

WEEKLY

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ADVENT PROJECTOR SALES totaled 10,500 last year at lower average price, annual report says. Tandy eyes home computer. Warner reports. (P. 11)

'SIGNIFICANT' ADVANCE FOR STV: In move FCC expects to help growth of STV significantly, agency last week deleted rule which limits pay-TV stations to one-per-market. Policy & Rules Div. attorney Freda Thyden, who made presentation to Commission which resulted in rule change, said action is "highly significant" because one-to-a-market rule has "severely limited" development of STV. Also, she and commissioners noted, move is expected to reduce greatly number of comparative hearings required, serve as major boost in minority ownership of TV stations and increase program diversity.

Thyden noted that all 90 STV applications filed have been for UHF—although there's no restriction against STV on VHF—and commissioners agreed they expected future applications also to come from UHF. (Others didn't agree, however, see below.) STV permits have been granted to 15 stations, 6 of which are operating—KWHY-TV L.A., KBSC-TV Corona, Cal., WWHT Newark, WXON Detroit, KNXV Phoenix, WQTV Boston. Other permits are outstanding in San Francisco, Milwaukee, Cincinnati, Cleveland, Linden, N.J., Smithtown, N.Y., Ft. Lauderdale, Sacramento & Philadelphia.

Staff told commissioners that STV has "caused no harm to existing stations" in markets

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where it now operates "nor is there likely to be" harm caused in future STV markets. The only result has been to protect first station in market and "stifle" diversity and further STV development, FCC was told. During meeting, there was much discussion of diversity in STV programming, and staff was instructed to look into franchising agreements between programmers & licensees and exclusivity provisions.

Commissioners also instructed staff to come back with proposal changing current "complement of 4" rule—requiring that 4 other commercial stations are operating in a market before 5th can go STV. There was considerable sentiment at meeting to delete 5-station rule. Also, staff will study further notice looking toward ways to avoid comparative hearings for STV operations, criteria to be used in such hearings, and whether public should be permitted to buy (it's now restricted to leasing) decoders.

FCC said that it should be left up to public and marketplace whether decoders should be compatible, that there's no need to adopt rules. Agency staffer said some manufacturers want standardized decoders, some don't, acknowledged that compatible decoders could cause security problems.

Broadcasters—who once fought over-the-air pay TV as hard as they now oppose pay cable—don't seem overly concerned about deletion of one-per-market rule and sure relaxation of others next year. NAB Exec. Vp-Gen. Mgr. John Summers said: "I haven't detected any concern. . . Many of our best members now are in STV." Another NAB executive noted: "We opposed the FCC relaxation but it's no longer a biggie here. . . Given our choice between STV and pay cable, we much prefer STV."

Rule change undoubtedly will lead to "far more STV activity and ultimately far more competition," according to major Washington communications lawyer. He said that 2 groups not now in broadcasting have approached firm about STV—one seeking VHF operation, one UHF.

"I'm very optimistic about the regulatory environment," said Isaac Blonder, Blonder-Tongue chmn., predicting that many VHF stations will switch to STV to generate higher revenues. He said crucial decision is whether to permit STV translators, "but I think every single STV restriction will be dropped because they don't make any sense."

Acknowledging clout of broadcast, cable & theater interests, Blonder said time is approaching when STV industry will need its own trade group—"maybe next year." Future of STV may be in satellites, he added: "We have a direct broadcast satellite group at work here already. Six million Americans currently receive no TV service, and many of them can afford satellite earth stations."

NTIA WANTS AT&T OUT OF CABLE: NTIA's draft of telecommunications proposal sent to Capitol Hill last week (Vol. 19:39 p3) would prohibit AT&T from providing "mass media services" such as broadcasting, electronic publishing or information retrieval. But company may "offer facilities to unaffiliated companies so that the services may be available to the public."

"We take this position," draft says, "because diversity in mass media services enhances the flow of information to the American public. We believe the entry of AT&T into the media market because of the size and wealth of the firm. . . would tend to work against diversity."

AT&T prohibition is sole cable provision in proposal, and both AT&T and NCTA can be expected to call for alterations. Key concern to NCTA Pres. Thomas Wheeler is rest of telcos: "It is not just AT&T that has demonstrated an ability and willingness to abuse the competitors unfairly. The points that are made with respect to AT&T are equally applicable to at least the top 6 or 7 telephone companies."

AT&T has said it has little interest in cable, and provision to bar it from field can be expected to cause it little concern. But to extend prohibition to such fields as electronic publishing and information retrieval can be expected to rile company. AT&T had no comment on proposal, which is now being circulated on Capitol Hill for comments.

AT&T would be prohibited from offering "mass media services," which NTIA acknowledges

is difficult to define, "particularly in the information area... Thus, AT&T would not be excluded from its current activities [such as directory assistance, time & temperature]. We would leave it to the Commission to define the terms in cases of dispute."

Draft noted telco-cable cross-ownership isn't dealt with, except for AT&T. "This would be left to the Commission," it states, but urges that "telephone companies in areas with low population density should be allowed to engage in cable TV services."

ABC WINS OLYMPICS: ABC Sports won first gold medal of 1984 Olympics with financial offer totaling \$225 million for U.S. rights to July 28-Aug. 12 games. Network plans more than 200 hours of programming, paid \$100 million for telecast rights, added \$125 million to L.A. Olympic Committee to meet "costs related to production and supportive services." CBS offered total of \$160 million, NBC \$150 million. (NBC is paying \$87 million for rights to 1980 Moscow games.)

Agreement between ABC & L.A. Olympic Committee received approval from Monique Berlioux, International Olympic Committee dir., must still be ratified by IOC executive board in late Oct. ABC News & Sports Pres. Rooney Arledge called network's capture of games "tribute to the hard work the ABC staff has demonstrated in covering 6 of the last 8 Olympic Games." IOC statement said 1/3 of rights payment is shared by national Olympic committees & federations.

