.8% from July; distributors had 21,400, down 37% from last year, off 23.8% from preceding month. At week's end, there was no indication of how Sept. got off ground, EIA's data collection process having been held up by Labor Day holiday. Here's EIA sales-to-dealers picture for Aug.:

Product	August 1978	August 1978	% change	August 1977
Total TV	1,182,047	1,214,056	-2.8	1,016,108
color	686,316	777,639	-11.7	852,575
monochrome	495,731	436,417	+13.6	363,533
Home VCR	36,219	22,478	+61.1	-
Total radio	3,294,034	3,529,699	-6.7	5,439,151
home, portable	2,513,338	2,889,546	-8.6	4,575,172
AM-only	402,142	619,683	-35.1	1,266,290
FM & FM-AM	2,111,196	2,069,863	+2.0	3,308,882
auto.	780,698	840,153	-7.1	863,979

Sanyo is first Japanese consumer electronics producer to pledge participation in Japan-China industry development venture being proposed by Matsushita founder Konosuke Matsushita (Vol. 19:29 p10, 19:33 p11). Plan calls for forming consortium of Japanese companies to provide technological and financial investments in Chinese industry. It's being opposed by some Japanese firms which would prefer making own deals.

One million hand-held electronic basketball games have been produced and shipped to Mattel by National Semiconductor. NS has been making Mattel's basketball, as well as similar hockey & soccer games, since introduction in early 1978.

TV receiver performance standards comments at FCC: ABC said TV receiver standards aren't appropriate area for govt. regulation; EIA/CEG described recommended 60-dB image rejection figure as "not cost effective" for TV manufacturers; MST suggested that another FCC inquiry, Docket 78-348 ("Measurement Techniques of TV Noise Figures") was right forum for most of TV performance standards questions; NTIA urged no mandatory TV set standards but encouraged high voluntary standards and more consumer information; CPB claimed that FCC has "relinquished its responsibility in spectrum management" by leaving selectivity standards to receiver manufacturers, and it recommended a receiver grading system with no more than 4 categories so as to not confuse consumers.

Radio Shack's just-issued 1980 catalog shows retailer is staying out of home video field, putting emphasis on hi-fi, telephone equipment & computers. New 120-watt MPU receiver at \$600 has digital time-frequency display, manual or automatic scan tuning of all stations, scan tuning of 6 FM & 6 AM pre-programmed stations, LED power indicator. New electronic telephones include wireless at \$220, wired models at \$100 & \$50, all with auto re-dial. In computers, RS expanded accessory offerings for home TRS-80, introduced TRS-80 Model II, a small systems unit, at \$3,450. Catalog puts RS into some new electronic areas with alarm watch at \$40, fever thermometer at \$30, blood pressure tester at \$70.

EIA & IHF agreed in principle last week to merger of IHF with EIA Consumer Electronics Group's Audio Div. Plan won EIA/CEG approval earlier this year, got unanimous endorsement from IHF board, will be voted on by IHF members Oct. 4, at time of IHF Audio Conference, Statler Hotel, N.Y. Also needed is OK from EIA board, but that's considered formality. While details of merger weren't released, it's understood IHF will retain separate identity as Audio Div. subdivision. CEG is also considering creating Video Systems subdivision of Video Div. for manufacturers of VCRs and other video equipment.

Taiwan's quota for color exports to U.S. in 6 months ending last June 30 was increased by 26,400 to 153,400 from 127,000 by Office of Special Trade Representative. Hike was compensation for shortfall in pre-quota imports during pipeline period ending last Jan. 31. Taiwan's quota in any given period is boosted by amount of any shortage in preceding period under revision to agreement negotiated last June (Vol. 19:26 p10). Korea has similar carry-over rights.

German market for color TV sagged in first half, but demand for audio equipment improved, according to Electrical & Electronics Mfrs. Assn. Group reported that overall color sales were down 23% in period, with console & table models off 25%, portables down 13%. In audio, car radios were up 11%, clock radios rose 17%, amplifiers were up 100%, tuners rose 149% & receivers increased 30%, while radio-phonograph combinations declined 19%.

GOULD SEEKS MOSTEK: Outbid by Schlumberger in attempt to acquire Fairchild Camera earlier this year, Gould has gone shopping for another semiconductor producer, Mostek. Gould says it has agreed to acquire Sprague's 21% interest in Mostek from Sprague parent GK Technologies, for \$51.5 million. Sprague was acquired by GK (then General Cable) in 1976.

While insisting purchase is for investment, Gould says it's considering buying additional shares, though not necessarily at \$42 per-share price it's giving GK. Completion of Gould purchase hinges on whether Mostek exercises right it has to match any offer for its shares made to GK. Last June, GK bought 235,000 Mostek shares at \$22 each, and if deal is completed, SEC rules require that GK's \$2.7-million profit on those shares be returned to Mostek.

In other merger activity: GE purchased LCD-maker Liquid Xtal Displays from Dickey-John Corp. for \$4 million. Unit has been absorbed into GE Electronic Components, is expected to produce displays for GE clocks & appliances. GE halted U.S. production of electric clock movements last year, sold Telechron plant in Ashland, Mass. to Timex (Vol. 18:48 p12). GE produces electronic & mechanical clock movements in Singapore... Belden acquired Magnum Electric, Toledo-based producer of terminal strips, for undisclosed cash sum... Dutch Philips & Grundig released additional details of cooperative technology-manufacturing agreement, and they show that Grundig will finance Philips' buy-in (Vol. 19:35 p9). Philips will set up German holding company which will invest \$203.5 million in venture that will acquire 76.5% interest in Grundig. Philips will own 24.5% of voting rights, 32.03% of capital in venture, with rest held by Max Grundig Foundation. Remaining shares in Grundig will be retained by Grundig family & Foundation. In addition, Foundation will set up Dutch company to give Philips \$200-million loan which can be converted to Philips stock.

* * * *

RCA plans sale of Banquet Foods & Random House subsidiaries, which combined accounted for about 11% of consolidated sales, 5% of pre-tax net last year. RCA said it has no buyers yet, explained move would enable concentration of resources on major operating areas: Consumer products & services, broadcasting, electronic communications, Hertz and financial field it's entering through acquisition of CIT Financial (Vol. 19:34 p11). Decision may result in restructuring of internal RCA business grouping.

Yet another test of the marketability of videotext service is planned, this one in Canada. Starting next Sept., Bell Canada & Canada's Communications Dept. will hold \$10 million trial of locally-developed Teldon system in Toronto. Participants at 1,000 commercial & residential locations will be given terminals which can call up some 100,000 pages of data for display on their TVs, can also be used for shopping, ticket reservations and to leave messages for each other. Terminals will be hooked through phone lines to 28 data sources. Canadian Govt. will provide 675 terminals, Bell 325.

JULY TV IMPORTS: All major source countries for complete TV receivers suffered declines in July as total imports slipped 14.9% below level of same year-earlier month, Commerce figures show (see p. 8).

Here's rundown on by-country imports for July, with 7-month results in parentheses: Japan total 110,900, -60.3% (822,600, -55%); color 79,800, -43.7% (450,100, -52%); b&w 31,000, -77.8% (372,500, -58.1%). Taiwan total 458,200, -15.8% (2.48 million, -3.9%); color 105,000, -40.1% (592,300, -25.9%); b&w 353,300, -4.2% (1.89 million +5.9%). Korea total 178,000, -27.1% (1.16 million, +69.8%); color 10,100, -70.1% (220,200, +50.4%); b&w 167,900, +32% (941,300, +75.1%). In color only, Singapore 7,240, +72.8% (47,200, +150.8%); Canada 3,760, -77.7% (67,900, -45.7%).

Totals for complete color imports: Japan 58,800, -52.9% (334,900, -59.1%); Taiwan 49,000, -24.9% (217,800, -36.9%); Singapore 3,200, -23.8% (39,200, +107.9%); Canada 3,700, -77.9% (63,600, -46.7%). Virtually all imports from Korea are complete sets.

Incomplete color imports: Japan 21,000, +35.9% (115,200, -2.4%); Taiwan 55,900, -49.1% (374,500, -17.5%); Mexico 141,500, +77.1% (858,400, +33.6%). Singapore supplied 4,048 incomplete color TVs in July, 8,100 for full period, against none last year.

Treasury opened formal probe into AHAM charges that Japanese microwave ovens were being sold here at unfairly low (dumping) prices, but said it won't start full investigation until it receives preliminary report from International Trade Commission (ITC) on whether domestic producers are being injured. ITC set Sept. 12 for hearing on injury issue, reports back to Treasury Sept. 24. Treasury said there were doubts that import-injury claims in AHAM petition could be substantiated (Vol. 19:31 p9). If ITC's quick study turns up reasonable evidence of such damage to domestic producers, Treasury will check into claims Japanese are dumping ovens here at prices 27% to 100% below fair value. A positive Treasury finding would send case back to ITC for more comprehensive study of injury. Meanwhile, ITC has ruled that capacitor paper dumping by Finnish & French manufacturers has caused significant injury to domestic producers, clearing way for Treasury to assess extra duties. Last June, Treasury said it found average dumping margin of 18% on paper imports from Finland, margin average of 77.7% on paper from France (Vol. 19:24 p11).

France's Thomson-Brandt will be partner in first color TV production venture in Greece. Proposed venture was announced following decision by govt. there to adopt Thomson-developed SECAM system for colorcasting. Local partner will be Radio-Korassidis, an electronic & electrical appliance manufacturer. Thomson will train Greek technicians, provide equipment valued at about \$23 million for plant, which is expected to turn out about 5,000 sets in first year, 10-15,000 annually after that. Production may start by end of 1980. French-Greek color tie-up could lead to other cooperative ventures in communications satellite & data transmission areas.

Consumer Electronics Personals

Richard Metzinger, ex-Beatrice Foods, one-time RCA & GE, joins Quasar as sales dir., succeeding **Al Tate**, who leaves to form appliance distribution firm in Boston area... **Thomas Anderson**, SBE chmn., adds duties of chief exec., succeeding **Stephen Snell**, who continues as pres... **Stan Wasser** advanced at Sharp Consumer Calculator Div. from east region mgr. to east div. sales mgr.; **Larry Conley** named northwest region mgr. for microwave ovens.

Richard Pinto, ex-Rockwell, joins RCA Solid State Div. as IC vp; **Ralph Simon** appointed electro-optics & power devices vp; **Carl Turner** named product assurance & planning vp... **Joseph Sigler** named western mktg. dir., Radio Shack Computer Centers... **Ken Schettig**, ex-JVC, joins Sharp Audio as west region mgr.; **William Yanke**, ex-Sankyo, named for central region... **Glenn Hart**, ex-Columbian Magnetics, named Allison Industries pres.

Arthur Weber advanced at GTE to vp-controller, Telecommunications Systems; **Gerald Weinfurther** appointed field mktg. engineer, Distributors & Special Mkts. Div... **Thomas Stevens** advanced at Memorex to controller, succeeding **William George**, resigned... **A. Taylor Pohlman**, ex-Hewlett-Packard, joins Apple Computer as education mktg. mgr... **Earl Gomersall** promoted at Motorola from Semiconductor Div. group vp to corporate operational support vp, assuming duties of **Walter Scott**, retiring next year.

Obituary

Homer Capehart, 82, founder of 2 consumer electronics manufacturers, 3-term Republican senator from Ind., died Sept. 3 in Indianapolis where he had been hospitalized with broken hip. He launched Capehart Automatic Phonograph in 1927, later merged with Farnsworth TV & Radio Corp. In 1932, he started Packard Mfg., forerunner of now defunct Packard-Bell. Rights to Capehart as brand name are owned by Capehart Corp., phono producer which manufactures only under private labels. Wife, son, daughter survive.

Craig reported essentially flat sales, 74% drop in earnings for year to June 30, showed 10% decline in sales and a loss in final quarter. Company cited intense competition from excessive number of suppliers in car stereo business, general sag in demand for 8-track car players, in explaining results. Figures include \$2 million inventory writedown to reflect market costs. **Craig** said it was cutting quarterly dividend 50% to 6.5¢... **Lloyd's** also pointed to tight competition, plus inability to pass along higher costs, as causes of 24% sales drop, loss of \$1.15 million in opening fiscal quarter. **Lloyd's** lost \$839,000 in same quarter last year... **Maxell** said U.S. sales were up 22% in Jan.-June. Parent company in Japan said consolidated profit in year to March 31 rose 25% to \$20 million on 12% sales gain to \$215 million... **Soundesign** plans open-market purchase of about 100,000 of own shares for investment.

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
Avnet			
1979-year to June 30	1,028,132,596	54,452,041	3.50
1978-year to June 30	806,648,731	39,577,345	2.56
1979-qtr. to June 30	286,833,754	19,158,726	1.23
1978-qtr. to June 30	219,644,886	11,553,010	.74
Heritage Communications			
1979-6 mo. to June 30	6,491,544	5,239,635 ^a	2.50
1978-6 mo. to June 30	2,928,873	(98,127)	--
1979-qtr. to June 30	3,614,456	5,126,367 ^a	2.46
1978-qtr. to June 30	1,506,814	(69,558)	--
Regency Electronics			
1979-year to June 30	51,590,345	5,312,047	1.98
1978-year to June 30	38,780,729	3,517,140	1.31
1979-qtr. to June 30	14,524,302	1,303,205	.49
1978-qtr. to June 30	9,788,859	1,119,818	.41
Seaport			
1979-6 mo. to June 30	12,348,000	(42,000) ^a	--
1978-6 mo. to June 30	11,280,000	99,000 ^a	.02
1979-qtr. to June 30	6,402,000	13,000 ^a	--
1978-qtr. to June 30	5,766,000	48,000	.01

Note: ^aAfter special credit.

Ad notes: TDK signs Stevie Wonder to promote audio tape this fall under theme "The Amazing Music Machine"... Atari plans 6-week pre-Christmas multi-million dollar network TV campaign for programmable video game. During same period, it will run test in L.A. of spots for personal computer, which will get wide print support in national magazines starting this fall... Consumer electronics marketers spent \$7.58 million in national & spot TV in first half this year, with \$2.88 million of outlay made in 2nd quarter, TvB reports... **Maxell** will offer free metal take-up reel to purchasers of 3 reels of tape in Sept. It also plans joint 2-week, 5-city promotion with Jensen. **Maxell** will give free audio cassette to consumers auditioning Jensen car stereo systems at selected dealers in Cleveland, Dallas, Houston, Atlanta & Washington... **Sharp** launches spot TV calculator campaign themed "Success Today is 10% Inspiration, 90% Calculation"... **Sony** is budgeting \$2 million for hi-fi component magazine campaign in 4th quarter under logo "There is only one real pioneer in high fidelity. It's Sony."

Wage gap between U.S. and Japanese workers closed sharply over last decade, but in terms of purchasing power, U.S. workers are still way ahead, according to Japanese Labor Ministry study. Report contains numerous adjustment factors for exchange rate changes, differences in life styles, work customs and govt. policies. It shows average U.S. wage was just 42% higher than average in Japan in 1978, compared with 300% differential in 1970. But because of high living costs in Japan, average U.S. worker can buy twice as much. Worker in West Germany makes 44% more than average Japanese, down from 110% more in 1970, but buying power is only 57.8% more, so German worker makes more, but can buy less than U.S. counterpart. Most dramatic comparison is with wages in U.K., which were 58% above Japanese in 1970, but were 26% lower last year.

WEEKLY

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SEPTEMBER 17, 1979

VOL. 19, NO. 38

SUMMARY-INDEX OF WEEK'S NEWS

Broadcast

DE-REGULATION SUPPORT from Congress sought by Ferris. Tells congressman on panel one-line bill will help. (P. 1)

NADER HITS FERRIS & FCC on radio de-regulation proposals, says hoped-for improvements under 'Carter-appointed chairman' haven't been realized. Other public interest leaders, while questioning radio de-regulation, hit Nader tactics. (P. 1)

MORE ON UHF VITALITY: Benefits of rules exemptions for UHF are 'illusory,' FCC says in rulemaking to remove them. Ferris & Brown lose in effort to freeze pending applications. (P. 2)

REWRITE—"CANCEL THE WAKE," Van Deerlin tells IRTS. Gets cool response to his call for more competition. (P. 3)

FTC RULEMAKING UNDER FIRE from House Appropriations Committee. Kid ad inquiry included in Hill attacks. (P. 4)

FERRIS SEEKS LEGISLATIVE BACKING: FCC Chmn. Ferris last week called on key congressional communications leaders to give him legislative backing "for what we are doing" in de-regulation.

Addressing Southern Cable TV Convention in Atlanta via satellite, Ferris asked Capitol Hill representatives on panel with him to take at least some action if Congress is unable to pass significant communications legislation this year: "If nothing else, a one-line piece of legislation saying the FCC doesn't have to regulate if market forces prevail."

Ferris made comments following pessimistic statements of others on panel on prospects for significant communications legislation in rest of this Congress. Sen. Goldwater (R-Ariz.), ranking minority member on Communications Subcommittee, saw little hope, and he won't be pushing. "Frankly," he said, "I would prefer waiting a few years to rewrite the Act of 1934 as long as we have a man here [Ferris] who seems to be a jump ahead... I hope you'll just de-regulate all over the place." Rep. Collins (R-Tex.), Goldwater's House counterpart, told cablemen: "This is not the time to write a cable bill. You are better off now." Rep. Van Deerlin (D-Cal.), Communications Subcommittee chmn., called on cable owners to put pressure on Congress to get legislation moving.

NADER HITS FERRIS ON RADIO DE-REG: Charging FCC "is clearly one of the worst regulatory agencies in Washington," NCCB Chmn. Ralph Nader issued blast against Commission's radio de-regulation proposals in general and FCC Chmn. Ferris in particular. He was joined by NCCB Pres. Nicholas Johnson, who also attacked proposals during interview on WAMU(FM) Washington.

Consumer Electronics

COLOR TV SALES dip goes into 6th consecutive week, 2nd Sept. week showing 10% decline. Set makers say they're not alarmed, calling adjustment more technical than indicative of retail slowdown. (Pp. 7 & 9)

13" REMOTE & VARACTORS were major gainers in 2nd-half color market, despite cutback in new supply. Both 19" & 14-17" categories gained, but tinyvision & consoles slipped. (P. 7)

CB DUTY ROLLBACK sought by Dynascan, arguing there's no longer any need to protect waning domestic industry. (P. 10)

UHF COMPARABILITY: FCC may require TV makers to improve UHF reception. Task force stresses cause of inferiority. (P. 10)

MOSTEK SUES to block acquisition of 21% interest by Gould, alleging antitrust violations. Sinclair sells TV business. Mattel-MacMillan, Paramount-EMI mergers collapse. (P. 11)

Speaking at joint news conference with NOW in Indianapolis, Nader said Commission "mis-labels its proposal de-regulation. [It] further entrenches federally protected monopolies for a few hundred corporations at the expense of 220 million Americans [who] are deprived of their First Amendment rights... so that the few hundred broadcasters can have protected profit-making monopolies... Chmn. Ferris's reliance on 'market forces' to ensure First Amendment values is blowing bubbles."

Of Ferris's tenure, Nader added: "Unfortunately, the hopes we had for improvements in the FCC through the work of a Carter-appointed chairman are not being fully realized. Instead, we are seeing a collapse of morale in the agency and substantive regulations more typical of the Nixon Administration." Nader said public interest groups have made many recommendations to improve public access to media. "By and large, these recommendations have been rejected, ignored, or simply lost in the regulatory maze of the FCC... I predict that if the proposed radio regulations are enacted, the value of radio stations will soar while the service to communities will decline."

In separate letter to Ferris, Nader complained that de-regulation proposals were formulated by staff "behind closed doors." He asked for field hearings by Commission, sitting en banc, to get views of public and for "immediate implementation" of federal funding for groups which participate. He claimed FCC is "under an obligation" to provide funding before it moves ahead on de-regulation.

National Black Media Coalition Chmn. Pluria Marshall said "Nader needs to do his homework before he opens his mouth... He doesn't know the first thing about the FCC and Nick Johnson has lost contact and doesn't pay any attention anymore... Nader should know what's happening before he indicts an entire agency just because of a proposal it makes." Marshall said Coalition has reservations about radio de-regulation, but that it's waiting to see text of proposal before deciding on course of action. NOW called Ferris, said it disassociated itself from Nader's blast.

Other public interest groups, while generally critical of Commission's proposal, criticized Nader for his attack on Ferris and Commission. "Intemperate... he doesn't know what he's talking about," said one. Another called Nader's blast "dirty pool."

MORE ON UHF VITALITY: "The benefits of promoting UHF... are illusory," FCC said of its rules exempting UHF-radio cross-ownership in same market and UHF from media regional concentration rule. Thus, Commission opened rulemaking to remove exemptions, with comments due Nov. 27, replies Dec. 17.

Chmn. Ferris & Comr. Brown, in joint statement, agreed that "little if any" of UHF growth is attributable to exception, but dissented to majority's refusal to put freeze on pending UHF applications until completion of rulemaking. FCC set Sept. 13 as cut-off for new applications. "Since this rulemaking will be an expedited one, the adverse impact of a short delay on applicants would be outweighed by benefits to diversity," they said.

Comr. Fogarty said: "Basic considerations of fairness and administrative regularity argue strongly against a freeze." Comr. Quello would have removed exceptions only for top 50 markets, said "perhaps even that cut-off is too narrow."

Spain's 2-channel TV network will drop commercial content by 50% Jan. 1; at same time, rates will be raised 50%. VHF network will reduce commercial minutes to 30 on weekdays, 35 on weekends; UHF stations to 12 min. on weekdays, 32 min. on weekends. New policies originally were to have been effective this month, were postponed after talks with advertisers & agencies.

FCC urged Congress to veto Federal Election Commission rule limiting sponsorship of debates in presidential, Senate or House elections to tax-exempt, non-profit organizations (Vol. 19:30 p4). Chmn. Ferris said rule would prevent broadcasters from arranging debates, since ad sponsorship would be illegal corporate contribution. House Administration committee asked FEC for clarification, was told: "The proposed regulations were never intended to address news media sponsorship of candidate debate, rather solely respond to issues presented by the League of Women Voters in the 1976 campaign." FEC said it wasn't prepared to answer broadcast media sponsorship questions, was studying rulemaking proceeding on matter.

Unanimous FCC refused last week to order Taft Bcstg. to return WDCA-TV to original owner, Improvement Leasing Co. Commission approved \$15.5 million transfer Aug. 16 on 4-3 vote; swap took place immediately (Vol. 19:34 p4). WATCH, and now Improvement Leasing, are trying to undo transfer, at FCC and in D.C. Appeals Court (Vol. 19:35 p3). Appeal is based on fact transfer took place before release of FCC order; Commission said last week it plans rulemaking to cover such situations. Gen. Counsel Robert Bruce said time of transfer had never been problem before Commission began open meetings, said precedent is on side of Taft.

REWRITE--'CANCEL THE WAKE': Only polite applause greeted Rep. Van Deerlin (D-Cal.), Communications Subcommittee chmn., as he told IRTS audience something it really didn't want to hear: More competition is coming. As for Rewrite II itself, concluded speech with: "Cancel the wake." Earlier, he said: "I wouldn't be running for re-election next year if I believed Rewrite were dead... There are pleasanter ways to spend your time than in Washington."

Here's the kind of language that cooled his audience: "You know, and I know, that when the public discovers our secret. When constituents start writing their congressmen clamoring for more cable systems, satellite receiving dishes—and anything else that will give them more choices of TV and information programming—we'll all be playing in a very different ball game."

"The public might discover that you've kept it subsisting on a starvation diet of situation comedies, warmed-over re-runs and canned applause—while the cupboard is full, and just waiting to be raided."

Even championship of First Amendment by the former broadcast newsman failed to warm his audience when put in this sentence: "I am committed to more competition, to less regulation and to the clear message of the First Amendment that 'Congress shall make no laws which abridge freedom of the press.'" Two or 3 in audience applauded.

In Q-&-A period after speech, Van Deerlin was asked about his staff, said he doesn't buy all his staff's recommendations but "I'm glad to have independent ideas from the staff... I stand by that staff. I'm going to be working with them for some time."

Responses to other questions: FCC—Producing delays in FM & cable "are not the job of a government agency." Superstations—"We want as many sources of programming as possible." Justice Dept. & NAB Code: "Absolutely ridiculous. NAB, to its great credit, has a reasonable standard." Removal of Code "would increase commercial time on TV... I hope the new Attorney General thinks better of it." His recent trip to China: "Safety in the streets—although there's political violence... Tremendous honesty. You could leave packages on the street and they'd be there when you return." He found TV programming rudimentary—saw "mosquito abatement" show. However, "I expect it will enrich their lives in another 5 years."

Talking to press later, discussing plans: "One strategem might be to let the Senate take the lead." Another would be use of "oversight—It's helpful if our Committee presses FCC for answers on what it doesn't seem to be moving fast enough on."

"I am well aware that the dramatic growth of the Hispanic population may increase the need for further FCC incentives to insure that Spanish language broadcasting is allowed to maximize its growth and involvement by Hispanic Americans"—FCC Chmn. Ferris, speaking to Council of La Raza in Washington. He noted that under FCC tax certificate policy 9 stations have been sold to minorities, plus VHF TV & AM-FM combination under distress sale policy.

AT&T OUT OF CABLE IN NTIA BILL? Legislative telecommunications proposal now being formulated at NTIA may include provision requiring AT&T to keep out of cable, according to NTIA officials. NTIA is completing proposal, will send it to OMB for clearance soon. As of late last week, proposal was believed to include provision but officials said it could be dropped.

"There is nothing controversial on cable in this [proposal]," official said, "and I don't regard that [keeping AT&T out of cable] as controversial." Cable isn't expected to be mentioned in forthcoming telecommunications message of President Carter (Vol. 19:37 p5).

NTIA chief Henry Geller, meanwhile, is said to be unhappy with cable-telco agreement (Vol. 19:29 p5) and doesn't think it's something that should be put into law, as Rep. Van Deerlin (D-Cal.) proposes to do in pending common-carrier bill. House Communications Subcommittee staffer says despite this: "We continue to feel very strongly that the resolution of the cable-telco issue is something the Congress should deal with. The fact that parts of the industry and the NTIA are knocking the agreement are all well and good if they've got something to replace it with."

Another congressman talking about cable these days is Rep. Kastenmeier (D-Wis.), Copyright Subcommittee chmn., who told Ill. Assn. of Bcstrs.: "We are already hearing demands from [copyright] owners to expand the copyright liability of cable systems. At some point, I believe that these problems have to be confronted, not because we in Washington have any obligation whatsoever to any commercial interest. We have an obligation to frame a legal structure for the broadcasting and communications industries which will assure a continual supply of creative programming and which will also assure orderly and reasonably gentle transition from one technological era to another."

European WARC outlook, from European Space Agency observer: (1) Biggest issue is allocation of spectrum for earth-to-space uplinks for broadcast satellites. Numerous proposals suggesting allocations have been filed at ITU, no consensus is seen on issue. (2) Hottest topic may be U.S. proposal to expand HF broadcasting—less-developed nations fighting to preserve tropical broadcasting and HF point-to-point services. (3) Many in Europe believe WARC may be extended beyond 10 weeks planned, because conference faces crowded agenda. (4) WARC won't resolve many issues, postponing details to new series of specialized WARCs. For details see Satellite Week (Vol. 1:8 p4).

CBS has ended merger talks with Crum & Forster insurance company but said this isn't end of hunt by network for major acquisitions in "4 or 5 new business areas." Pres. John Backe said "we've got to grow... we're looking at other diverse moves from small to very large."

"Wometco's Pay-TV Bonanza" titles article in Sept. 3 Business Week which says N.Y. operation apparently reached break-even point in Aug., quotes glowing predictions from security analysts.

FTC UNDER FIRE: FTC's children's ad inquiry was involved in several controversies last week: (1) House Appropriations Subcommittee tore into FTC rulemaking proceedings—including children's ad inquiry—by recommending legislation preventing FTC from spending any money on certain Magnuson-Moss rulemaking proceedings. (2) Appropriations Committee Chmn. Whitten (D-Miss.) went Subcommittee one better by submitting plan for denying FTC any funds—until agency goes through full budget authorization procedure. (3) Comments on kid ad inquiry and Presiding Officer Morton Needelman's "disputed issues" paper (Vol. 19:32 p1) attacked rulemaking as based on inconclusive evidence.

FTC's House problems rest on fact its budget hasn't been authorized by Appropriations Committee since 1976; agency has been funded by special "continuing resolution," avoiding controversial House battles over FTC activities. But Subcommittee, chaired by Rep. Slack (D-W.Va.), recommended that 1980 FTC continuing resolution not fund several rulemaking proceedings—kid ad inquiry among them. Whitten wants to end FTC's "continuing resolution" funding—by cutting all agency's funding, he hopes to force it through authorization. House staffer told us: "Some people up here think [FTC chmn.] Pertschuk's been using it to sneak things by us." Pertschuk's official response: "The FTC has made its presentation and now it's up to the Congress to decide." Full Appropriations Committee takes up matter Sept. 17.

Meanwhile, comments on disputed issues recommendations in children's TV inquiry ranged from approving to savage. ACT approved Needelman's selection of "cognitive" issues—whether children understand selling purpose of ads and can defend against them—but was dissatisfied that psychological damage issue was excluded. NAB suggested that issues in whole proceeding were so unclear it should be abandoned. General Mills said that lack of new evidence meant hearings should be dismissed—but if FTC proceeded with adjudicatory hearings, full cross-examination rights should be granted.

ABC suggested that materials gathered in rule-making be turned over to "appropriate congressional committees for their review, analysis, and action." NBC asked for "termination" due to lack of evidence; CBS disagreed with Needelman's discussion of issues, but asked that hearings proceed so that "facts can be articulated."

Rapid growth of local spot—up to \$2.34 billion in 1978—is spotlighted in "TVBasics #22," just published by TvB. Other facts: TV remained No. 1 medium for top 100 national advertisers, which put 74.6% (\$4.99 billion) of budgets in TV; TV homes reached 74.5 million in 1978, with 468 million hours spent watching TV; 98% of homes owned TV sets; receiver sales were more than 17.4 million; summer viewing increased to 5 hours, 34 min. daily. "TV-Basics" is available from TvB, 1345 Ave. of the Americas, N.Y. 10019.

HBO picks Ted Bates & Co. as marketing-ad agency, will keep current agency, Hecht, Higgins & Petterson for "trade & industry advertising & communications, new services, marketing support and other special projects."

SATELLITE SURVEY: RCA Americom commissioned survey of 200 broadcasters about ease of earth-station installation and found that co-location of dish was no problem for 50%, would require some form of shielding for 35%, wasn't possible for 15%. Major difficulty is interference from terrestrial microwave transmissions which were established first, have priority. Survey was conducted in conjunction with SMARTS effort, still on standby at 4 Post-Newsweek outlets, where earth-station construction gets under way in Nov.

Americom Bcst. Service Mgr. Larry Driscoll told N.Y. SMPTE meeting last week that RCA "learned some lessons" about co-location on delayed P-N project, which ran into problems such as high water table in Jacksonville, Fla., in addition to microwave interference. Vp Harold Rice said SMARTS-type scrambling demonstrated on live feed from Vernon Valley, N.J. uplink could readily be broken, but claimed it will become more sophisticated and include audio as well as video signal. Cable operators now picking up occasional network programs from Satcom are immediate scrambling targets. Americom expects to carry more than 14,000 hours of programming monthly by mid-1980, mostly CATV services reaching 2,000 or so earth stations. Driscoll included among expected satellite improvements longer battery life (from current 7 to 10 years) and more efficient solar cells (from 13% to 18%).

2 PHOENIX TVs START: With Sept. starts of independents KNXV-TV (as STV operation) and KTVW-TV, both Phoenix, operating U.S. TV stations increased to 1,003. Of total, 624 are Vs, 379 Us; 726 are commercial, 277 non-commercial.

Ch. 15 KNXV-TV went on air Sept. 9, plans to start pay programming Sept. 22. It's owned by Byron Lasky (90%) & Edwin Cooperstein (pres., 10%), represented by Adam Young. Robert Oppenheim is vp-gen. counsel, Stanley Pesner, vp-treas., Curtis Pierce, chief engineer.