De-regulated cable TV rates in Cal. (with some exceptions) is provided by law (AB 699), signed by Gov. Brown Sept. 28. Earth station-equipped 20-channel systems serving under 70% of service area homes are exempt from rate regulation. De-regulated systems will finance new Cable Foundation for Community Service Programming through levy of 50¢-per-subscriber-per-year. CCTA predicts de-regulation incentive will cause state's 150 12-channel systems to upgrade to 20-channel. "Rates are really regulated by the marketplace except in areas unable to receive over-the-air," said CCTA Vp Ray Joslin. "Other states will look at what has been done here in Cal."

NTIA grants totaling \$18.4 million are going to 140 public broadcasters and others under Public Telecommunications Facilities Program. Broadcasters will get 78% of money, non-broadcast 13%, planning grants for all media 9%. For list of grant winners, see Public Broadcasting Report (Vol. 1:24 p1).

Architect of color TV, retired RCA Exec. Vp George Brown, has completed manuscript of book "—And Part of Which I Was" (title from Aeneid) covering his career. He's now negotiating with publishers. Chapters include "Boards of Directors I Have Known" and "The Russians Are Coming."

"The Proud N" is NBC's name for new logo combining peacock & "N". Vp W. Watts (Buck) Biggers said "Proud as a Peacock" is most identifiable of 3 network themes, according to 4 viewer surveys.

"Nickelodeon," Warner's children's program, has passed millionth-subscriber mark. Cost to cable systems is 10¢ per subscriber per month.

NAB has formed Bcst. Inter-Assn. Council to "develop strong working relationships" among various trade organizations and "to pursue goals of common interest," according to NAB Chmn. Thomas Bolger. Council Chmn. Leonard Swanson, WIIC-TV Pittsburgh, and TV members of NAB Exec. Committee met in San Francisco last week with NATPE board—and that group became first outside member of Council; NATPE pres. has been invited to NAB June TV board meeting. Bolger said he has talked to several other association officials on informal basis, found willingness to participate. Forms & mechanism of Council still is to be worked out, but major project will be NAB-prepared calendar of all meetings, conventions, seminars, etc., of all broadcast-related groups.

Teletext status report, from EIA subcommittee: (1) "Ghosting" problem "can completely destroy" teletext transmission, solutions using semiconductor technology are sought. (2) System should be capable of expansion & improvement without obsoleting existing hardware. (3) Subcommittee is concentrating on 3 major system options: Ceefax/Oracle (UK), Antiope (France), Telidon (Canada). (4) Accelerated activity is expected by subcommittee, with completion of "bulk of its task" by early 1980. CBS showed its version of teletext in Washington Sept. 24, St. Louis (where experiment is underway on KMOX-TV) Sept. 27.

"Looking Back Through a Small Screen" is 7-part lecture series on history of TV programming, sponsored by American Film Institute, Wed. evenings Oct. 3-Nov. 14, 5:30-10 p.m. at Freer Gallery of Art, Washington. Moderator is Lawrence Lichty; speakers include Erik Barnouw, TV historian; Tom Shales, Washington Post TV critic; Robert Northshield, CBS News. Single tickets \$10, series \$60. Details: AFI Members Events, John F. Kennedy Center, Washington 20566, 202-828-4055.

Non-violent TV will be theme of Martin and Yolanda King—children of slain rights leader—at Sept. 29 Miami conference of National Parent Participation TV Workshop, sponsored by Miami-Dade Community College, Teachers Guides to TV, Miami News & WCKT Miami. Fee is \$10. Details: Edward Stanley or Gloria Kirshner, 212-688-0033.

SAG plans Oct. 10 demonstration to protest TV treatment of women & minorities. Pres. Kathleen Nolan said protests will occur at AMPTP offices in L.A. & N.Y. "With TV as a primary force in our lives...no American can afford to be indifferent," she said.

"Radio De-regulation—The Biggest Giveaway since Teapot Dome?" is banner headline in Sept. 24 issue of NCCB's Access.

KID VID IN SENATE: Capitol Hill criticism of FTC continued last week with Senate FTC oversight hearings focused on children's TV ad rulemaking. Senate Appropriations Committee stripped House-imposed restrictions against FTC rulemaking (Vol. 19:39 p6) and repackaged FTC funding along with rest of govt. "continuing resolutions"—but cut funding time from 45 to 30 days. Meanwhile, Sen. Heinz (D-Pa.) introduced legislation to create children's TV endowment.

"I just haven't seen any evidence that advertising causes deleterious health effects," said Sen. Schmitt (R-N.M.) at conclusion of kid ad section of oversight hearings. Panel testifying to Consumer Protection Subcommittee on children's ad rulemaking Sept. 28 included Peggy Charren, ACT pres.; Vincent Wasilewski, NAB pres.; Richard Leighton, counsel for Grocery Mfrs. of America; Douglas Thomson, Toy Mfrs., pres.

Only Charren supported rulemaking. "Traditionally, the law has recognized that there must be some special protections for children because they are vulnerable and incapable of making informed judgments," she said. She claimed 50% of ads aimed at children are for food and 2/3 of these are for highly sugared foods. On broadcasting and advertising self-regulation: "It doesn't work."

But Wasilewski stressed success and "flexibility" of NAB TV Code in dealing with deceptive ad practices and weakness of evidence in rulemaking: "Allegations of vague public policy and untested social research theories may serve to pique the Commission's interest in an area. But without substantial evidence there can be no rule."

Leighton launched slashing attack on FTC which

FCC Chmn. Ferris rejected NAB's request for "backlog symposium" on reduction of paperwork clog in Broadcast Facilities Div. (Vol. 19:23 p7). Ferris said NAB's idea for "check list of common errors" is "excellent" and will be forwarded to Broadcast Bureau for follow-up. Ferris also reported that NAB idea for conditional grants is under investigation, with recommendation due to be presented to Commission soon. Broadcasters had another request of Ferris last week. NAB Chmn. Thomas Bolger, by direction of Exec. Committee, asked Commission "to take expedited action" to approve AM stereo and to permit TV stations and AM directionals to use automatic transmission systems.