Ch. 33 KTVW-TV is member of SIN network, Reynold Anselmo pres.-treas. & 55% owner; Vps Emilio Nicolas & Daniel Villanueva own 15% each. Fernando Vender is gen. mgr., Barry Levisohn operations mgr., Lawrence Beckman chief engineer.

"Everyone knows ABC is going to win," according to program consultant Herb Jacobs of TelCom Assoc. in update of early spring predictions on networks' prime-time ratings for fall (Vol. 19:25 p3). And, he says, ABC win will be a little bigger because of schedule shifts: ABC, 33.2 share, 20.3 rating; CBS, 29.9 share, 18.2 rating; NBC, 28.8 share, 17.5 rating. Jacobs predicts ABC will win Tues., Wed. & Thur. "by big margins," also could win Fri. & Sat. He gives CBS Sun. "handily," narrow win Fri.; NBC gets Mon., "squeaks by" on Sat.

ABC offered to purchase MacMillan for \$337 million, outbidding earlier Mattel offer of \$329 million (Vol. 19:36 p11). Publishing firm canceled deal with Mattel, agreed to negotiate with ABC, which offered cash, stock & debentures worth \$24.50 a share.

AMEX ENTERS CABLE: American Express, frustrated in effort to buy McGraw-Hill, has found another way to enter communications: Purchase of 50% of Warner Cable from Warner Communications for \$175 million. Jointly owned company, to be renamed Warner Amex Cable Communications, will retain Gustave Hauser as chmn. & chief exec. officer.

Barring regulatory snafus and pending completion of definitive written agreement, first step will be establishment of \$250-million credit line to expand cable TV operations. WCC now operates 140 CATV systems with about 650,000 subscribers, ranks 4th behind Teleprompter, ATC, TCI.

From 1973 to 1978, WCC revenues rose from \$27.5 million to \$60.4 million, operating net from \$700,000 loss to \$6.8 million profit. Development costs for Qube since 1975 top \$20 million, which otherwise would have flowed through to bottom line.

Planned 2-way services, such as electronic funds transfer, will absorb bulk of expansion kitty. Hauser says Amex is "paying for growth... We want to do more and do it better." New systems can cost \$50 million a city, but Hauser repeated off-stated warning that if cable industry doesn't do it, AT&T will.

Satellite problems disrupted service to cable TV systems Sept. 13. RCA Americom interrupted "pre-emptible" Satcom I transponders carrying C-SPAN, SPN, Trinity Bcstg., ESPN & WGN-TV for periods up to 15 hours after Satcom II lost stability, causing "protected" service of Alascom to be shifted to Satcom I. SPN has rented transponder from Reuters for one week to protect in case of further problems. RCA said standby gyroscope was activated successfully on Satcom II, further problems not anticipated. If Satcom II fails again, Americom may lease from Telesat Canada or Western Union to maintain service until Satcom III is on station early next year.

Justice Dept. antitrust suit against NAB TV Code (Vol. 19:25 p1) is "a contradiction of the public interest standard under which the government mandates broadcasters to operate," NAB said last week in asking U.S. Dist. Court in Washington to dismiss suit. NAB said public interest—as defined for 50 years by Congress, FCC "and even the Justice Dept.—lies in limiting TV advertising at reasonable levels, while increasing programming, an objective of the NAB TV Code." FCC is considering entering case in defense of Code, is expected to decide after Justice responds to NAB.

"Pennarama" is name of new Pa. cable TV educational network—joint venture of Penn State and Pa. Educational Communications Systems. Cable systems involved have 300,000 Pa. subscribers, are committing \$400,000. Penn State and other colleges will supply software. Project is result of 7-year effort by George Barco, Meadville, and Marlowe Froke, Pa. Dept. of Education.

FCC network inquiry has commissioned Kalba Bowen, Boston, to study feasibility of 4th TV network. Targeted at \$62,000, it will start on base of over-air, ad-supported system, also may take into account other methods of distribution & support.

CCC FINANCIAL CRISIS: Ford Foundation support is being withdrawn from Washington's Citizens Communications Center, active participant in broadcast issues at FCC on behalf of "public interest" clients. Ford, virtually sole funder of CCC, intends to end support to 9 additional public interest law firms in capital, will give all "termination" grant and transition aid.

CCC attorney Wilhelmina Cooke said firm hopes to persuade Ford to continue funding because "withdrawal may mean the demise of public interest law." Legal program of CCC will continue, including full participation in radio de-regulation (see p. 1). "Our last days are not tomorrow. If the haste of [radio] de-regulation is any indication, we'll be around to put our comments through and be heard," Cooke said.

CCC has 4 attorneys, 2 secretaries and 5 interns. It requires \$300,000 a year. It's currently active in opposing sale of WDCA-TV Washington to Taft; Gannett & Combined and Cox & GE mergers; seeking rulemaking & denial of transfer of educational KCPQ-TV Tacoma to Kelly Bcstg.

CBS is "prepared for failure," Bcst. Group Pres. Gene Jankowski told N.Y. security analysts in annual forecast of upcoming season. Jankowski said network for first time has sufficient backup programs as 4th quarter replacements of new series that fail in ratings. Among other points made by CBS officials: (1) Prime time is 75-80% sold out with prices 15% higher than last year. (2) Number of new lower budget advertisers has risen in last 5 years from less than 300 to nearly 600. (3) CBS is "actively" pursuing rights to 1984 summer Olympics in L.A. (4) Network withstood 20 "competitive challenges" for affiliates last year, lost only one, in Miss. An addition, announced at meeting, is current NBC affiliate WTRF-TV Wheeling, which makes switch April 1. CBS & ABC had been sharing WTOV-TV Steubenville. Jankowski voiced little concern about loss of affiliates to satellite feeds of alternative programming. "People don't buy technology," he said, referring to cable, pay TV, VCRs, etc., but thought CBS would take advantage of non-broadcast opportunities eventually. Network does offer overseas & in-flight versions of news programs on videocassette, and is testing teletext service at KMOX-TV St. Louis. CBS is expected to announce major new efforts in theatrical films in week or so.

Senate passed amendment to Judicial Improvements Act; it would require regulatory agencies—including FCC & FTC—to prove validity of their regulations when challenged in court. This would shift burden of proof from appealing parties. Amendment was sponsored by Sen. Bumpers (D-Ark.), caused Sen. Muskie (D-Me.) to charge it "could stop the federal government in its tracks." White House opposed amendment, said it "would result in a torrent of litigation... that would only make lawyers richer."

Police blamed WVEC-TV Norfolk for premature end of "sting" anti-crime operation (with police posing as fences) following station's disclosure of project in newscast.

Personals

John Kiermaier, CBS vp-corporate responsibility, is expected to succeed **William Small**, now NBC News pres. (Vol. 19:36 p4), as CBS Washington vp-chief lobbyist... CBS TV promotions: **John Brooks** to vp-daytime & children's program sales; **William Cecil**, vp-sales proposals; **Robert Kipperman**, vp-prime-time sales; **Richard Pinkham**, vp-sports sales; **Michael Presbrey**, vp-special programs sales; **Richard Steenberg**, vp-sales & programming coordinator; **Paula Gottschalk**, vp-corporate information, succeeding **John Loftus**, who moves to special asst. to **E. Kidder Meade**, vp-corporate affairs.

Kenneth Horton promoted to dir.-drama development, NBC Entertainment; **Janet Greek** to mgr.-drama development; **Shannon Hack** moves from corporate planning to regional dir., NBC affiliate relations; **William Clotworthy**, ex-BBDO, joins NBC as dir.-program standards... **Michael Sullivan** promoted to program exec.-current dramatic series, ABC Entertainment.

WCVB-TV Exec. Vp-Gen. Mgr. **Robert Bennett** elected pres., succeeding **Leo Beranek**, retired; **Bennett** also named chmn.-elect to succeed **Matthew Brown** when latter retires in March... **John Radeck**, ex-WJBF-TV Augusta, Ga., appointed pres.-gen. mgr., **KESQ-TV** Palm Springs... **Mark Grant**, ex-ABC-TV Spot Sales, appointed national sales mgr., **WABC-TV** N.Y.... **Bruce Butler** promoted to gen. sales mgr., **KMOX-TV** St. Louis.

Len Tronick, ex-KTTV L.A., appointed local sales dir., **Field Communications**, N.Y. hq.... **Norb Ryan** promoted to national sales mgr., **WTMJ-TV** Milwaukee... **Milt Weiss** resigns as news dir., **WDVM-TV** Washington, replaced on acting basis by **Earl Casey**, news mgr.... **Len Colby**, ex-WKZO-TV-AM Kalamazoo news dir., appointed assoc. dir. of publicity, **Caesars Palace Hotel**, Las Vegas... **Richard Rasmussen**, ex-Group W, named promotion dir., **WLWT** Cincinnati.

Philip Clapp, **NCTA** PR dir., joins staff of Rep. **Wirth** (D-Colo.) in Oct. as legislative asst. for energy & budget... **Darlene Palmer**, **NAB** Bcst. Management Div., appointed program mgr.-minority telecommunications development, **NTIA**... **Kalman Schaefer**, foreign affairs advisor to **FCC**, added to U.S. **WARC** delegation as a vice chmn.... **Heldi Sanchez**, ex-NCCB, joins **Media Access Project** legal staff.

Stephen Miller, **PBS** administration dir., resigns... **George Lott**, ex-Northern Mich. U., named station mgr., **WGVC** Grand Rapids... **Jon Cooper**, ex-Pacific Mountain Network, appointed gen. mgr., **KMNE-TV** Albuquerque... **Jerry Franklin**, ex-WKNO-TV Memphis, moves to **KYVE-TV** Yakima as station mgr.... **Robert Ware** named gen. mgr., **WETV** Atlanta.

Arthur Kananack promoted to vp-business affairs & administration, **Warner Bros. TV**, Burbank hq.... **Avram Butensky**, ex-Viacom TV pres., named **Time-Life** TV barter syndication consultant, also heads his own company, **Avcom TV International**... **Barry Zorthian**, retired **Time-Life** Washington vp, named pres. of **Baltimore-Washington Regional Assn.**, designed to promote area as "single market."

John Koushouris promoted to vp-Madison Square Garden Communications Network... **Daniel Cosgrove** promoted to eastern sales mgr., **Group W Productions**... **Jerry Rettig**, ex-WPIX-TV N.Y., appointed sales planning dir., **Worldvision Enterprises**... **Perry Bascom**, head of **TvB Atlanta** office, promoted to vp-southeastern sales... **Eileen Rooney** promoted to mgr., **Avery-Knodel** L.A. office.

James Dullaghan, ex-NBC, appointed vp-production & finance, **ESPN**... **Frederick Schneler**, ex-Hemdale Leisure Corp., named vp-feature films, **Viacom Enterprises**.

Richard Broadhead promoted to mgr.-transmitter product management, **RCA Bcst. Systems**... **Donald Diesner**, ex-Commercial Electronics, appointed western sales mgr., **Toshiba Bcst. Electronics Systems Div.**; **Vincent Ziegenbein** named sales engineer, **Atlanta hq.**... **Michael Ziomoko**, **DYMA Engineering** sales mgr., also named vp... **Thomas Owen** promoted to business development mgr., **Adams-Russell CATV Div.**... **Marshall Carpenter**, ex-ATC, appointed regional gen. mgr., **Premier Cablevision MDS operations** in U.S.

Turner's Cable News Network has signed 3 **MSOs** with 825,000 subscribers for satellite service to begin June 1, 1980 (Vol. 19:37 p3). Customers: **Cox**, 300,000; **United**, 325,000; **Storer**, 200,000. Smaller systems add another 340,000, bringing total to nearly 1.2 million. **CNN**, budgeted at \$2 million a month, will broadcast round clock, 7 days weekly, promises cable systems 10% gain in subscriber base. Service costs operators 15¢ per subscriber per month.

Washington annual meeting of **National Black Media Coalition** Oct. 4-7, **Mayflower Hotel**, includes workshops on renewals & transfers, minority enterprise, children's TV, blacks in management. Speakers include **FCC Comr. Brown**, **CPB Pres. Fleming**, **Atlanta Mayor Maynard Jackson**, **NCTA Pres. Thomas Wheeler**, **NTIA chief Henry Geller**, **NPR Pres. Frank Mankiewicz**, **EEOC Comr. Clay Brown**.

Cost to broadcasters of switching to 9-kHz bandwidth will be estimated for **FCC**, under \$228,583 contract, by engineering firm **Silliman, Moffet & Kowalski**. Completion is due in 9 months, but preliminary figures are due Nov. 1 & Dec. 1. By-product of project will be acquisition of full **AM** computer data base by **Commission**, its first.

Meeting President Carter and media advisor **Gerald Rafshoon** to talk energy Sept. 13 were **CBS** Chmn. **William Paley** & Pres. **John Backe**; **ABC** Chmn. **Leonard Goldenson** & Pres. **Elton Rule**; **RCA** Pres. **Edgar Griffiths** & **NBC** Pres. **Fred Silverman**. President reportedly suggested using prime-time shows to stress energy problems.

"**Special Groups Media Directory 1980**," edited by **Nancy Herriman**, will be published Dec. 1 by **Burrelle's Media Directories**, \$50. Details: **Susan Kelly**, 75 E. Northfield Ave., **Livingston, N.J.** 07039, 201-992-6600.

Belle O'Brien, chief of **FCC** Consumer Assistance Office, resigned Sept. 14, joins staff of **Esther Peterson**, **White House** consumer affairs advisor.

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STATE OF THE INDUSTRY

Sales to dealers (total market), from EIA, for week ended Aug. 31st (35th week of 1979):

	Aug. 25-31	1978 week	% change	Aug. 18-24	1979 to date	1978 to date	% change
Total TV.	341,071	408,955	-16.6	368,461	9,966,029	9,911,470	+0.6
color	210,263	270,699	-22.3	205,944	6,211,552	6,294,820	-1.3
monochrome . .	130,808	138,256	-5.4	162,517	3,754,477	3,616,650	+3.8
Home VCR	8,659	8,900	-2.7	11,166	249,536*	194,730	+28.1
Total radio	1,062,205	1,210,140	-12.2	808,147	27,822,658	31,433,670	-11.5
home, portable	819,148	936,480	-12.5	594,419	19,114,044	23,007,886	-16.9
AM-only	92,538	127,473	-27.4	98,190	3,889,496	5,156,042	-24.6
FM & FM-AM	726,610	809,007	-10.2	496,229	15,224,548	17,851,844	-14.7
auto	243,057	273,660	-11.2	213,728	8,708,614	8,425,784	+3.4

Color TV 5-week moving average: 1979-179,316; 1978-209,668 (down 14.5%).

VCR 5-week moving average: 1979-8,976*; 1978-6,276 (up 43.0%).

*Record for period.

COLOR DIP SEEN 'TECHNICAL ADJUSTMENT': Color TV sales took drop of 10.1% in Labor Day Week—6th consecutive week of declines from year earlier in sales to dealers and 8th week out of last 9 to show deficit. Majority of TV set makers, however, say they expected decline, which was anticipated in their 9.5-9.8-million forecasts, point out that retail sales are still good and inventories are in excellent shape, many adding prediction that 1979 still will be 2nd best color year in history.

One factor in recent declines mentioned by several manufacturers was artificial stimulus to demand year ago to beat announced price increases on both imports & domestic sets. No increases have been announced for this fall.

Despite 12% dip in Aug. sales (Vol. 19:36 p7, 19:37 p10), 7-month color sales were at 10.29-million annual rate. Sept. is traditionally most important sales month, with more than 11.6% of year's sales made in that 5-week period. For first 2 weeks of EIA's statistical Sept. (which actually started Aug. 25), sales ran about 18% behind last year. Month's 2nd week, not yet officially reported, saw sales of about 143,000, compared with 159,545 in same 1978 week.

Home VCR sales seem to be running into some softness, too, with week to Sept. 7 (7,000 sales vs. 8,100 a year ago) being 2nd consecutive one showing decline from year earlier. Manufacturers' comments on color TV & VCR sales situation are summarized on p. 9.