Storer has completed \$120-million financing for cable. Prudential and Teacher's Insurance bought \$60 million in 10-1/8% notes due 1995; group of banks led by Chase Manhattan is providing \$60 million, terms unreported. Viacom has arranged \$45 million in unsecured credit at prime rate, replacing \$17 million arranged in April; lending banks are Morgan, Chemical, First National of Chicago & Wells Fargo.

House Communications Subcommittee plans FCC oversight for some time in first 2 weeks of Nov., will focus on children's & network inquiries, Form 324, de-regulation of small earth stations. NTIA oversight is planned for mid-Oct.

detailed "public participation" funds FTC paid to lobbying groups in kid ad rulemaking: ACT, \$86,287; Consumers Union, \$81,378; Council on Children, Media & Merchandising, \$60,350; 5 others, over \$105,000. Sen. Tower (R-Tex.) attacked public participation funds on Senate floor, asking why citizens have to "contribute their tax dollars to support the efforts of private lobbying groups before federal agencies."

Final 2 days of oversight hearings, Oct. 4-5, will feature testimony of FTC commissioners. Question has been raised whether Chmn. Pertschuk can answer questions from Subcommittee on kid ad inquiry, since he has been disqualified from rulemaking because of bias. Subcommittee won't proceed with FTC authorization until hearings are over, yet FTC is funded by continuing resolution only through Oct.

House staffers think Senate will duck FTC authorization for 4th straight year, but aide to Sen. Ford (D-Ky.) disagreed: "The time is ripe. We don't have a choice this time." Big question in upcoming authorization battle is whether Senate will try to appease House demands for legislative veto over FTC actions with ban on specific rulemakings (kid ad inquiry a prime candidate). Reaction of Charren: "If the Congress did that, it would be a tremendous violation of legislative conscience."

Meanwhile, Sen. Heinz has reintroduced legislation to create National Endowment for Children's TV, calling for initial appropriation of \$10 million. "This is just seed money," he said. Endowment would work same way as National Endowment for Arts, granting funding upon approval of national commission. Sen. Hollings (D-S.C.), Communications Subcommittee chmn., is co-sponsoring measure.

Expensive movies & specials brought NBC clear ratings win during first week of new TV season (ended Sept. 23)—but nobody expects network to stay on top. However, NBC is extremely happy, noting regular programs sandwiched with movies & specials did well and that public was given liberal dose of promotions for network's new shows. For week, NBC had 20.6 rating, 33.9 share; ABC 18 & 29.7; CBS 16.9 & 27.7. ABC won 3 nights—Tues., Wed., Thur.—with regular programming, but was 3rd Fri., Sat. & Sun. nights; NBC & CBS won 2 nights each.

WTVZ (Ch. 33) Norfolk and **WGNN-TV (Ch. 45) Winston-Salem** went on air last week, bringing operating U.S. TV stations to 1,005—728 commercial, 277 non-commercial. WTVZ has over dozen stockholders, none with more than 10%; Tim McDonald, ex-WDVM-TV Washington, is pres.-gen. mgr., John Trinder, vp-gen. sales mgr.; rep is HR. WGNN-TV is owned by non-profit corp. Good News TV Network, features religious programming; Rev. Mark Corts is pres., John Simms vp.

UPI ownership may be broadened if plan announced by Scripps is successful. Plan calls for 95%-owner Scripps and 5%-owner Hearst to keep and split 10% of new United Press International Ltd., sell 90% in 2% blocks to publishing and broadcasting firms, none to own more than 10%. UPI had revenues of \$80 million, losses of \$2.5 million last year.

WARC'S HOT START: Algeria won chairmanship of key allocations committee at WARC following days of debate over selection of committee chairmen. Over-all conference chmn.—elected unanimously—is Argentina's Undersecy. for Communications Roberto Severini. U. S. WARC Ambassador Glen Robinson was named one of 6 conference chmn., with representatives from Cameroon, China, Italy, Switzerland & USSR.

Selection of chairmen took much longer than expected, delaying until this week start of technical sessions. Election of Severini and Algeria's role in allocations committee was seen as step forward for 3rd world & non-aligned nations in their "new world information order," drive. Concession for West was selection of Swiss vice chmn. Henry Kieffer, charged with coordinating work of all technical committees.

After 15 years, FCC has returned applications of 8 clear channel stations seeking super power (up to 750 kw) as "inconsistent" with rule limiting AM power to 50 kw. Stations: WHO Des Moines, WLW Cincinnati, KSL Salt Lake City, WGN Chicago, WJR Detroit, KFI L.A., WSM Nashville, WCCO Minneapolis. Commission said even if it permits higher power—considered highly unlikely—in finalizing rule-making which has been outstanding for several years, applications would have to be updated since they've been on file so long.

Pope John Paul II's Oct. 1-7 U. S. visit will receive heaviest live coverage from PBS, preparing for full-day coverage of first 3 days. NBC plans 8 hours, ABC 5 hours and CBS 3 hours of live coverage during 7 days; all 3 commercial networks say coverage will be expanded if Pope does something exciting or newsworthy. CBS and NBC have already announced intention to air football and baseball games instead of Pope's mass on Mall in Washington Oct. 7; ABC and PBS will carry mass live.

Station financial information would be made public under measure introduced last week by Rep. Mottl (D-O.), Communications Subcommittee member. "Disclosure would help an audience analyze station performance vs. profits," he said. Meanwhile, FCC has released to House & Senate Communication Subcommittees 1978 forms after Subcommittees made requests.

Cable burglar alarms will produce net 2.5-3 times higher than basic or pay cable, penetrate 20-40% of homes, Broadband Communications Pres. Irving Kahn predicted at CTAM workshop in Hartford. He also urged industry to set up \$1-million fund to create cable rating service to build ad revenues.

NAB has asked D. C. Appeals Court to stay effectiveness of FCC's ARTEC decision (granting waivers for increased station carriage), saying: "Delay during judicial review will harm no one, prevent harm to many, and lead to more deliberate and substantial consideration of complex issues."

Video Edition of Television Digest is inaugurated with issuance of videotaped coverage of recent International Radio & TV Exposition in Berlin. It's believed to be first such offering by any trade publication in world. For details, see p. 8.

Carriage of WTBS Atlanta has been granted by FCC to Tulsa Cable, provided no opposition is filed in 20 days. Originally, Commission denied carriage; Tulsa Cable appealed, and D. C. Appeals Court remanded case to FCC for reconsideration. Commission noted that since original denial, it has changed policy to shift burden of proof of harm to broadcasters filing opposition. It concluded possible audience loss of 1.5% isn't likely to affect stations' ability to serve public. Meanwhile, Commission denied waiver of one-independent rule to Bettervision, Shinnston, W. Va., which wanted to carry WTBS; FCC said system hadn't made prima facie showing that WTBS carriage on all present & potential systems in area wouldn't hurt WDTV Weston or WBOY-TV Clarksburg.

Black Entertainment cable network (Vol. 19:36 p3) reports signing Teleprompter, ATC & Warner. Service is free to cable operators, will be ad supported. Announcement of first advertisers is expected within few weeks.

Correction: Pres. of new Capital Cities Cable is Joel Smith, not Joel Cooper as reported last week (Vol. 19:39 p3).

CABLE & STATION COVERAGE ATLAS

Latest edition of Television Digest's "Cable & Station Coverage Atlas," one of most valuable reference tools to cable & broadcasting industries, is now off presses, immediately available. Atlas includes station coverage maps indispensable for applying FCC cable rules.

Publication is industry's only reference work showing relationship between TV station contours, 35-mile & 55-mile contours, and locations of all cable systems. Grade B contours of all TV stations—including ETV—are displayed on state maps, along with identification of each community with a cable system.

All maps reflect new Grade B contours drawn to conform to FCC's new formula for computing them. Noteworthy too is tremendous increase in size of satellite directory—from 15 pages last year to 38 this.

Here are a few features of Atlas: (1) 55-mile zone maps (also includes 35-mile zones) showing communities with cable systems underscored in color. (2) Expanded microwave section to include list of CARS & business service microwaves along with map of common-carrier microwaves serving cable systems. (3) Directories of NCTA, CATA, regional and state associations. (4) Directory of FCC Cable Bureau staff. (5) Up-to-date quick reference directory of all TV stations. (6) Full text of FCC cable rules, including complete list of significantly viewed stations. (7) Directory of Copyright Office.

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Personals

Raymond Timothy, former head of affiliate relations, promoted to exec. vp, NBC TV Network, in charge of affiliate relations, sales and sales services; Pierson Mapes advanced to vp-affiliate relations, succeeding Timothy; Diane Healey succeeds Mapes as vp-network planning, affiliate relations; Donald Mercer moves to vp-administration & affiliate services. Promotions at NBC Entertainment: March Kessler to mgr.-variety programs; Jeanette Hektoen to dir.-talent relations, West Coast; Larry Miller to dir.-creative services; Kathleen Gately to dir.-talent relations, East Coast; Art Badavas to mgr.-creative services.

Paul Jones, ex-FCC asst. gen. counsel, joins ABC legal dept., N. Y.; Patricia Diaz Dennis promoted to asst. gen. attorney-labor relations & legal affairs; H. John Yingling advanced to dir.-business management and asst. to ABC vp-administration, West Coast.

Ben West promoted to pres., KOKH-TV Oklahoma City, John White to pres., KSBW-TV Salinas-Monterey & KSBY-TV San Luis Obispo, all owned by John Blair & Co. . . Donald Wear, ex-WAPI-TV-AM-FM Birmingham, appointed pres.-gen. mgr., WHP-TV-AM-FM Harrisburg, succeeding Joseph Higgins, who retires in Jan.

Sig Mickelson, former adjunct prof. and one-time CBS News pres., named exec. dir., Communications Center, U. of Cal. at San Diego. . . Tina Rieman moves from WRC(AM) Washington to WRC-TV as mgr.-program administration. . . Linda Clark, ex-KING-TV Seattle, appointed programming dir., KGW-TV Portland, Ore. . . John Reno promoted to chief engineer, WFSB-TV Hartford.

Andrew Litsky, NCTA govt. relations dir., moves to public affairs dir., succeeding Philip Clapp, now legislative aide to Rep. Wirth (D-Colo.). . . Maurice Talbot, legal aide to FCC Comr. Jones, moves to Common Carrier Bureau in start of reorganization; FCC Law Judge David Kraushaar and Angie Germaine, Best. Bureau administrative officer, retire. . . Rep. Abner Mikva (D-Ill.) confirmed by Senate 58-31 as judge on D.C. Appeals Court. . . Thomas Mauro, ex-Justice Dept. Antitrust Div., joins Washington law office of John Pellegrin.

James Heyworth & Austin Furst advanced at HBO from senior vps to exec. vps, retaining overall responsibilities for operations & programming, respectively; HBO assignment changes: Vp Winston Cox, from affiliate relations to sales & mktg.; Vp Michael Fuchs, from specials & sports to programming; M. Jay Walkingshaw from program operations to corporate development; Vp Peter Frame from east region gen. mgr. to regional operations. Newly named vps: Edward Horowitz, central region gen. mgr.; Iris Dugow, special programming; David Meister, sports; Frank Blondi, programming operations.

J. Leonard Reinsch, retired Cox Bestg. chmn., named co-chmn., Warner Amex Cable, along with Gustave Hauser, co-chmn., who also is pres. &

chief exec. officer; Reinsch is on board of American Express. . . Nyhl Henson, from Qube, named gen. mgr., Warner's "Nickelodeon" children's program.

Michael Suffness promoted to exec. vp, Smith, Cooper Assoc. cable consultants; Clyde Abee to vp-operations; Swapan Bose, ex-N. J. Office of Cable TV, joins as vp-engineering. . . John Lubetkin, ex-Appalachian Regional Commission, returns to cable industry as vp-corporate development, Matrix Enterprises, Franklin, Tenn. . . Frederick Livingston, ex-Interactive Data Corp., appointed national marketing dir., Continental Cablevision. . . Timothy David joins Daniels & Assoc. as vp-investment services.