13" & STEP-UPS SET 6-MONTH COLOR PACE: While keeping output down, color TV manufacturers & importers optimized dollar sales potential by stressing industry's key step-up features—electronic tuning & remote control—in sets they turned out in first half, according to EIA figures. They also show 13" continuing in role as fastest-growing screen size.

Electronic varactor tuning, which appeared in more than half of industry's consoles for first time in 1977, seems poised to account for 50% of all color next year. Varactors were in 40.6% of all color sets in first half, up from 34.2% in same period last year, 36.4% in first quarter 1979, and in 2nd quarter this year took a 44.8% share. Remote control, included in

varactor total, appeared in 19.4% of color made or imported in half, up from 15.2%, and in 2nd quarter accounted for 20.5%.

First-half breakdown shows varactor tuners in 77.9% of consoles, up from 65.3%, 30.2% of portable-table models, up from 23.5%. Remote was featured in 25.8% of consoles, up from 16.5%, 17.7% of P-T, up from 14.7%.

Though 13" was growth leader and 19" improved its dominating market position, most notable development may be evidence of comeback for mid-sized 14"-17" models. That size group, which has been on downslide from opening quarter of 1978 through first quarter this year, showed 19.5% increase in 2nd quarter to end up ahead of last year for full 6 months.

Consoles & combinations combined to lead industry's overall first-half decline in new supply, with their output dropping 15.7% to 1.12 million, for a 21.7% market share, down from 25.6%. Performance of portable-table models showed only slight improvement, rising 4.7%, for a 78.3% share, up from 74.4%.

Breakdown of color portable-table results by screen size show 13" is stealing most of its thunder from tinyvisions. Here's rundown on P-T output: 12"-&-under 242,800, down 37.8% for 6% share of that market segment (down from 10.1%); 13" 703,900, up 22% for 17.3% share (up from 14.9%); 14"-17" 371,500, up 8.8% for 9.1% share (up from 8.8%); 18"-19" 2,629,600, up 11.1% for 64.7% share (up from 60.9%); 20"-&-over 115,900, down 44.1% for 2.9% share (down from 5.3%). There's no screen size breakdown for furniture models.

In monochrome, where total new supply rose 1.4% in first half to 3.13 million, AC-DC slipped in importance, with supply dropping 0.6% to 618,300, for 19.7% market share, down from 20.1%. All decline in that area, according to EIA, came in tinyvisions, which indicates either that mini-combos aren't moving way their advance publicity indicated they would, or that industry just hasn't yet been able to find right statistical handle.

B&W breakout shows total 10"-&-under at 351,900, down 30.9% for 11.2% share (down from 16.4%), with AC-only at 33,000 (down 73.7%) for 1.1% share (down from 4.1%), AC-DC at 319,000 (down 16.8%) for 10.1% share (down from 12.4%); 11"-12" total 2,206,500, up 9.2% for 70.3% share (up from 65.3%), with AC-only at 1,907,200 (up 7%) for 60.8% share (up from 57.6%), AC-DC 299,300 (up 25.3%) for 9.5% share (up from 7.7%); 13"-17" 196,500, up 5.1% for 6.3% share (up from 6%); 18"-&-over portable-table 370,400, up 3.7% for 11.8% share (up from 11.5%); consoles 11,700, down 42.5% for 0.4% share (down from 0.7%).

COLOR TV PRODUCT MIX—FIRST HALF

Type	Units	1979		1978	
		% change	% of total	Units	% of total
Portable-table	4,064,000	+4.7	78.3	3,881,000	74.4
Console	1,114,000	-15.6	21.5	1,320,000	25.3
Combination	10,000	-24.7	0.2	13,000	0.3
TOTAL	5,188,000	-0.5	100.0	5,215,000	100.0
Remote control	1,008,000	+27.2	19.4	792,000	15.2
Varactor tuned	2,104,000	+17.9	40.6	1,784,000	34.2

Berlin easily retained crown as home of world's largest consumer electronics exhibit. Final wrap-up on Internationale Funkausstellung, which closed Sept. 2, puts attendance at 628,400. Of those, 54,000 were trade visitors, including 1,400 journalists, rest consumers. About 14% of trade attendees were foreign. Show had 525 exhibitors, with 383 from foreign companies. Second only to Germany's 142 exhibits were Japan's 85, followed by 61 U.S., 44 Hong Kong, 43 U.K., 26 Italy, 24 Korea, 22 Taiwan.

Record companies seek to spur market recovery with \$1-\$2 cuts in lists of selected LPs. Other side of coin in move to ease industry's financial woes is CBS announcement limiting dealer LP returns for credit to 20% of purchases, effective Jan. 1. Many record company officials attribute losses posted since 4th quarter last year to massive returns from dealers who overbought in 1978. Typical was Columbia Pictures; its Arista Records subsidiary lost \$2.6 million in quarter ended June 30.

SET MAKERS ON COLOR DIP: Digest of views of TV manufacturers last week on slowdown in color sales (see p. 7):

Lud Huck, GE: "Our sales are continuing strong and we haven't yet seen any softness." Slackening was anticipated in GE's sales plan for year—"our forecast has been 9.8 million for the last several months and we're sticking with that; business has been too good. Dealers have been playing it smart, their inventories are under control." GE has its own national sales force, with good feel of retail pulse, and "there is optimism—certainly anything but pessimism—and we're looking toward a reasonably good Christmas."

Myrddin Jones, GTE: Although industry sales are down 1.3% from last year, GTE is "still up 17%, but we're seeing the same influences as the rest of the industry. For the first time, our long-term forecast from Stamford [hq] is below 10 million for the year—it came out at 9.9 million—but I'm personally hanging in with a forecast of 10 million." Jones doesn't expect real slowdown to hit until first quarter 1980. "We're all going to be cautious going into next year, and this is healthy for the industry because we won't have big inventories to unload and hopefully this will keep prices up."

Kenneth Ingram, Magnavox: "I think it's just a little correction. I think the earlier sales rate was just a little hyped up; our new order rate is good. We must ask ourselves whether this is a reflection of business, or if it just means the dealer isn't laying in as much." Aug. is traditional loading-up month—"what happens in Aug. doesn't make a lot of difference." He forecast 9.8 million TV sales. "If you add at least 500,000 VCRs, that gets you one heck of a number in consumer purchases. People are buying a lot of gear from us, compared to 4 years ago when it was 9.3 million color and zero VCRs. We're in particularly good shape because we don't have lots of inventory sitting around in the pipelines as we did the last time there was a sales slowdown."

Stan Hametz, Panasonic: "I think dealers are reacting to what they see coming rather than the current situation. Some of them, particularly the new breed of discounters, are doing much better than others. In the industrial North Central & Northeastern states the slowdown is already there, and it will spread if GM or Chrysler is shut down by a strike." He forecasts 9.5-9.6 million sales this year, says Panasonic is less affected than others since it has only limited availability. Dealers, says Hametz, are "cutting down on their assortments" in anticipation of slowdown.

Jack Sauter, RCA: "I would have to say we are not alarmed. Our forecast is 9.75 million. We assumed that the first-half rate would begin to drop off in the last part of the year... I think we're seeing the difference in deliveries to dealers from open houses. The decline is due to a selloff by dealers of their inventories... We find retail activity very good, with sales excellent in the last 2 weeks, but down from earlier levels... When I look at floor-plan activity, it shows liquidations are excellent, a sign that retail isn't soft at all... Our promotions are getting strong response." As for VCR, "we've noticed some softness there, in contrast to TV, and have gotten

some field reports of a slowdown, but it's a little early to say it's a trouble spot. We're saying 550,000 and [RCA is] running ahead of the industry... Dealers have placed some significant orders, and now we're waiting for the reorders to come in."

Joseph Lagore, Sony: "We expected it. Our forecast for this year has been 9.5 million, and that's where we think it will come in. We've been waiting for the ax to fall." Lagore said Sony isn't as susceptible as others to major market swings, its share going up when business is bad, down in boom times. "We had a good August and should have a good September." He said Betascan VCR shipments are just starting, with 2-3-month backorder.

Walter Fisher, Zenith: "Nobody expected that boom to continue. We expected a 9.5-million sales rate in the 2nd half. Aug. came in a little weaker, and this could be due in part to the Sanyo strike. For us, August was a little soft, but about at our expectations and better than the industry. Our trend line shows the industry can continue for the long term at about 10 million a year... If we can sustain a 9.2-9.5-million rate in the 2nd half it will still be the 2nd best year in history for color TV. If there is a recession, color TV won't be hit as hard as other industries, because we're in a business that improves the home environment." Reception to new VCR models has been "excellent... We're shipping as fast as we can, with sales limited by availability, and we see a market of 480,000-500,000 this year." As for color TV, Fisher says he is "concerned but not worried." Average dealer "is buying cautiously, but intelligently. I see no buying strike, and the overall inventory is in excellent condition." Consoles are off from last year, Fisher notes, but TV is "healthy business, and demand is there with the help of a building replacement market."

Value-added tax as way to cut tax burden on U.S. consumers & businesses and improve our foreign trade position, is being suggested by House Ways & Means Chmn. Ullman (D-Ore.). VAT, generally about 10% in countries where it's imposed, is levied on amount price increases as product passes through various levels of production & distribution. VAT would permit rollback of current income and profit tax levels. As it's refunded on exports, imposed on imports, it would make U.S.-made products more competitive in world markets, Ullman claims.

Novatron tube developed by Henry Kloss is heart of new NEC 60" projection TV system, due for Japan marketing in Dec. NEC, manufacturing Novatron Schmidt-system projection tube under non-exclusive license from Kloss Video (Vol. 19:7 p10), says it plans to produce about 30,000 tubes in first year (enough for 10,000 sets), increasing to 100,000 in 5 years.

Sony continues expansion in non-consumer electronic areas with sporting goods venture. With partner PepsiCo, Sony will form Sony-Wilson to import & distribute equipment in Japan. Similar venture arrangements in past have put Sony into major appliances, phono records, cookware, jet aircraft, test equipment & batteries.

CB DUTY ROLL-BACK: Office of President's Special Trade Representative has promised to "look into" request by Dynascan Pres. Carl Korn that CB import duties be rolled back to statutory 6%. Hike was imposed in 1978 to protect U.S. producers from excessive foreign competition, but there's essentially no domestic industry left, Korn contends.

Acting on petition filed in 1977 by E. F. Johnson, International Trade Commission investigated health of U.S. industry, found it was import-injured, recommended relief in form of temporary duty hike. President ordered duty boosted to 21% effective April 11, then dropped in stages to 18% this year, 15% in 1980, back to 6% in 1981 (Vol. 18:14 p9).

Now, says Korn, imports are down substantially, number of really active brands in market have dropped from nearly 200 during mid-1970's boom to less than dozen, and all higher duty is doing "is increasing the cost to the consumer." It also "has had a negative impact on market stability by keeping customers out of the market," Korn says.

Facts support Korn to large degree. Imports of base & mobile CBs dropped 57% last year to 3.5 million, and through first half this year are down 54.5% to 781,500. As for U.S. producers, of Big 4 which supported import relief, Motorola & Pathcom are only ones still manufacturing. Hy-Gain has been liquidated and E. F. Johnson has dropped CB to concentrate on other 2-way products. Consumer, however, doesn't appear to be over-paying. Average f.o.b. price of 40-channel CB imported in first half this year was \$39.61, compared with \$46.60 for those imported last year before rate went up. It appears exporters adjusted prices to offset rate increase, though part of decline is result of shift in production from Japan to Taiwan, Korea and other low-wage areas.

As for Motorola, it is repositioning itself in CB. Motorola is now liquidating bulk of existing CB inventory, including all previously imported, "but we are staying in the business," we learned from Auto Products CB Mktg. Mgr. Roger Heuberger. "In the future, all our CBs will be wholly U.S.-made, and produced in our Sequin, Tex. plant," he told us. Direction Motorola is heading is shown by 2 new remote models it will introduce at sales convention next month. "They are easier to use, more reliable and simpler to install," and additional similar models will be out in 2nd quarter next year, Heuberger said. Motorola will concentrate on high-priced remote CBs that can be used in any car regardless of how Detroit OEM redesigns dashboards, he added.

MCA-Disney vs. Sony copyright verdict has been postponed to Oct. 1 from expected Sept. 17. Decision is bound to be appealed whoever wins, could affect use of Betamax (and other VCRs) to record TV programs off air (Vol. 19:6 p10).

Hitachi Sales agreed to pay \$32,000 penalty to settle Federal Maritime Commission charges it accepted illegal rebates from ocean shippers. Settlement is latest in long line of cases being brought by FMC.

UHF COMPARABILITY: FCC is considering rule-making requiring TV manufacturers to build in electronic tuners into all sets to improve UHF reception. At presentation of preliminary report to commissioners last week, UHF comparability task force (Vol. 18:24 p7) stressed 3 areas as cause of UHF inferiority: Tuning, picture quality (particularly signal strength) and programming. Staff said rest of study (scheduled through 1980) will concentrate on technical questions, not programming.

"Do we have the jurisdiction to require manufacturers to install electronic instead of mechanical tuners?" Comr. James Quello asked staff. Task force staff said FCC gen. counsel will study Commission's regulatory powers. Program Mgr. Phillip Gieseler said task force will collect and issue contracted technical studies, set up consumer surveys on UHF, issue rulemaking suggestions in Aug. 1980.

Commission empowered task force to ask for comments on proceeding, set deadlines. First comments deadline was set at Nov. 12, replies Dec. 10. UHF comparability preliminary report is available from FCC public information office, 202-632-7260.

Domestic producers of microwave ovens at hearing last week to convince ITC they're being injured by imports from Japan included Amana, Tappan & Litton, as well as AHAM. Arguing against injury, citing rising market, declining imports plus shift by Japanese to U.S. production, were Sanyo, Toshiba, Matsushita, Sharp, plus Japan Electrical Mfrs. & Machinery Exporters Assns. Treasury is sitting on AHAM's dumping complaint pending outcome of preliminary ITC injury probe. If ITC says, in report due Sept. 24, there's no reasonable evidence U.S. producers are being harmed, Treasury probably won't launch fullscale investigation (Vol. 19:37 p11). Japan's case wasn't helped by Finance Ministry announcement that MW oven exports to U.S. in July set all-time monthly high of 116,800, up 37% from July 1978. In first half, Japanese shipped 278,000, down 24.2%.

Chinese enthusiasm is building for joint consumer electronics development venture with consortium of Japanese companies, and China has asked Japanese to send team to work out details. At same time, China says it will soon institute regulations to guarantee security of foreign investments and protect them from double taxation. For its part, Japan is preparing to grant China most-favored-nation status, which means imports will be at lowest allowable duty rates.

OEM United Speaker Systems will market 5 speakers under its new Audio Electronic Systems label. Suggested retail prices range from \$89 for bookshelf model to \$389 for 4-speaker, 3-way floor unit. USS has produced for Fisher, McIntosh, Dynaco, Pioneer, Sony, among others.

ITA sold out Home Video Programming Seminar, set for Oct. 23-25 at N.Y. Sheraton, is accepting no new registrations.

MOSTEK SUES GOULD: Mostek filed suit in N. Y. federal court to block Gould's planned purchase of 21% interest now held by Sprague (Vol. 19:37 p11). Mostek said board believes purchase would have adverse effect, and that it will "explore the desirability" of exercising right to repurchase those shares. Mostek claims acquisition would violate antitrust laws because it now competes with Gould in semiconductor and industrial controller fields. It's 2nd time this year Gould has found itself in role of unwelcome suitor of IC manufacturer. Fairchild responded to Gould take-over bid by merging with Schlumberger. While Gould said it was first seeking only an investment position in Mostek, it indicated it was considering buying more shares either in open market or through tender offer.