Promoted to Blair TV vps: Daniel Malmad, Cleveland mgr., and Timothy McAuliff, NBC-Green Sales Team mgr., N. Y. . . David Chodikoff, Katz TV Philadelphia mgr., advanced to vp. . . Roger Godhamer promoted to vp-national sales mgr., MMT Sales, N. Y.

Named Storer TV Sales area vps: Charles Lieber, midwestern; Joseph Mertens, west coast; J. William Mason, southern; Shawn Magreevey, San Francisco. . . Robert Lloyd promoted to vp-U. S. syndicated sales, Gold Key Entertainment. . . Richard Ballinger, ex-WNEW-TV N. Y., named vp-programming dir. of parent Metromedia TV.

March Five Inc. PR film opens Cal. office (1888 Century Plaza E., L. A. 90067); Lee Helper, who formerly headed own Cleveland firm, joins as dir.-West Coast. . . NAB TV Chmn. Robert King of Capital Cities keynotes AWRT eastern conference Oct. 26-27, Philadelphia.

WTBS Atlanta cable viewers' most popular programs in July, per Nielsen (outside Atlanta): "Academy Award Theater," 232,000 homes; Braves baseball, 230,000; "Get Smart," average 175,000; "Sun. Matinee Movie," average 170,000.

Obituary

Robert D. Swezey, 72, who held several top jobs in broadcasting over 40-year stretch, died at his Leesburg, Va. home Sept. 25 following heart attack. Graduate of Harvard Law School, Swezey joined NBC before World War II after service with govt., moved to Blue Network as gen. counsel-secy. In 1944, he became vp-gen. mgr. of Mutual, joined WDSU-TV-AM New Orleans in 1948. Leaving there in 1960 as exec. vp-gen. mgr. and part owner, he became special asst. to Secy. of Labor for year before being named NAB Code dir. in 1961 by NAB Pres. LeRoy Collins. Swezey & Collins had falling out 3 years later and Swezey joined Exec. Service Corp. He then became CPB's first secy.-treas., was a dir. of MCI at time of death. Wife, 2 sons survive.

Philip E. Schruth, 62, San Francisco-area vice chmn. for Group W, died Sept. 21 following heart attack. He had just taken new job few days before as dean of School of Communications, Menlo (Cal.) School & College, planned to continue as Group W consultant. He joined Group W in 1964 as vp after serving as publisher of Holiday magazine. Wife, 4 children survive.

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STATE OF THE INDUSTRY

Sales to dealers (total market), from EIA, for week ended Sept. 14 (37th week of 1979):

	Sept. 8-14	1978 week	% change	Sept. 1-7	1979 to date	1978 to date	% change
Total TV.	335,689	322,325	+4.1	233,996	10,535,714	10,480,139	+0.5
color	201,827	205,411	-1.7	142,960	6,556,339	6,659,776	-1.6
monochrome	133,862	116,914	+14.5	91,036	3,979,375	3,820,363	+4.2
Home VCR	10,245*	10,070	+1.7	7,001	266,782*	212,897	+25.3
Total radio	585,346	739,799	-20.9	424,277	28,832,281	32,748,799	-12.0
home, portable	371,867	452,536	-17.8	208,016	19,693,927	23,820,637	-17.3
AM-only	76,883	124,495	-38.2	68,809	4,035,188	5,392,058	-25.2
FM & FM-AM	294,984	328,041	-10.1	139,207	15,658,739	18,428,579	-15.0
auto	213,479	287,263	-25.7	216,261	9,138,354	8,928,162	+2.4

Color TV 5-week moving average: 1979—180,956; 1978—213,224 (down 15.1%).

Home VCR 5-week moving average: 1979—8,327*; 1978—7,947 (up 4.8%).

*Record for period.

FCC PROPOSES EASING VIDEOPLAYER RULES: FCC followed up its changes in personal computer rules (Vol. 19:39 p7) with proposal to significantly relax regulations governing such devices as VCRs & videodisc players—which could cause sharp controversy within industry.

First half of proposal is fairly non-controversial and long sought by set manufacturers individually and through EIA: Elimination of type-acceptance procedure, which involves sending samples of devices to FCC for testing before marketing is permitted. Substituted is simple certification whereby manufacturer does own testing, sends results to FCC.

But, at same time Commission proposed to loosen RF radiation requirements, permitting video devices to put out considerably stronger signal, raising specter of interference to nearby TV sets. Same new radiation limits already have been approved for personal computers. On surface, they appear to permit 20-fold increase in RF radiation, but new method of measurement may tighten that somewhat. First half of rule makes it much easier & faster to prepare to market a videoplayer; 2nd half presumably would make it easier to manufacture by requiring less signal suppression, and at same time permit videoplayers to inject somewhat better (or at least stronger) signal into TV set.

So far, so good. But at last week's end, EIA & manufacturers were trying to digest implications of new computer rules & videoplayer proposals. Manufacturers possibly may—and broadcasters certainly will—oppose part of rules which may make for more TV set interference. TV set makers, who market both videoplayers & sets, could be schizophrenic on this one.

New computer rules and proposed video rules appear to mark substantial policy change at FCC with regard to TV interference. As one staffer put it. "We now feel we have the responsibility to protect neighbors of people using these devices, but not reception within the same residence." In other words, it will be responsibility of VCR- or computer-owning families to schedule use of their devices to avoid interference with other TVs, stereos, etc. within their homes. (For details of FCC's actions, see p. 9)

HOME VCR SALES STARTING TO CRUMBLE: Home VCR sales to dealers have turned soft, causing industrywide concern as main selling season opens. It's too early to talk about any recession-induced collapse of budding new market, but industry may be hard put to hit half-million mark this year if current trends continue.

Sales have been below last year's figures for 3 of the first 4 weeks of Sept. (which has 5 weeks in EIA's calendar). For 4-week period, sales of about 36,900 are 7.3% below the 39,800 for same period last year. Inventory ratio (about 95,000 at factories, 24,000 at distributors) indicates middlemen are reluctant to stock up (and presumably to push) VCRs. Huge new batch is on high seas heading this way—record 65,400 shipped from Japan during Aug. (see p. 9).

Recession atmosphere could be taking toll—VCR is certainly among most postponable consumer purchases. In addition, confusion over new models & playing time may be causing wait-&-see attitude among prospective purchasers. Interesting sidelight on situation is fact that neither Sears nor Ward lists home VCRs in Christmas catalog (although Penney devotes 2 prominent pages to 2-4-hour VHS).

Despite possible oversupply in total VCR market, Sony & Zenith dealers are gasping for product. New Beta models are in extremely short supply and both manufacturers are strongly backordered. Nevertheless, to match last Sept.'s pace for full month, sales of record 20,000 units is required in final week. Sales for year's first 38 weeks, to Sept. 21, totaled 277,782, still 23% ahead of 1978. Some major ad & promotion campaigns are yet to break, and industry is depending on these to turn the tide.

Color TV, meanwhile, turned in another down week—some 217,700 sets sold to dealers in week ended Sept. 21. It was 7th consecutive down week from 1978. Final week of Sept. normally is biggest of year in sales to dealers and gives clue to sales pace in final quarter. These numbers for both color TV & home VCR will be anxiously scanned as significant market barometer.

TELEVISION DIGEST—VIDEO EDITION: Television Digest is pleased to announce publication of a Video Edition—a periodic videotaped review of developments of interest to our subscribers in consumer electronics, broadcasting, CATV & related industries. Television Digest—Video Edition initially will be published as warranted by events of sufficient interest and developments to require visual demonstration.

Vol. I No. 1 of Television Digest—Video Edition contains highlights of Internationale Funkausstellung, Berlin Aug. 24-Sept. 2, 1979. The 35-min. color videocassette features detailed demonstrations of 2 new VCR systems never shown publicly in U.S.—Philips Video 2000 and BASF LVR—with additional short sequences showing world's largest consumer electronics exposition. It was produced in Berlin by Television Digest Editorial Dir. David Lachenbruch.

First Video Edition—Highlights of Internationale Funkausstellung—is available in Beta-1 Beta-2, VHS-2 & U-Matic formats at \$250, which includes rights to make as many as 10 copies for company use. Subsequent editions will highlight major industry shows, such as Consumer Electronics Show, NAB, selected foreign expositions and exclusive material to illustrate our written coverage, when warranted by subject matter. Video Edition initially will be available only on individual-issue basis, as published.

Excerpts from first Television Digest—Video Edition will be shown at ITA Home Video Programming Seminar Oct. 23-25. To order Vol. I No. 1, Highlights of Internationale Funkausstellung, please mail enclosed form or call 202-872-9200 (Washington) or 212-355-5611 (N.Y.). As chronicler of video arts & industries since 1945, we're proud to be first trade publication to offer a video edition.

Latest entry into pocket translator field: Sharp, which will start Japan marketing Nov. 3 of Japanese-English unit containing 2,800 English words & phrases and 5,000 Japanese words, latter in Katakana phonetic alphabet. Battery is said to last 1,000 hours. Sharp says it hopes to sell 30,000 monthly at about \$185 (39,800 yen).

Sony Beta format isn't quite orphan the industry generally believes it is. Unheralded feature of new Sony dual-speed (Beta 2 & 3) Beta-scan VCRs is concealed switch on back that permits playback of tapes recorded in Beta 1 mode. Capability isn't included on Beta VCRs marketed by others, including those Sony makes for Zenith.

VCR EXPORT RECORD: Japanese VCR manufacturers rushing to fill U.S. distribution pipelines set all-time monthly high for VCR exports in Aug., according to Finance Ministry figures which show TV shipments, while well below level of Aug. 1978, were monthly high for year.

In related developments: (1) Treasury says it still hopes to have some Japan TV dumping assessment protest decisions out this week. (2) Japanese won rare victory in Canada as govt. panel rescinded 1975 TV dumping decision. (3) President sent trade administration reorganization plan to Congress.

Japanese shipped 65,400 VCRs to U.S. in month, up 34.5% from same month last year, shattering previous high of 62,700 set last Sept. Cumulative 8-month total of 362,700 was up just 5.6%. TV export slump extended through 12th month with Aug. decline of 38.3% to 155,100, as color dropped 39.8% to 65,700, b&w fell 37.1% to 89,400. Full-period total was down 60.8% to 864,600, color at 478,500 (down 54.5%), b&w at 386,100 (down 66.5%). Japanese exported 51,000 complete color sets in Aug., down 45.9%, for 8-month total of 386,100, down 58.1%. Incomplete color exports were off 38.3% for month to 14,700, down 29.6% for full period to 92,500.

While Treasury won't make Oct. 1 target for clearing up protests on assessments issued in March 1978 on Japanese TVs imported before July 1973, it could have them out by week's end. Some are completed, but agency wants to issue them all at once. When that's out of way, special assessment task force will tackle job of assessments on subsequent entries. Goal is at least to clear up backlog of entries through 1977 before year's end. New anti-dumping procedural regulations go into effect then, and TV task force will be disbanded because of manpower needed to handle expected flood of new dumping complaints.

Following review requested by TV importers, domestic manufacturers & foreign exporters, Canada's Antidumping Tribunal erased earlier ruling that dumped color TVs 15" & over from Japan, Taiwan & Singapore were injuring local producers. Finding means dumping duties no longer will be assessed. In report, Tribunal noted that neither dumping duties nor govt.-sponsored production incentive program was able to help industry, and that of 5 companies which supported dumping complaint, only Electrohome is still operating—GE, Sylvania (then Fleetwood) & Philips closed, while Admiral is completing phaseout. It also pointed out that chassis are no longer being produced in Canada.

Of remaining manufacturers, Electrohome was only one to support retention of injury finding. Hitachi, Panasonic & Sonyo pressed for rescission, while RCA, as it did in 1975, took no position. "In the circumstances," report says, "the Tribunal finds no justification for continuing the present finding" of injury.

Administration trade revision plan (Vol. 19:39 p9) would shift antidumping and countervailing-duty law enforcement from Treasury to Commerce, give Office of Special Trade Representative trade policy powers now in hands of Treasury & State.