Sinclair Radionics of U.K. is out of TV business, and founder Clive Sinclair is out of Sinclair Radionics. Unable to get more govt. or outside financing for TV, SR sold business to audio marketer Binatone, which says it will resume production. SR made multi-standard 2" b&w which sold originally for \$400, later closed out at \$200. About 28,000 were sold in U.S. SR, 73%-owned by Britain's National Enterprise Board, continues calculator & instrument business. Clive Sinclair has formed Sinclair Research to continue development on flat-tube mini-TV (Vol. 19:27 p11). Tube is hollow glass sandwich 6" x 2" x 3/4" with side-mounted gun, flat electrode beam-bender, similar to Aiken tube shown in mid-1950's. It has 3" screen with fresnel lens for distortion correction. SR retains rights to tube... Zenith reached final agreement on terms of buying Heath from Schlumberger (Vol. 19:30 p9), and deal is due for completion next month... **Arrow Electronics** renews effort to acquire fellow electronics distributor Cramer Electronics, offering \$5.8 million. Arrow made unsuccessful \$13.8-million bid for Cramer last spring, later bought 11 of Cramer's 20 outlets... **Mattel** apparently lost out on bid to acquire publisher MacMillan when ABC came in with better offer (see p. 4)... **Paramount's** planned acquisition of 50% interest in EMI's music operations also fell through (Vol. 19:31 p10) when companies couldn't agree on terms. Paramount says it will look for other similar opportunities.

PBS's Video Program Service is reducing cassette prices by 60% for 5 programs to test demand for VHS & Beta formats. Originally pegged at \$175 for 30-min., \$200 for 60 min., programs are priced at \$69.95 & \$79.95, through Oct. 31. Titles include "Great Midwestern Hot Air Balloon Rally," "A Beethoven Festival: Symphony No. 5" and "What's Cooking?" Schools & libraries are primary targets, but shows have been cleared for consumer purchase. VPS has no advertising budget, will rely on word-of-mouth.

Japan is \$400 million in red in IC trade with U. S., according to EIA-Japan. Citing Finance Ministry figures, EIA-J says Japanese IC imports from U. S. in first half this year exceeded value of return shipments by \$98 million. That almost matched deficit of \$110 million indicated for both 1976 & 1978, topped unfavorable \$92-million balance of 1977.

Plessey reported 5% gain in net to just under \$18 million, in fiscal first quarter to June 30, due in part to sharply reduced loss from subsidiary Garrard. Plessey said troubled turntable & record changer unit had loss of \$624,000 in period, compared with \$2.3 million loss in same period last year. Garrard sales were \$6.1 million, down from \$11.6 million... **Tenna** said 2nd quarter sales of after-market auto sound equipment rose more than 20%; but OEM volume fell nearly 50%. As result, company posted 21% overall sales decline for period, loss of \$1 million... **Ramtek** reported loss in final quarter to June 30 as result of \$774,000 special charge covering loss from, and reserve for, discontinuing coin-op video game operation. Ramtek says it's now free to concentrate on developing CRT display business... **Tandy**, parent of Radio Shack, says it will re-purchase up to million of own shares on open market through period ending June 30.

Nixdorf brand will start showing up on hand-held computer/translators early next year, as current stocks bearing Lexicon logo are phased out, Nixdorf said at press meeting in N. Y. Nixdorf acquired worldwide manufacturing & marketing rights to unit from Lexicon last month (Vol. 19:34 p10). Lexicon Pres. Michael Levy said his firm received up-front payment of \$2.5 million from Nixdorf, will continue to get royalties. Klaus Luft, Nixdorf vice-chmn. & pres. of U.S. operation, said company has no plan to acquire Lexicon but indicated situation could change. Hand-held computer field could get very crowded next year. First units are due then from Matsushita, produced under agreement with Craig supplier Friends Amis (Vol. 19:22 p13). Hewlett-Packard, leader in programmable calculator field, is believed ready to unveil computer version, and Texas Instruments, already in translators, can't be far behind.

Full-color version of picture-in-picture TV has been developed by Sharp. New model, to be shown at Japan Electronics Show in Osaka next month, has 25" color tube for main display, can show 6" color picture from 2nd channel or other input in any corner. Set contains 6 CCDs to store and read out secondary picture. Earlier P-I-P models, including 17" unit being sold here by Sharp, show 2nd picture in b&w only.

Ad notes: GE launches biggest consumer product fall ad campaign in its history Oct. 22, keyed to all-purpose theme for 1980's "We bring good things to life"... Sony begins year-long non-technical \$6.5-million audio tape campaign. Slogan, "Sony Tape—Full Color Sound," is designed for emotional appeal.

New electron gun, claimed to improve resolution by 20%, has been introduced in Japan by Matsushita, which will use it first in 17" & 19" tubes. Company says overlapping of areas covered by the 3 in-line electron lenses gives same effect as enlarging lens from 4.5 to 7 mm.

Dolby B-type noise-reduction system has been adopted for VHS Japan-market VCRs with 2 audio tracks. All VHS recorder makers—Akai, Hitachi, JVC, Matsushita, Mitsubishi, Sharp—have agreed to incorporate Dolby systems for audio reproduction in new stereo-sound VCRs.

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
Chyron			
1979-year to June 30	4,656,000	440,000 ^a	.49
1978-year to June 30	3,156,000	89,000 ^a	.09
Columbia Pictures Industries			
1979-year to June 30	613,296,000	38,988,000	4.01
1978-year to July 1	574,639,000	68,824,000 ^a	7.40
1979-qtr. to June 30	147,613,000	9,080,000	.93
1978-qtr. to July 1	164,278,000	15,977,000	1.69
Harvey Group			
1979-26 wk. to Aug. 4	31,300,000	1,040,000	.47
1978-26 wk. to July 29	23,815,000	929,000 ^a	.42
1979-13 wk. to Aug. 4	16,002,000	531,000	.24
1978-13 wk. to July 29	12,180,000	543,000 ^a	.24
SBE			
1979-9 mo. to July 31	2,762,000	(2,423,000)	--
1978-9 mo. to July 31	5,236,000	196,000	.16
1979-qtr. to July 31	921,000	(1,418,000)	--
1978-qtr. to July 31	1,728,000	218,000	.18
Tenna			
1979-6 mo. to July 31	21,224,448	(1,871,017)	--
1978-6 mo. to July 31 ^b	27,040,735	550,966 ^a	.19
1979-qtr. to July 31 ^b	10,329,111	(1,047,787)	--
1978-qtr. to July 31 ^b	13,047,850	(1,506)	--

Notes: ^a Includes special credit. ^b Restated.

Consumer Electronics Personals

George Beitzel, IBM Gen. Business Group senior vp and firm's representative on policy-making Associates Committee of DiscoVision Associates videodisc venture with MCA (Vol. 19:37 p7), appointed member of IBM corporate office & corporate management committee. . . **Robert Greenberg** advanced at Panasonic from Consumer Electronics Group ad mgr. to Communications Div. asst. gen. mgr.; **Steve Golub** promoted at Northeast Group from audio products training mgr. to video administration mgr. . . **Koichi Yasunaga** named Fuji Photo corporate planning vp; **Robert Gargus**, ex-JVC, joins Magnetic Tape Div. as Mid-Atlantic industrial video sales mgr.

Louis Slangen, ex-Dutch Philips & Norelco, named Magnavox senior audio product mgr. . . **Kei Musumi** shifts from Trio-Kenwood Japan to Kenwood U.S. as vp responsible for U.S.-Japan liaison; **Lowell Yamaura** advanced to sales & mktg. mgr. for new Purist high-end hi-fi line; **Gregg Mummert** named operations mgr., succeeding **Sam Rosenzweig**, who replaces Yamaura as east region sales mgr. . . **Kim Zades**, ex-Jensen, joins JVC as midwest region home entertainment sales mgr.

Robert Hanks advanced at GTE Communications to Far East vp-gen. mgr., succeeding **Malcolm Kennedy**, now special asst. to **Alexander Patterson**, Latin American & Far East Operations senior vp-gen. mgr. . . **Michael Kane** appointed Apple Computer software acquisition mgr. . . **Milton Philipson** joins Teal as sales & mktg. vp.

Charles Hansen, ex-Cutler-Hammer exec. vp, appointed Emerson Electric senior vp. . . **David James** resigns as Litronix vp & operating committee

WEEKLY

Television Digest

with
Consumer Electronics . . .
(ISSN 0497-1515)

PUBLISHED BY TELEVISION DIGEST, INC.

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

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chmn.; he held post on temporary basis since firm's acquisition by Siemens in 1977. . . **Robert Buchanan** joins NEC Electronics as national sales mgr., assuming duties formerly performed by **Jason Stewart**, who continues as exec. vp; **William Sparks** named controller. . . **Herbert Fitzgerald** advanced at AVX Ceramics to consumer products mktg. mgr.

Tape topics: Du Pont will put Beta videocassettes into national distribution this month, expects to offer first VHS cassettes in Nov. . . **Fuji** has reformulated, improved bonding on videocassette line to make tapes more suitable for slower-speed Beta & VHS VCRs now entering market, prices unchanged. . . **Sony** enters metallic field in U.S. in Oct. with C-46 audio cassette at \$8. Metallic cassette, as do all new Sony audio cassettes, has new "SP" housing containing rimmed inner hub, shaped slip-sheet, bigger windows and label areas. . . **BASF** has obtained VHS videocassette manufacturing license from JVC, has started producing in Germany for sale in Europe, export to U.S.

Polavision instant-movie system appears dead as consumer product. Polaroid set up \$68-million 3rd-quarter reserve to cover complete inventory write-off of equipment it now has or is obligated to accept from Austria's Eumig, which is producing it under contract. Polaroid insists it's not dropping system, is expected to concentrate on industrial market.

Advent's plant in Portsmouth, N.H. now is in operation with work force of 175, 75 more being hired. Cambridge, Mass. hq. employs 200 in operations, engineering, purchasing, sales, mktg. & executive capacities. Total employment of 450 represents drop of 27% from 619 employed in June 1978. Production employment is down 43% to 250 from 435, while other categories are up 8% to 200 from 184.

WEEKLY

Television Digest®

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SEPTEMBER 24, 1979

VOL. 19, NO. 39

SUMMARY-INDEX OF WEEK'S NEWS

Broadcast

FCC KID TV RULES COMING: Staff to propose mandatory 5 hours programmed weekdays for pre-schoolers, 2-1/2 hours for school-age children. No restrictions on advertising on Sat. a.m. (P. 1)

DOLLAR HELP FOR BLACKS to buy stations promised at NABOB session. FCC plans seminar for bankers in spring. Advertisers & agencies attacked for not using black stations. (P. 2)

RADIO DE-REG CONTINUES HOT topic in Washington, elsewhere. NAB board plans special meeting Oct. 16. Ferris seeks direct correlation between de-regulation and increased minority ownership and diversity in programming. (P. 2)

FUTURISTS DESCRIBE 1980's: BFM hears TV audience share will drop, but total audience and rate increases will more than compensate. Estimates on growth of cable, VCR, STV, discs. (P. 5)

PREDICTABLE CABLE COMMENTS: Long documents contain few surprises; Carter Administration split; Cox group seeks compromise. (P. 5)

HOUSE HITS FTC with 5-day funding limit, wouldn't allow rulemaking or new investigations. Up to Senate now. Children's ad witnesses coming up in Senate FTC oversight hearings. (P. 6)

KID TV RULES COMING FROM FCC: Mandatory requirements for children's TV programming will be recommended by FCC's children's TV inquiry staff and Office of Plans & Policy, Television Digest has learned. Under proposal, stations would be required to air 5 hours weekly on weekdays for pre-school-age, 2-1/2 hours for school-age children.

No requirements are expected to be recommended for Sat. morning shows and no restrictions are proposed for advertising in children's programming. Staff would draw distinction between educational & entertainment, leave it pretty much up to licensee to define what is what.

OPP justifies proposed new requirements on TV—in face of move to de-regulate radio (see p. 2)—with argument that they're different media, should be treated differently. Commission is scheduled tentatively to consider children's TV programming Oct. 30 (postponed from Sept. 18)—and betting is that there are 4 firm votes for staff recommendations.

* * * *

At NAB, TV Code guidelines were expanded & clarified on commercials directed toward children—effective Oct. 15 for new spots, March 1 for those currently in use. Guidelines, in Q-&-A form, cover audio & video depictions of a balanced breakfast and establish new policy on sweepstakes commercials aimed at children.

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Consumer Electronics

FCC OKS LINK-UPS of home computers to TV sets via RF modulators, proposes new rules on personal computers, separating them from video devices. (P. 7)

CASSETTE PROGRAMMING to be distributed by rack-jobber Pickwick in 50-store test using 36 Paramount titles. Time-Life video club starts ad campaign. (P. 8)

JUSTICE DEPT. SUES 34 companies to collect \$33 million in dumping duties, but suit may never come to trial. ITC finds possible injury to microwave oven producers. (P. 8)

B&W BUSINESS SLIPPING away from traditional outlets. Drop in sales by TV dealers at time of market growth shown in survey, indicating other merchandisers are taking over. (P. 9)

IBM ASSUMES 25% ownership in Japan videodisc hardware maker Universal Pioneer when Disco-Vision Assoc. takes over MCA's interest. Thompson-CSF gaining new applications—and customers—for optical disc. (P. 11)

SONY NET DECLINES in quarter due to foreign-exchange losses, despite tripling of operating income. BSR cites dip in demand, price competition for 78% dip in first-half profit. (P. 11)

DOLLAR HELP FOR BLACK BUYS: Promises of more financial help for blacks seeking to buy TV-radio stations were firm last week at NAB-sponsored meeting of National Assn. of Black Owned Bcstrs. (NABOB). Three FCC commissioners promised that Commission will bring in bankers & financiers next spring to talk about financing and there was high praise for efforts being made by NAB's Minority Investment Fund and other commercial broadcast groups.

Comr. Brown stated "the cause of minority ownership is a special cause for me," said he gets enthusiastic support from other commissioners. He urged blacks not to limit interests to broadcast stations, asked NABOB to serve as catalyst in seeking opportunities for black ownership in cable and other newer media. Brown said that if AM bandwidth is reduced to make room for more stations, "I will fight very hard for a preference for minorities."

Before Comr. Hooks joined FCC, "the industry didn't give a damn, the Administration didn't give a damn, the FCC didn't give a damn" about helping blacks, said Comr. Fogarty—"but all that has changed now." In addition to crediting Hooks, he gave ex-Chmn. Wiley strong recognition for moving to help increase minority ownership. Fogarty said more capital is needed to help blacks get involved "at the top... Until this happens, broadcasting will remain white man's paradise."

Brown & Fogarty said constant waivers of top-50 TV policy reduces opportunities for minorities. Brown: "For the life of me, I can't figure out why the Commission adopted that policy 10 years ago and has not followed it once."

Ferris praised by name Minority Investment Fund, Storer Bcstg., TV networks, Capital Cities & Group W for contributions toward increased black ownership, pointedly noted "many other highly profitable licensees and major group owners have not so far participated. This is a disappointment." He expressed hope commercial broadcasters will support FCC initiatives to open additional spectrum to more stations because "black broadcasters will never be as strong a force in the industry through acquisition... as they would be if the FCC opened more stations for which blacks and other minorities could apply." Ferris also tied radio de-regulation effort into increased opportunities for black ownership (see below).

NABOB Pres. Ragan Henry told group that "'instant millionaire syndrome' is impeding the advance of minority broadcasters." Many, he said, view blacks who own stations as very wealthy and thus aren't inclined to help. "It is the old untrue theory that broadcasting is a license to print money." Lawyer Clarence McKee said black owners should encourage black entertainers & athletes to invest in broadcasting. "It seems to me that the concept of 'help your own' should be put to work in this instance," he said.

Major fireworks at 2-day session were saved for advertisers & agencies, which were charged with ignoring black stations in buying national spot, and for rating services—which were charged with undermeasuring black audience. "How can agencies be so damn dumb as to ignore black audiences?" Andrew Langston, WCKX(FM) Rochester, asked AAAA Pres. Leonard Matthews and ANA Pres. Peter Allport. "They all stonewall us, one way or another," Langston charged. "I don't think you've been honest with us. I know you haven't been honest with yourselves."

Matthews challenged statement that advertisers & agencies haven't been honest with black stations, agreed that they're underbought by national advertisers, said he had never seen evidence of discrimination simply because station was black-owned.

RADIO DE-REG CONTINUES HOT: Proposal of FCC for radio de-regulation (Vol. 19:38 p1) continued to be major topic in Washington & elsewhere last week as 3 commissioners made speeches on subject, seminar of NAB & National Assn. of Black-Owned Bcstrs. (NABOB) devoted much discussion to issue, and couple of concurring statements came out of Commission, even though text of rulemaking hasn't yet been released.

In Canada, NAB Exec. Committee ordered special meeting of full NAB board Oct. 16 in Washington to discuss radio de-regulation "at both the regulatory and legislative levels." Generally speaking, NAB endorses FCC's proposal (Vol. 19:37 p1) but is worried about trade-

offs it may be asked to make.

Speaking to NABOB (see p. 2), FCC Chmn. Ferris made direct correlation between de-regulation and increased minority ownership and diversity in programming. "Only to the extent the FCC continues to pursue policies that foster structural diversity in radio will its efforts to draw back where possible from detailed prescriptive regulation of radio content be met with approval from Congress, the courts and the public," he said.

"If we just down and dirty, across-the-board, de-regulate" courts will overturn FCC, Comr. Fogarty told black broadcasters. He called for 6-year experiment in all markets before any rules are removed permanently. In statement concurring with yet-to-be-released order, Fogarty dissents to Commission preference "in favor of completely abandoning our regulations concerning ascertainment, non-entertainment programming and commercialization."

In his concurring statement, Comr. Brown—who played key role in pushing Commission toward de-regulation (Vol. 18:50 p5), said "a host of considerations require such a searching inquiry" into FCC's approach to radio regulation. Primarily, he cited growth in number of stations, fact "our efforts fall far short of achieving public interest objectives," attempts at Rewrite in Congress. Disputing Fogarty, he said "an experiment would not serve any valid purpose." Brown covered much of same ground in Sept. 21 speech to Me. Assn. of Bcstrs.

Comr. Lee, also advocate of de-regulation, told Neb. Bcstrs. Assn. that "the basic question we have to answer is what the public interest means... Maybe after all these years, the public as a whole should be given what it wants, not what the Commission or small groups think it should have... Would individual stations still have to do pretty much what they do now to protect themselves at renewal time?... If so, de-regulation could just lead us all around the circle, back to where we are today."

"It doesn't make any sense" to keep telephone companies from providing cable TV service in rural areas, Carter Administration anti-inflation chief Alfred Kahn said last week at Washington briefing. Introducing Administration message to Congress supporting competitive, de-regulated telecommunications, Kahn said adoption of new legislation would cut costs to consumers and business, thereby fighting inflation. President's message—supporting Capitol Hill efforts to amend Communications Act but offering no specific language—didn't deal with broadcasting, mentioned cable only to repeat Administration support for expanded rural services. Domestic policy chief Stuart Eizenstat said decision was made not to take position on broadcast issues because common-carrier legislation is more crucial. House & Senate communications chairmen Rep. Van Deerlin (D-Cal.) & Sen. Hollings (D.S.C.) released statements applauding Administration message.

ABC will phase out 2" quad VTRs over next 2 years, replacing them with 1" Type C recorders, Bcst. Operations & Engineering Pres. Julius Barnathan told IEEE Bcst. Symposium in Washington. He said network has allocated \$200 million for capital expenditures in 1978-81. Company will have about 800 people, including 450 technicians, at Lake Placid for Winter Olympics vs. 450 at last Olympics in Innsbruck. He noted that ABC had televised World Cup skiing championships from Lake Placid last March but didn't leave cables in for Olympics—"because the animals that live on the mountain like to munch on cable."

NCCB appealed FCC decision not to declare Ronald Reagan a Presidential candidate for purposes of equal time rule. Appeal was filed in D.C. Appeals Court.

Ten senators gathered with ABC officials in Washington last week to discuss Kaiser Aluminum's complaints about being unable to buy advertising for institutional messages. Senators, led by J. Helms (R-N.C.) and including Cannon (D-Nev.), Commerce Committee chmn., met with ABC Senior Vp Everett Erlick, Bcst. & Standards Vp Alfred Schneider and Washington Vp Eugene Cowan. Cowan described meeting as "very useful," said network will propose to Helms an amendment for changing fairness doctrine. Said one Hill staffer: "Even the President has trouble getting that many [senators] to turn out."

Senate killed new Federal Election Commission regulations preventing corporate sponsorship of candidate debates. FCC had written letters to House Administration and Senate Rules committees protesting that new rules prevented news media funded by advertising from sponsoring debates (Vol. 19: 38 p2). CBS and NAB also protested rules. FEC intends to ask for public comments on issue, eventually rewrite rules.

FCC has let contracts to produce 12-15 min. slide-tape presentation, plus similar production on videotape, to explain Commission processes to public. Skye Communications of Richmond is doing both videotape for \$21,560, slide presentation for \$10,510. They'll be available at all FCC field offices, also distributed through National Audio Visual Center.

Capital Cities begins cable entry, establishing Capital Cities Cable Inc. with Joel Cooper pres.; he's former partner in consultants Smith, Cooper Assoc. Address: 1616 Walnut St., Philadelphia, Pa. 19103, 215-735-5747. Joining as exec. vp is Claire Bloom, onetime Jerrold, recently freelancing.

NBC Pres. Fred Silverman, speaking in Q-&-A session after speech to National Press Club, on golden age of TV: "It's largely a myth. An awful lot of garbage went on the air... I think we're going through the golden age of TV right now." On comment by Dick Cavett that 95% of commercial TV is junk: "That's unenlightened criticism." On new technologies' affect on NBC: "It will have minimal impact." On Ted Turner's Cable News Network: "If he can pull it off, all the best to him." On affiliate defections: "The erosion has stopped." On reasons for decline of audience loyalty of NBC "Nightly News": (1) Loss of viewers because of rest of line-up. (2) Improvement is needed at NBC news. (3) ABC has gotten better. Seemingly hostile introduction of Silverman before speech led him to tell crowd he felt 20 years older because of it. Meanwhile, NBC Chmn. Jane Pfeiffer last week told TV Academy Forums in L.A. network will continue emphasis on series programming that will "more and more... contain elements that will be reflective of life as it really is."

Adding minimum of 5 to EEO staff at Renewals & Transfer Branch will be recommended to FCC by Best. Bureau Chief Richard Shibben. He told FCBA last week: "The industry has shown significant improvement in the employment of women & minorities since 1968. But, it has a long way to go before it can be said that [they] are fully represented in this area." Other points: (1) "Substantial authority" has been delegated to Deputy Chief Frank Washington—"Able to speak for me in virtually all matters affecting the bureau's actions and recommendations to the Commission." (2) Course of Bureau "has already been charted by the [changing] times in which we live. This change centers around a single word... technology. In short, the boundary lines between voices, video, & data are disappearing, and distinctions between broadcasting, cable & common-carrier services are becoming more blurred."

Buford TV paid \$17 million for KDNL-TV St. Louis (Ch. 30) in deal with Evans Bcstg.; **WBFF-Baltimore (Ch. 45)** sold by Chesapeake TV to firm headed by Larry Israel, ex-Washington Post, for \$15.5 million; **KGSC-TV San Jose (Ch. 36)** sold by Vincent Welch & Edward Morgan for \$14 million to Ralph Wilson Industries. Other major sales: Baltimore Sunpapers will sell **WBOC-TV Salisbury, Md.**; Westinghouse purchased **KOAX(FM) Dallas** from Metroplex Communications for about \$7 million; Panax dropped effort to purchase **WGTV Tra-verse City** and satellite **WGTV Sault Ste. Marie**.

Gannett is giving its reporters cards describing what to say when motion is made to close court trial or hearing. Card was first used by reporter for **KARK-TV Little Rock**, who challenged move to close courtroom and won. Copies available from Gannett Co., Suite 310, 1627 K St. NW, Washington, D.C. 20006.

Oak set joint venture to provide STV service in Dallas area with Channel 21, applicant for new station in Ft. Worth. Under deal, Oak will own 60% of STV operation, while Channel 21 will own station. Terms of deal were undisclosed.

Broadcast Pioneers board members, determined to stimulate growth, on Sept. 17 kicked off campaign designed to add 2,000 to current 833 by time of NAB convention next spring. At meeting in N.Y., Pres. Jerry Lee, **WDVR(FM) Philadelphia**, noted that organization has adopted new subtitle, "A Society of Broadcast Professionals," reflecting Pioneers' goals of honoring people & stations for outstanding achievement, preserving history & traditions, increasing public recognition of broadcasting. Annual dues are \$35, life membership \$250. Qualifications: 20 years in broadcasting or related fields. Officers: Lee; Harold Niven, NAB, first vp; Reid Chapman, **WANE-TV Ft. Wayne**, vp; William O'Shaughnessy, **WVOX(AM)-WRTN(FM) New Rochelle, N.Y.**, secy.; Sol Paul, **Television/Radio Age**, treas. Group has hired veteran broadcaster Edward deGray as exec. dir., with hq at space donated by BMI: 320 W. 57th St., N.Y. 10019, 212-586-2000.

NCTA board has set 1984 convention in San Francisco (May 22-25), 1985 in Atlanta (April 28-May 1). In other action at Washington meeting last week, "Strange Plan" to restructure board was referred to special committee. William Strange of Sammons Communications has proposed that 11 largest dues-paying members be guaranteed board seat, that at-large dirs. be dropped from 17 to 9. NCTA hosted Sept. 17 dinner honoring ex-Rep. Frey (R-Fla.), but honoree didn't show. NCTA official said wrong date had been placed in Frey's appointment book; Frey said he was held up in Philadelphia on business, showed up at board meeting next day to apologize.

Cox-GE merger is good deal for blacks, should be approved, National Black Media Coalition told FCC. Criticizing NCCB—traditional ally—NBMC said no agreement "we have read" matches GE agreement "in overall scope and magnitude. By our calculations about 5% as a minimum of the value of the Cox-GE merger will find its way into the national and local black communities in the form of direct and indirect benefits. Our interest is in seeing the NCCB petition [to deny the merger] denied." Cox & GE filed oppositions to NCCB's petition (Vol. 19:35 p2), saying deal is likely to enhance competition.

Copyright Royalty Tribunal has decided "controversy over distribution of cable royalty fees in 1978 exists," has begun distribution proceedings with first hearing scheduled Oct. 11, at 1111 20th St. NW, Room 450, Washington. Claimants have been asked to submit proposals on structure of distribution proceedings by Oct. 1.

CBS-TV has picked up **WHTV (Ch. 24) Meridian, Miss.** as affiliate when Ch. 11 **WTOK-TV** there switches to ABC next spring. WHTV now is NBC primary in 2-station market, will continue to carry "Today" & "Tonight."

Confidential information will be disclosed to other agencies by FCC only if Commission has specific assurances against disclosure; 10 days notice will be given to parties furnishing information to allow them time to appeal disclosure, FCC decided.

FUTURISTS DESCRIBE '80's TO BFM: Telecasting will lose share of audience to other media in next decade, but increase in total audience and rates will more than make up for it. That was message of "futurists" speaking at Bcstg. Financial Management Assn. conference in N. Y. last week. Examples:

(1) Edward Bleier, Warner TV—"Broadcasters are preparing for change like the French generals with the Maginot Line." Audience will be fraction-alized, but trend to mass advertising is faster than fractionalizing. Networks are more important than ever, because more quality programming is needed. Independents should try for 4th, 5th & 6th networks. "Some groups are going to kiss networks off, saying 'we'll do it ourselves.' They'll lose ground."

(2) David Blank, CBS—"This year, network revenue will be up 15%, spot 11%, local 14-15%. Next year, "all levels will be a little lower." From 1981 on, increase will run 12-15% for all 3, "with spot on the low side." Networks are now gaining share against magazines and spot. Magazines probably will do well to hold their share in next 5-10 years. By end of 1980's, basic cable should be in 40% of TV homes, pay TV in 15-20%, VCR & discs in 10-15%.

"Our hunch is that network viewing may drop 10 percentage points in share in the decade, partly due to cable, pay TV and VCR." But there will be "very substantial increase in revenues" despite viewing share drop, because of increased total viewing. Individual stations will have "much more variation." Big-market stations already have much competition. There will be more impact on smaller markets.

(3) William Donnelly, Y&R—"New technology won't seriously impact existing broadcasting." Y&R studies show cable frequently helps broadcasting, because growth of viewing compensates for fraction-alization. New technology will be "incremental." Shares may be down but business will be up.

(4) Harold Vogel, Merrill-Lynch—"Barring depression, broadcasting will be solidly prosperous for many years to come" but "technological termites are eating at the foundation." Fragmentation of audience will "mimic what happened in magazines in the last 25 years." Broadcasting "has essentially lost" people in high income brackets, who will go to VCR, discs, pay TV.

By 1985, videodisc will have 14 million households—"half of them MCA, half RCA." VCR will have 10 million, cable 25 million, STV 25 stations and 3 million households. Discs will be \$3 billion annual business, VCR half that. In 15 years, new industries will be larger than broadcasting. In 5-7 years, record-erase videodiscs will be here. Flat screen will come "eventually," 3-D "many years off."

(5) William Suter, Merrill Lynch—"1980 should be good, the industry not really bothered by the economic slowdown." New technology won't have too much impact in 5-10 years. Network viewing will go down as cable spreads, but audience will grow and rates increase. Daytime viewing will be down 12%, but audience stays the same because of increase in homes—"and prices have doubled."

NAB Chmn. Thomas Bolger addressed group,

congratulated members for assistance in fighting govt. restrictions, urged continued opposition to govt. efforts to publicize station financial performance.

PREDICTABLE CABLE COMMENTS: Voluminous filings at FCC in syndicated exclusivity & distant signal import rulemaking provided no surprises, with traditional arguments advanced by all sides. Carter Administration had something for everybody: NTIA, supporting broadcasters, urging retransmission consent; Justice Dept., supporting cable, proposing removal of all restrictions. Many massive studies were filed, all reaching anticipated conclusions.

Comments of groups with both cable & broadcast interests were somewhat different. Coalition of these—led by Cox Bcstg. with support from Comax Telcom, Palmer Bcstg., Midcontinent Bcstg., New-house Bcstg., WPHL-TV Philadelphia & Sammons—advocated elimination of distant signal import restrictions, but keeping syndicated exclusivity protection.

"The problem is complicated. The emotions and arguments it generates are often intense. Its historical solutions have been unsatisfactory," Cox coalition stated. "It is time to resolve the matter—not in a hypothetically 'perfect' way—but in a practical manner which will allow all affected industries to better serve the consuming public." Other comments:

NCTA: "The results of the Commission's efforts are unambiguous: The market is big enough to permit simultaneous growth of off-air broadcasting and CATV. Cable does not harm off-air TV. This suggests that the burden of justifying any restrictions... should be shifted to where it should have been all along, on those forces of the status quo who would delay the benefits of a new technology."

NAB: (1) Repeal of rules would "be totally inconsistent with the Commission's statutory authority to maintain and develop a nationwide system of locally-oriented over-the-air broadcast service." (2) "The statutory mandate does not countenance a regulatory policy which accords... advantages to a medium which is incapable of serving the entire viewing public." (3) "More substantial use of distant broadcast signals would constitute an unnecessary and counterproductive subsidy for the cable TV industry."

NTIA: "If the current rules are eliminated, absent a retransmission consent requirement, the Commission will be skewing the marketplace, rather than de-regulating it. To avoid disruption, our proposal would essentially grandfather the existing industry."

Justice Dept.: "The public interest would be furthered by the Commission promptly eliminating its restrictions on the number and composition of non-local broadcast signals that cable systems can retransmit. The Dept. fully supports the proposal [to eliminate rules]."

Live half-hour satellite news feed from Washington is planned daily by KRON-TV San Francisco, which is opening 7-person bureau. Station will use Western Union satellite & earth station, says operation is first of its kind.

Personals

Sen. **Barry Goldwater** (R-Ariz.), ranking member of Senate Communications Subcommittee, speaks at NAB "Law '79" workshop Oct. 15, Austin, Tex... **James Ritter**, ex-TelCom Assoc., appointed vp-affiliate services, NBC-TV... **Sylvia Westerman**, ex-CBS News, joins NBC as vp-executive asst. to NBC News Pres. **William Small**... **Donald McCoy**, ex-RCA, named vp-gen. mgr., CBS Technology Center... **Gary Pudney** promoted to vp-special projects and senior exec. in charge of talent, ABC Entertainment; **Hal Garb** advanced to dir.-visual communication, ABC West Coast; **Lynn Underwood** joins ABC as dir.-affirmative action; **Alvin White** appointed dir.-compensation... Cal. Gov. **Edmund Brown** addresses HRTS newsmaker luncheon Oct. 3, Beverly Wilshire Hotel... FCC Comr. **Tyrone Brown** speaks at NCCB "brown-bag" lunch Oct. 3, Carnegie Bldg., Washington... **Douglas Cox**, ex-WCBS-TV N.Y., appointed eastern-national sales mgr., KMOX-TV St. Louis.