FCC, VCRs & COMPUTERS: FCC loosened some rules on home computers, tightened others—but net effect was loosening, in line with petition by TI. At same time, it proposed to scrap its Class I TV device rules, establishing new category of "TV interface devices" with less restrictive regulations (see p. 7).

Already accomplished is separation of computers from Class I into new "computing devices" category, subdivided into Class A (commercial) & Class B (consumer). In latter class will fall video games and stand-alone RF modulators designed to connect any device to TV set's antenna terminals. Class A computers must abide by Commission's radiation rules, while Class B units are subject to certification procedure, whether or not they contain RF modulators. (Units not designed for attachment to TV formerly didn't require certification.)

New, more liberal radiation limits will be applied to both RF modulators (Vol. 19:39 p7) and computers & games with built-in modulators. Modulator rules are in effect now under special waiver. Others go into effect for computer products manufactured after July.

Proposal for new TV interface device rule is partially in response to petition by RCA, joined by Magnavox & EIA, for certification in place of type acceptance and separation of videoplayers from computers. New radiation requirements would be same as those for home computers. Additionally, FCC said its proposed rulemaking (not released at press time) would include "design requirement to insure that the possibility of interference to radio & TV reception is minimized if the device is misused by the consumer." Stand-alone RF modulators could be used for video devices as well as computers & games under proposed rules. Minor change in rules would provide that video devices without RF modulators would have to be certified if they have potential to cause radiation (this would apply, for example, to RCA videodisc player even if it didn't have RF modulator, because its pickup arm has oscillation at radio frequencies).

Comments on new TV interface rules are due Nov. 5, replies Nov. 20.

ITT is closing 2 U.K. color TV plants, will continue operations at Basildon plant which accounts for about 80% of output there. ITT cited overcapacity and intense competition as reasons for move, said it will try to find new jobs for 910 workers to be idled. Excess European capacity also was given by Philip's U.K. subsidiary Mullard as reason for 2-week closing of color tube plant in Durham. Operations at 2nd Mullard color plant weren't affected.

Documentary film on consumer electronics industry, being produced under sponsorship of EIA Consumer Electronics Group, will get first screening at N.Y. Lincoln Center Oct. 10. Additional screenings will be Oct. 15 at Washington's Kennedy Center, Oct. 23 during EIA Annual Fall Conference at Fairmont Hotel, San Francisco. Film, still untitled, spotlights industry impact on American lifestyle, runs 25 min., will be offered to TV stations, CATVs, schools.

HARMAN REBUYING HI: Harman International founder Sidney Harman is reacquiring much of operation he sold to Beatrice Foods in 1977. For about \$55 million, Harman and group of associates are purchasing speaker manufacturer James B. Lansing plus HI's international distribution network. Beatrice will retain U. K. speaker maker Tannoy and Danish phono cartridge & arm producer Ortofon.

Beatrice acquired HI in stock-swap valued at \$105 million, of which about \$24 million went to Harman, who was then cutting business ties following his appointment as Commerce under secy. Deal leaves future of HI's U.S. hi-fi marketing unit Harman-Kardon somewhat murky. Last June, Beatrice agreed to sell stagnating operation to Shin-Shirasuna Electric, Japanese hi-fi producer which had been supplying H-K with most of its receivers (Vol. 19:25 p11). But sale terms are still being negotiated, and while both companies tell us they expect it to go through soon, there's belief in industry Harman may try to keep it under his corporate umbrella.

Capehart also is up for sale. Company said acquisition talks with possible purchaser open next month. Currently operating under Chapter XI and functioning only as private-label stereo supplier, Capehart continues to pile up operating losses. Concerned creditors plan to seek to have firm declared bankrupt at court hearing scheduled for Oct. 12.

Allied Artists Industries, now in Chapter XI, plans to raise \$5 million by selling Allied Artists Pictures, at least 85% interest in Allied Artists Video, plus its interest in film "The Betsy" to James Robinson of International Productions. AAI, a holding company, would continue in film distribution and production of mobile homes & medical electronics.

Mostek has agreed to acquisition by United Technologies, which appears to block semiconductor maker's takeover by Gould. Mostek, matching Gould offer (Vol. 19:37 p11), exercised right to repurchase 21% interest owned by Sprague at \$42 per share, re-sold them to UT at same price. UT says it will make \$62-per-share offer for remaining Mostek stock, giving entire transaction value of about \$348 million. Sprague parent, GK Technology, said it received \$51.5 million for Mostek shares; GK bought Sprague in 1976 for \$69 million. This is 2nd IC acquisition shutout of year for Gould, which made unsuccessful bid for Fairchild Camera last May.

Magnetic Video will supply 6 videocassette titles to support Films Inc. home video marketing concept called "Lifelong Movie Experience." Idea is to sell cassette versions of "Young Lions," "Can-Can," "Day the Earth Stood Still," "Hustler," "7-Year Itch" & "Bus Stop" while any 2 are in theatrical re-release as double feature. Peter Rosenfelt, Films Inc. home video operations dir., says tapes will be sold via newspaper ads & coupons, possibly in theater lobbies if owners agree. Effort should be under way later this year as part of first Films Inc. home video campaign which includes sale of 24 children's, educational and entertainment titles (previously available in 16 mm), plus releases from MV & Columbia Pictures. Prices are \$39.95 & \$49.95 for 30 min. to 2-hour programs.

MAGNAVOX AID TURNDOWN: Labor Dept. rejected import adjustment assistance bid by workers who lost jobs when Magnavox shut 2 color TV feeder plants last summer (Vol. 19:27 p10). Magnavox shifted circuit-board and deflection component production from Morristown to Greeneville, Tenn., moved console TV & stereo cabinet operations from Johnson City to Jefferson City, Tenn.

LD said Magnavox layoffs were result of consolidation moves not directly related to import competition, noted that company's color TV sales and cabinet production rose in 1978, and continued at year-earlier levels in this year's first half. Similar turndown came for ex-production workers at Finney, Bedford, O. plant. LD said there's no significant import competition in outdoor TV antenna business.