Greg Bendin, ex-WIIC-TV Pittsburgh, appointed national sales mgr., WDVM-TV Washington... **Nolan Quam** promoted to vp-station mgr., KCCI-TV Des Moines... **Leo Beranek** becomes chmn.-elect of WCVB-TV Boston upon his retirement as pres. Sept. 30, will become chmn. in March upon retirement of **Matthew Brown** not **Robert Bennett** as reported (Vol. 19:38 p6)... **Buck Matthews** promoted to community relations mgr., WOTV Grand Rapids... **Robert Cook**, ex-Selective Media Services, appointed INTV marketing dir.-West; **John King**, ex-Bolton Bestg., named marketing dir.-Midwest.

Barbara Pratt promoted to circulation & sales promotion mgr., Television Digest Inc... **Joseph McCaffrey**, veteran congressional correspondent, addresses FCBA lunch Oct. 16, Capital Hilton Hotel... **Hector Salvatierra**, KOOL-TV-AM Phoenix, named trustee of NAB Minority Investment Fund.

Mary Catherine Kilday, ex-Office of Network Inquiry, and **Jeffrey Malickson** promoted to legal assts. to FCC Best. Bureau Chief **Richard Shiben**... **E. Perry Johnson**, asst. to FTC chmn., appointed deputy dir. of Bureau of Competition, succeeding **Daniel Schwartz**, now gen. counsel of National Security Agency... **Marnie Sarver**, ex-WIIC-TV Pittsburgh, joins Washington law firm **Pierson, Ball & Dowd**.

Samuel Zelman, ex-CBS TV Stations Div., appointed news vp-exec. producer, Cable News Network... **Garold Tjaden**, ex-Sperry Univac, joins Cox Cable as vp-engineering & technology.

HOUSE PRESSES FTC: Criticism of FTC on Hill (Vol. 19:38 p4) took concrete form last week as Appropriations Committee, then full House, approved special "continuing resolution" funding FTC for only 45 days (through Nov. 15) and preventing agency from rulemaking or starting new inquiries. In Senate oversight hearings, FTC received praise and criticism from witnesses.

FTC continuing resolution didn't contain stipulations against specific rulemakings, but House action is regarded as move to force Senate's hand on FTC authorization. FTC hasn't gone through standard

WEEKLY Television Digest

with
Consumer Electronics ...

(ISSN 0497-1515)

PUBLISHED BY TELEVISION DIGEST, INC.

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

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budget process since 1976, due to extreme House and Senate differences over controversial FTC rulemakings such as children's advertising, used cars and funeral parlor business, plus House's wish to impose legislative veto over FTC actions.

Senate Appropriations Committee meeting this week may defy House action by including FTC in continuing resolution package funding, but House leaders are adamant about 45-day special resolution. "In the 20 years I've been in Washington, I don't know of any agency that's gone for 3 years without being authorized," said Rep. John Slack (D-W. Va.), State and Judiciary Subcommittee chmn. who drafted resolution. "We weren't trying to kill the FTC. But it's the authorizing subcommittee's responsibility to appropriate money."

House authorization bill, with 60-day legislative veto included, is in final stages of preparation before being sent to floor, but Senate bill is frozen until Consumer Protection Subcommittee completes FTC oversight hearings Oct. 6. Senate bill doesn't have legislative veto but Sen. Schmitt (R-N.M.) is trying to add it.

First 2 days of Senate oversight hearings featured business witnesses attacking agency, consumer group witnesses defending. William Lamothe, pres. of Kellogg, said FTC statutes are "vague," making for lack of "fundamental fairness." Newton Minow, lawyer for AMA, accused FTC of "going too far" in recent eyeglass regulations. But consumer lawyer Bruce Terris said strong regulations are essential if FTC is to deal effectively with industry.

Hearings Sept. 27-28 will deal with specific rulemaking, including children's advertising. Witnesses: Peggy Charren, ACT; Douglas Thompson, Toy Mfrs. Assn.; Vincent Wasilewski, NAB. Oversight hearings have been extended 2 days—Oct. 5-6.

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STATE OF THE INDUSTRY

Sales to dealers (total market), from EIA, for week ended Sept. 7 (36th week of 1979):

	Sept. 1-7	1978 week	% change	Aug. 25-31	1979 to date	1978 to date	% change
Total TV.	233,996	246,344	-5.0	341,071	10,200,025	10,157,814	+0.4
color	142,960	159,545	-10.4	210,263	6,354,512	6,454,365	-1.6
monochrome . .	91,036	86,799	+4.9	130,808	3,845,513	3,703,449	+3.8
Home VCR	7,001	8,097	-13.5	8,659	256,537*	202,827	+26.5
Total radio	424,277	575,330	-26.3	1,062,205	28,246,935	32,009,000	-11.8
home, portable	208,016	360,215	-42.3	819,148	19,322,060	23,368,101	-17.3
AM-only	68,809	111,521	-38.3	92,538	3,958,305	5,267,563	-24.9
FM & FM-AM	139,207	248,694	-44.0	726,610	15,363,755	18,100,538	-15.1
auto	216,261	215,115	+0.5	243,057	8,924,875	8,640,899	+3.3

Color TV 5-week moving average: 1979—170,602; 1978—203,511 (down 16.2%).

Home VCR 5-week moving average: 1979—8,257*; 1978—6,822 (up 21.0%).

*Record for period.

FCC OKS COMPUTER-TV HOOKUPS: FCC last week legalized sale of RF modulators permitting link-up of personal computers with home TV sets. Action came in response to petition by TI for waiver of rules on Class I devices—attachments which feed RF signals into TV antenna terminals (Vol. 19:10 p11 et seq.). At same time, it started machinery for revamping Class I rules to set radiation standards for home computers, separating them from video devices such as VCRs & videodisc players.

Action will allow sale of stand-alone RF modulators whose manufacturers certify that they comply with rules—type-acceptance process of submitting models for FCC test (now required for all video devices) won't be necessary. Modulators have been sold illegally for some time, permitting use of TV sets as monitors for computers which don't have built-in modulators. Some personal computers (TI's current model, Radio Shack) use own video monitors; others (Apple, etc.) leave consumer to his own ingenuity to hook up readout system. Home computers which already include modulators and are designed to be connected to TV sets aren't affected by waiver.

Proposed rulemaking on personal computers would replace present Class I rules with 2-part standards: (1) Current standards for TV input devices such as VCRs. (2) 2nd part for personal computers, which would be required to be submitted for approval whether or not they include own RF modulator, although under waiver granted last week separate modulators wouldn't have to be submitted so long as they don't amplify signal. Staff recommended new rules go into effect next July 1.

Until text of proposed rules is available later this month at least, there are several fuzzy areas: (1) Status of video games—are they computers or video devices? If they're video (Class I) devices, what about games which can be upgraded to computers? (2) Will there be any changes in procedure for approval of VCRs & videodisc players? FCC didn't mention 1977 RCA petition, backed by EIA & Magnavox, to substitute certification for type approval. RCA asked last April that this be considered at same time as TI request (Vol. 19:15 p11). Whatever the outcome of rulemaking, Commission's waiver action should broaden consumer choice of personal computers, eventually cut costs by letting TV set do double duty as readout for any or all home models.

PICKWICK ENTERS VIDEO SOFTWARE SALES: Selected record retailers in Minneapolis area & Cal. will have opportunity to sell prerecorded videocassettes this fall when Pickwick International begins test distribution of programming to perhaps 50 outlets. We're told Pickwick, subsidiary of American Can, will supply mix of rack-jobber accounts and its own stores with 36 Paramount feature films at \$59.95-\$79.95 as part of software package.

Nation's biggest rack jobber, Pickwick has shown strong interest in home video, exhibited mockup of cassette display in Hilton Head suite during spring ITA meeting (Vol. 19:15 p7). Second American Can subsidiary, 28-store Sam Goody record chain, began offering cassettes & VCRs year ago. Others in record industry have ventured into market, but Pickwick move must be considered first major test of waters, which will become warmer with arrival of videodiscs that can be stocked & handled as easily as LPs.

Paramount's participation is part of studio's test of retail sales (Vol. 19:34 p10), as distinct from Fotomat Drive-Thru Movies scheme now scheduled for Nov. 19 national rollout, Paramount is dealing directly with stores in Phoenix, selling through established distributor in Denver. For Fotomat sale, Paramount is increasing number of titles from 43 to 55 for U.S. sales effort, including "Grease," "Days of Heaven," "Foul Play." Fotomat catalog will list about 135 titles for rental & purchase. New pricing plan that went into effect in northern Cal. test of Drive-Thru put rentals ahead of purchases by 3-1 margin, closer to level Fotomat is seeking. Customers now pay \$7.95, \$9.95 & \$13.95 for 3-5 days, or \$49.95, \$59.95 & \$69.95 to buy. Fotomat won't reveal national offer, except to say that rental period will be 5 days only.

Other rollout underway this week is Time-Life Films home video club. Ads appear in national & regional editions of Time & Sports Illustrated plus Playboy & hi-fi monthlies, offering 2-4 hour cassette for \$12 via coupon. Tape is blank except for erasable 12-min. promotion, which means buyer pays about 1/2 retail price. Next ads will promote 12 club titles, including Columbia Pictures movies and sports such as Olympics & skiing programs from Sports World Cinema.

JUSTICE SUES TV DUMPING DELINQUENTS: It may be futile exercise, but Justice Dept. (JD) last week filed civil collection suits against Japanese TV importers and bonding agents which failed to meet May 14 deadline for at least partial payment of some \$33 million in dumping duties. Duties were assessed March 31, 1978 on shipments entered before July 1973; Treasury sent delinquency list to JD at end of May (Vol. 19:23 p12).

JD brought 7 different actions in as many district courts against 34 defendants (but because of multiple listings, that boils down to 30 companies), including 8 subsidiaries of Japanese manufacturers, 4 importers, 6 freight forwarders and, entering case for first time, 12 bonding companies. Cases involving bulk of money, and most defendants, were filed in L.A. & Chicago. Others were brought in Brooklyn, Houston, Honolulu, Miami & San Juan.

Japanese manufacturers owe most—\$27.6 million collectively—with much of rest represented by \$4.72 million sought from independent importers. When Treasury first assessed duties in March 1978, it said \$46 million was owed by 122 companies, some interrelated, many liable for only nominal amounts. By year's end, amount owed was down to \$40.6 million, thanks to \$5.5 million from Sears, which failed to get word of payment deadline extension, and number of companies on hook had dropped to 41.

Several companies took advantage of Treasury offer to accept part payment in cash, rest in demand note. By May 14 deadline, retailers Montgomery Ward, J. C. Penney, Gamble, Jewel, White and bankrupt W. T. Grant had paid, as well as former importers Teledyne (Packard Bell) & Olympic, Japanese traders Mitsubishi International & C. Itoh. Based on defendant list, GE, Curtis Mathes and retailer Alexander's have settled since then. Of original list, only 22 are left.

Biggest dumping debt is Matsushita's \$11,153,000, followed by Sharp's \$6,894,000, Sanyo's \$4,362,000. Owed by other manufacturers: JVC (a Matsushita subsidiary) \$2,108,000, Nippon Electric \$1,476,000, Toshiba \$1,248,000, Sony \$215,000, Hitachi \$142,000. Biggest among

independent importers is Midland's \$3,294,000, followed by Avnet's (Channel Master) \$791,000, bankrupt Milovac's \$389,000, Nichimen's \$241,000.

Debt figures are unadjusted amounts, could drop by 90% or more if Treasury accepts Japanese demands for reductions to reflect high domestic marketing tests which they claim aren't included in export pricing. First Treasury rulings on those protests are due next week—but then again they also were due Aug. 1.

Special Treasury & Customs teams are working feverishly to clear up, before year's end, backlog of assessments on Japanese TVs imported since June 1973. On Jan. 1, revisions made in dumping regulations earlier this year go into effect. Although this won't have immediate impact on TV case, Customs plans to break up TV assessment team because of expected manpower needs of other cases. "They're going to put TVs on the back burner," Customs official told us, and "if we don't get all the entries liquidated by the end of the year they may never be liquidated."

Justice's long delay in filing means suits may never get to trial. If Japanese go along with Treasury rulings, they will pay up and suits will be dropped. Adverse rulings will be appealed in Customs Court, and if that's the case, it's unlikely district judges will be too willing to get involved because of complex jurisdictional issues.

Justice says it will fight to head off one other possibility—that of Japanese turning civil suits into legal test of new procedures Treasury used to come up with dumping assessments. Japanese would have to pay up before filing Customs Court case, but no such entry fee is needed in district court. "We're going to keep these as simple collection actions," will amend complaints as circumstances change, Justice spokesman told us.

Treasury involvement in enforcement of dumping and countervailing-duty cases may be coming to end. Administration-backed bill, which may go to Congress this week, is expected to recommend shifting that authority to Commerce, make President's Office of Special Trade Representative responsible for policy, leave Treasury in charge of collection. While still an arm of Treasury, Customs would handle investigations for Commerce.

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U.S. microwave oven industry may be suffering injury from Japanese imports, International Trade Commission unanimously ruled last week. Vote was result of brief preliminary investigation made by ITC at request of Treasury, clears way for Treasury to investigate dumping complaint filed against Japanese producers by AHAM last July (Vol. 19:31 p9). During pre-vote discussion, it became apparent verdict was based on lack of evidence to offset industry's injury claim. Key deciding factor seemed to be statement by ITC Gen. Counsel Russell Shewmaker that, in authorizing preliminary injury probes, Congress intended that when in doubt ITC should lean in favor of keeping case alive.

TRADITIONAL DEALERS LOSING B&W: With monochrome TV sales running at 6-year high, traditional TV dealers such as appliance chains, discounters & dept. stores aren't participating in b&w prosperity. Sampling of our Early Warning Report panel (mainly traditional TV outlets) finds 65% of respondents reporting b&w sales down for year's first half, a period when industry sales to dealers were up 1.1%. Of dealers who had data on percentage decline, dip from last year's first half came to median of 11%.

With various mini-combos grabbing b&w spotlight at advanced prices, respondent dealers indicated prices were declining at their outlets. Only b&w category to show increase in first half 1979 vs. 1978 was under-\$100, which 54.5% said rose in sales. In \$100-\$199 category, 55% of those replying said their sales had decreased. As to screen size, 5"-&-under set sales increased in 46.7% of those stores replying. Not enough dealers even handled mini-combos (TV-AM-FM with or without tape recorders) to compile.

It's obvious that b&w sales are moving to other types of dealers—gift stores, giant chains (not included in our tally), audio dealers, drug stores, premium merchandisers. For whatever reason, TV dealers have lost their grip on b&w.

Development offers for mandatory safety standard for omnidirectional CB base-station antennas are being sought by Consumer Product Safety Commission. CPSC says it has determined that mandatory safety label, now required for CB base & TV antennas, isn't enough to eliminate unreasonable risk of electrocution faced by consumers installing CB antennas. Agency says it will continue to study feasibility of standard for directional CB antennas. Agency noted that mandatory standard development would run parallel to EIA efforts to come up with acceptable voluntary industry standard. In notice, CPSC said it estimated 220 were electrocuted while installing communications antennas in 1975, 275 in 1976, 220 in 1977, 100 last year, attributed decline to reduced sales. CPSC contends antennas are major cause of electrocution among consumer products.

Consumer Reports examines Magnavision video-disc system in Oct. issue, finds picture of "high quality—better than [that] from a video tape"—but concludes "it's too soon to make any choice," calling price "forbidding" and predicting it will go down after curiosity value wears off or RCA's competition is felt. In another Oct. feature, CR rates low-priced stereo receivers, saying "there's little reason" to pay more than \$200-\$250, puts Toshiba SA725 at top of list, followed by Sherwood S725OCP & Technics SA200. Also in Oct. issue: Ratings of stereo headphones (Sennheiser HD420 tops list) & printing calculators (Sharp EL2168 rated best).

Video programming catalog from National Video Clearinghouse, scheduled for Nov. publication, will have about 16,000 entries, including 3,000-4,000 movies & entertainment features, 12,000 educational & general interest titles. Book (900 pp) will sell for \$19.95. National Video plans 30,000-40,000 run, has budgeted \$500,000 for advertising & promotion, placing special emphasis on libraries. Next step is establishment of hot line to answer questions from subscribers, cost \$150 annually.

Ad notes: Atari video game sales effort includes increase from 2% to 5% in co-op ad allowance. Consumers buying programmable game in 3rd quarter get certificate good for 5 LP albums. In 4th quarter, buyers will get coupons for \$2.50 discount on 5 different game cartridges... Marshall Electronics appoints Scott & Burch, Chicago, for electronic health care items offered by new Consumer Products Div. Also naming S&B is speaker producer Mesa Electronics.

Poor sales of personal computer is forcing sharp cutback, repositioning, at Alpex Computer. Company laid off 23 of its 39 employees, put Pres. Norman Alpert on sick leave, cut executive salaries. Company has launched fullscale study to see if Alpex 900 can be made more attractive, set Nov. 30 deadline for results.

Equipment nameplate rule for FCC-authorized products has been loosened. FCC granted EIA/CEG request for less restrictive language. New rule, effective Oct. 29, says nameplate must be able to last "expected lifetime" of product and "must not be readily detachable."

ITT has "definitely made a conscious decision to remain in consumer electronics," according to Consumer Products & Services Exec. Vp Maurice Valente. He said this to about 100 members of Radio Electronics & TV Retailers Assn. (RETRA) of U. K., brought to U. S. by ITT for visits with American dealers and discussions about U. S. & U. K. consumer electronics. Reports of ITT negotiations to sell consumer electronics business were "not ill-founded," Valente said, conceding "we had conversations" (Vol. 19:30 p9)—but "we looked at the value of our franchise & contributions, our worldwide resources [and decided] we can maintain a vanguard position in consumer electronics as in other industries."

Mergers & acquisitions: Telex Communications has acquired Turner Div. (CB microphones & accessories) from Conrac for undisclosed cash sum. Conrac said it was disposing of loss-plagued operation last June (Vol. 19:26 p12). Turner will be combined with Hy-Gain CB antenna unit Telex acquired last year... Convoy Scout radar detector line has been acquired from Interstate Electronics by CBC Corp., recently formed by former Interstate officers... Thorn of U. K. completed acquisition of Systron-Donner after S-D holders approved \$27-million offer... Video-Vision, N. Y.-based pre-recorded videocassette distributor, has acquired audio tape duplicator American Tape Corp., Ridgefield, N. J., for undisclosed cash sum.

Consumer complaint record of industry is improving, according to first-half report from BBB, which received 3,350 complaints about TV servicers in period, down 7.1% from last year, dropping TV service to 13th on list of most-complained-about businesses, down from 11th. Complaints about TV-radio-phono dealers fell 16.1% to 2,528, and ranking dropped to 19th from 16th. BBB said 72.4% of servicer and 77.2% of dealer complaints were resolved, compared with 75.6% & 75%, respectively, last year. In all, TV receivers were involved in 2.9% of complaints on product quality or performance.

Color TV sales to dealers registered 7th consecutive weekly decline in period ending Sept. 14, but dip wasn't so steep as in previous weeks—2% from year earlier to 201,800. Monochrome sales were up 14.5% in week and home VCR sales were up about 1%. Our Early Warning Report on Aug. retail business, mailed last week to EWR subscribers, indicates both color & VCR sales to consumers continued strong last month.

"TV Receiving Antenna System Component Measurements," by Institute for Telecommunications Sciences, published by FCC, gives technical analysis of TV receiving antennas, lead-in cables, auxiliary devices, \$7.25. Details: Office of Public Affairs, Room 207, 1919 M St. NW, Washington, D. C. 20554, 202-632-7260.

Personal computer customers in Japan, analyzed by Sharp after sale of more than 10,000 since March 1979 introduction: 7% of users are in their 20s, 20% in 30s, 12% teenagers. Most of units (55%) are used for home study, 47% for R&D work, 28% office management, 18% production control.

IBM IN JAPAN VIDEODISCS: DiscoVision Assoc. (DVA), IBM-MCA videodisc-player partnership (Vol. 19:37 p7) will take over MCA's 50% ownership of Universal Pioneer, Japanese manufacturer of optical videodisc players, in effect giving IBM 25%, MCA 25%, Pioneer 50% of manufacturing firm. Pioneer Pres. Yozo Ishizuka hailed formation of DVA as major step for optical system, hinted that timetable for introduction of consumer model in U.S. might be sooner than original target of next spring.

Universal Pioneer is manufacturing players for General Motors' U.S.-Canada dealer network. Although first GM order was for 7,000 players, it has exercised options for more, and spokesman for auto maker told us last week that total number of players "could go to about 10,000" when installations are complete. Published reports in Japan say deliveries of this number will be completed in Oct.

Meanwhile, both CBS & 3M said there currently are no definite negotiations for joint videodisc production ventures with Philips (Vol. 19:36 p8), although there have been some general contacts. As CBS Records official put it: "We are evaluating all systems and talking with all proponents. Philips is one of the companies with which we've discussed the subject. CBS is currently in the shopping-evaluation mode" on videodiscs.

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Thomson-CSF, meanwhile, is quietly developing new applications of optical videodisc—and gaining some potential customers. Companies from Control Data, Westinghouse & Hughes Aircraft to Data Design Laboratories and tiny Learning Technology Institute are experimenting with hardware systems of microprocessors, monitors—and Thomson machines. Purpose is to provide interactive instruction, allowing student to ask questions via computer and retrieve appropriate answers from disc.

Most prototypes are built around Beta & VHS VCRs because of lack of NTSC-standard Thomson players, now available only in French SECAM format. But Thomson is expected to begin importing NTSC version, priced at \$3,500, in early 1980, already has deal with 3M to make discs (Vol. 19:33 p7). Several interactive systems using Thomson units were displayed at special meeting of Society for Applied Learning Technology (SALT) in Orlando last winter, and disc will get exposure at SALT's 3rd annual congress Feb. 25-27 in Washington. Thomson, MCA & Westinghouse are listed among exhibitors.

Westinghouse, which could use either optical player, says it's "integrating" Thomson machine into "WITS" system, expected to sell for under \$10,000. Demonstration model, assembled at Integrated Logistics Support Div. in Hunt Valley, Md., should be ready in time for SALT. Hughes' Ground Systems Group in Fullerton, Cal. will supply U.S. Army with one of 4 pre-production models of its system for field test. Hughes says it had discussions with DiscoVision about use of Universal-Pioneer player, but nothing developed. Company probably closest to commercial introduction is Data Design, which claims 10 orders for hardware package that now includes Betamax for video playback. Price is expected to

jump \$3,000-\$4,000 from current \$12,000-\$14,000 when Thomson player is substituted. Data Design, which will ship from plant in Cucamonga, Cal., says shift from VCR is simply matter of changing plugs.

PTV station KUON Lincoln, Neb. and U. of Neb. are developing microprocessor-controlled disc program for MCA player with help of govt. funds. Program is one of several, including 4 pilot educational discs (without computer interface) already mastered by MCA Discovision. In return for \$60,000 purchase of 3 players, MCA provided masters & copies at no cost, but will charge \$5,000 per side for new projects.

Meanwhile, on consumer front, Tadashi Nagaoka, gen. mgr. of Matsushita's First Development Dept., is playing Johnny Appleseed, delivering Visc-O-Pac stampers to U.S. record manufacturers so they can press discs using their own vinyl compound. It's understood that Nagaoka, who introduced Visc-O-Pac at ITA in April (Vol. 19:15 p7) and has since demonstrated mechanical disc system in N.Y. & L.A., will pick up samples for comparison tests in Japan.

As for MCA, IBM co-venture should widen its perspective, encouraging it to license programs to RCA, make licensing deals with Matsushita and other disc system manufacturers. New-found freedom will appeal to best-selling writers, directors, etc., who would object to limiting exposure to just one of several disc formats.

SONY NET DOWN: Sony reported record sales, tripling of operating income in 3rd fiscal quarter to July 31, but foreign-exchange losses cut net sharply (see financial table). Sony said sales were up 19% in quarter, 16.6% for 9 months, 3rd-period operating income jumped 190.5% to \$87.2 million, was up 123.6% to \$243 million for 9 months. Exchange losses of \$32 million in quarter, \$91 million for full period, against gains of \$47.6 million & \$73.9 million in same 1978 periods, left Sony with 40.1% decline in net for quarter, 37.6% decline for 9 months.

Sony said domestic sales in quarter were up 17.6% to \$291.7 million, overseas sales up 20% to \$434.2 million, while for 9 months domestic volume was up 17.7% to \$862.3 million and overseas business rose 15.7% to \$1.19 billion. Sony sales by product for quarter, in millions (9-month sales in parentheses): TV \$229.7, up 7.2% (\$592.2, up 5.6%); VCR \$138.9, up 32.2% (\$386.4, up 34.8%); audio recorders & radios \$113.5, up 9.6% (\$326.5, up 3.3%); hi-fi \$58.1, up 11.1% (\$220.9, up 13.4%); other, including blank tape, \$185.7, up 37.8% (\$525.2, up 30.8%).

BSR (U.K.) cited declining demand and stiff price competition in U.S. audio market in reporting 77.7% decline in first-half net to \$3.13 million. Contributing factor was \$4.7 million in foreign-exchange losses for period, compared with \$2.39 million gain in same 1978 period. BSR says it sees no pickup in U.S. record-changer sales, expects unit volume to drop below year-earlier level.

CB Linear amplifier sales brought convictions to Clark Johnson and Atilla Toph, co-owners of C&A Electronics, Rockville, Md.; they were fined \$3,000 each in U.S. Dist. Court, Baltimore, after pleading guilty.

Consumer Electronics Personals

Paul Van Orden promoted at GE from vp to exec. vp & sector exec., Consumer Products & Services (TV, audio, appliances, housewares, lighting & credit), succeeding John Welch, recently appointed vice chmn.; Walter Williams advanced from Audio Products Dept. gen. mgr. to Housewares & Audio Div. gen. mgr., succeeding Van Orden. Among others named exec. vp & sector exec.: Christopher Kastner, Technical Systems & Materials; James Baker, Industrial Products & Components; Robert Frederick, International. Daniel Fink appointed corporate planning & development staff senior vp. Among group execs. named senior vp: Charles Carson, Engineered Materials; Richard Donegan, Major Appliances; Van Williams, Component Products.

Sanford Falkowitz joins Allied Artists Video as operations dir., assuming duties of Joseph Pershes, resigned as sales vp... Andrew Susskind moves at Time-Life TV from Network Div. to Video Div. as asst. to Senior Vp Bruce Barnett... Richard Lorber named mktg. dir.; Sue Ognibene asst. mktg. dir.; Richard Neste ad sales dir., at National Video Clearinghouse... Robert Anderson, ex-R. J. Reynolds, named Mattel pres. & chief operating officer, succeeding Samuel Meason, resigned... Richard McCall, DSI Corp. pres., adds presidency of subsidiary U.S. Video (formerly Video Duplication Inc.); Andrew McIntyre named USV production exec. vp, David Hancock administration & sales exec. vp, Richard Wayman vice chmn., Robert Creamer & Ivan Purt sales mgrs.

Won Sull named Taihan (U.S.) chmn.; Y. S. Chang advanced from exec. vp to pres., succeeding Sull... Thomas Westover, ex-Pioneer Electronics (car stereo), joins Kenwood as sales mgr. for car stereo line due in Jan... Osborne Jones, ex-Litton, appointed Bang & Olufsen sales vp, new post... Jack McMurray, ex-BSR, appointed Osawa Audio Div. sales & mktg. vp... Randy Patton, ex-Harman International, joins JBL International Div. as consumer products sales mgr.; Ruth McNevin named operations mgr.; Garry Margolis appointed to professional products sales mgr... William Stone resigns as Jensen mktg. mgr.

Joseph McHugh shifts from RCA Picture Tube Div. to Record Div. as mfg. vp... Wayne Timpe advanced at GC Electronics from mfg. & engineering vp to vp-gen. mgr., assuming duties of Pres. Anthony Valulis, retiring after 41 years with company... Robert Zenisek advanced at GTE Communications Products to mfg. vp... Rosalie Shonfeld, ex-Container Corp., joins Motorola as public communications mgr... Doyle Evans, ex-UL, named Stackpole consumer electronic products sales mgr.

Robert Frenzel advanced at GE to Display Products Operation mgr., responsible for LCD business acquired earlier this month (Vol. 19:37 p11)... Andrew Tassani advanced at Panasonic Data Processing Div. to special projects mgr... Donald Gorman joins Commodore as computer engineering dir.; Herbert Green named communications engineering mgr.; Tak Mori named production en-

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
AT&T			
1979-year to Aug. 31	43,912,519,000	5,531,427,000	7.95
1978-year to Aug. 31 ^a	39,554,195,000	5,032,136,000	7.48
1979-qtr. to Aug. 31	11,492,973,000	1,466,390,000	2.08
1978-qtr. to Aug. 31 ^a	10,355,129,000	1,401,435,000	2.06
General Instrument			
1979-26 wk. to Aug. 26	317,372,728	22,415,490	2.64
1978-26 wk. to Aug. 27	256,765,599	15,512,309	1.93
1979-13 wk. to Aug. 26	166,891,645	12,007,999	1.37
1978-13 wk. to Aug. 27	131,299,517	8,684,733	1.08
MPO Videotonics			
1979-9 mo. to July 31	18,150,591	340,295 ^b	.62
1978-9 mo. to July 31	16,792,666	546,632	.99
Republic			
1979-year to July 31	287,300,000 ^c	13,591,000	4.91 ^d
1978-year to July 31	234,137,000 ^c	10,053,000	3.44 ^d
1979-qtr. to July 31	79,874,000 ^c	3,292,000	1.17 ^d
1978-qtr. to July 31	62,807,000 ^c	2,871,000	1.05 ^d
Sony ^e			
1979-9 mo. to July 31	2,040,000,000	61,800,000	.29 ^f
1978-9 mo. to July 31	1,750,000,000	99,000,000	.46 ^f
1979-qtr. to July 31	720,300,000	26,600,000	.13 ^f
1978-qtr. to July 31	605,300,000	44,400,000	.21 ^f
Tektronix			
1979-qtr. to Aug. 25	207,468,000	18,488,000	1.02
1978-qtr. to Aug. 19	158,850,000	14,164,000	.79
Tocom			
1979-year to June 30	6,953,945 ^g	27,803	.02
1978-year to June 30	4,158,149	87,709	.06

Notes: ^aRestated. ^bIncludes special credit. ^cFrom continuing operations. ^dAdjusted. ^eAt yen's current rate. ^fPer ADR. ^gRecord.

gineering mgr... Patricia Marriott, ex-IBM, named Apple Computer mkt. research & planning mgr... E. MacIn Roby, ex-exec. vp, elected Gulton pres., succeeding Walter Gips Jr., who continues as chmn. & chief exec.

Obituary

Werner Wachowiak, 48, died of brain hemorrhage, Sept. 12, at Northwest Memorial Hospital, Arlington Heights, Ill. He had held posts with Warwick, Packard-Bell & Admiral, last June joined Samsung America as mktg. vp. Wife, 4 children survive.

Private TV median salary fell 5% in 1979 from \$20,000 to \$19,500, according to annual International TV Assn. (ITVA) survey of 794 members in corporate video. ITVA attributes drop to more entry-level positions and to higher percentage of producers, engineers & technicians whose jobs pay less than managers & supervisors. Survey is available from ITVA, 26 South St., New Providence, N.J. 07974.

Tri-color flat-panel alphanumeric or graphic LED display from Toshiba could be forerunner of pocket color TV. Panel is 64x64-element matrix. Each element consists of red & green LED, which, when combined, produce orange light. Panel is 3.19" square, is to be available in sample quantities next year at \$470.