Rejection also was issued to ex-employees of BFJ Sales, Sanford, Fla., on ground aid isn't available for workers at distribution-service firms which have no direct connection with actual manufacturer. LD refused to reconsider rejection of aid for displaced CB antenna workers at New-Tronics, Brook Park, O. It said that while company spokesmen are telling employees that imports are injuring industry, it can find no evidence to support change in finding last May that general CB market decline is primarily responsible for layoffs.

New investigations were opened for former TV tuner workers at Sarkes Tarzian, Bloomington, Ind., and those who lost jobs producing car radios and automotive electronic controls at Ford (formerly Philco) plant in Lansdale, Pa.

Toshiba will enter U. S. projection TV market next year with high-brightness 3-tube 45" unit now selling in Japan at about \$3,000 (Vol. 19:36 p12). U. S. price on one-piece model may be somewhat higher. Next month, Toshiba revamps entire U. S. color line, dropping all but 3 mechanical-tuning models, adopting touch-button MPU control for all electronic tuned sets. Line will start with 5" electronic at \$550 (up \$50); 9" AC-DC with mechanical tuner is unchanged at \$390, but 9" AC-only at \$350 has been dropped; 13" leader is unchanged at \$359, electronic tuned step-up is \$390, with remotes, all up \$10, at \$470, \$480 & \$490. Mechanically tuned 19" leader with automatic color continues at \$430, first electronic is \$490 (down \$30 from discontinued single-knob model), step with auto color is \$520, leader remote \$550, steps with remote & auto color are \$590 (unchanged) & \$600. New high-end 19" features remote plus programmable tuner (6 programs over 24 hours, 2 programs daily), separate LED clock-timer & channel displays at \$790. Programmable 21" console continues at \$950. All sets, except 5" & 21" are being produced in Lebanon, Tenn. With new line up, Toshiba says, 80% of color models have electronic tuning, 2nd in industry only to Sony's 82%, and it claims industry leadership with remote in 47% of sets. . . **Gold Star** adds 13" at \$300, \$20 above current leader, plans Nov. introduction of electronic tuned version at \$350, remote at \$400. . . **Jensen** revamped entire Series I car stereo speaker line, introduced 17 new models. Line includes separates at \$180 per pair, triaxials at \$120, coaxials at \$65-\$75, dual cones at \$35-\$53.

ADVENT REPORT: Advent sold about 10,500 video projectors in fiscal year to March 31, compared with some 10,100 in preceding year, and average price rose to \$2,032 from \$1,938, figures in annual report indicate. Report says company spent \$1.42 million on R&D, up from \$1.1 million in fiscal 1978, notes that because of planned product changes & discontinuations, reserve for possible losses on inventories was hiked from \$197,000 in 1978 to \$1.8 million.

Tandy annual report says Radio Shack sales in North America rose 9.4% in year to June 30 to \$1.17 billion. Breakdown shows computers & accessories as fastest growing segment, with volume up 435% to \$102.9 million, followed by 95.6% jump for telephones & intercoms, which totaled \$39.7 million. Largest volume came in parts, accessories, antennas & batteries, which rose 5.1% to \$258.3 million. Tied for first place last year, but now in 2nd, was radio-recorder-phonograph segment at \$252.5 million, up 2.8%. Speakers, receivers & record players rose 4.8% to \$211.6 million, taking 3rd place away from CB & scanners, which dropped 23.7% to \$161.3 million. Sales of other products, including mikes, headphones, test equipment, toys & special merchandise, jumped 15.1% to \$142.6 million.

Tandy offers some candid market opinions. Hi-fi: "We do not believe such companies as Sears & Penney pose nearly the threat" others feel they do because of lack of personalized selling. "We believe the audio industry is oversupplied and overstored at this time." VCR: Some see sales explosion coming, "but in our opinion this is largely wishful thinking." There's place for videodisc if player "can be made to sell at \$499, or roughly 50% less than tape units."

Computer: "What gives rise to these [unfavorable market] remarks is the understandable confusion between the 2 available types of microcomputers: The home computer and the general computer. Radio Shack will probably introduce its concept of a home computer sometime in the first half of 1980. Computing is the most successful product category innovation in Radio Shack's history; whether other major retailers will soon or ever benefit remains to be seen." Toys: "The TV game appears to be giving way to the handheld game. Another plaything that's on the rise is the radio-controlled vehicle." Car stereo: "We see continued room for growth, and competition keeping prices down."

Personal Communications: "The star of this grouping, despite its long fall from grace, is still CB so far as Radio Shack is concerned." Scanner sales are brisk, radar detectors are still popular despite suits to ban them, and firm claims to be a leader in limited market for shortwave receivers. Report says Tandy had 7,353 retail outlets at end of fiscal 1979, up from 7,071, including 5,913 in U.S., 781 in Canada, 63 in Far East, 596 in other countries.

Warner Communications' electronic games (Atari) & toy unit had higher sales, smaller losses, while record operation reported lower net on increased volume, and CATV business showed all-around improvement, company says in 2nd quarter report.

WARNER CASSETTE PLANS: Warner Communications' Home Video Div. (WHV) has moved step closer to marketplace with selection of S/T Videocassette Duplicating as producer of its recorded cassettes. We're told by several sources that WHV catalog will list more than 24 feature films from Warner Bros. library, that S/T will provide 70,000-80,000 tapes and duplication of blockbuster titles could run as high as 10,000 copies each.

Retail distribution will include Warner's record outlets as well as TV, appliance, video specialist stores. S/T hasn't prepared cassette masters yet, making it doubtful that Warner titles will enter retail pipeline in time for Christmas season, although appearance in Jan. or Feb. would benefit from any rush of VCR sales in last quarter of year. WHV will exhibit at Winter Consumer Electronics Show in Las Vegas, taking advantage of CES exposure as other software suppliers have done.

Feeling among distributors we contacted is that Warner will load shelves with recent first-run movies such as "Superman." Many of Warner's vintage movies were sold long ago to other studios and TV. Several now are available on cassette from Video Corp. of America's VidAmerica rental club.

Competition among duplicators for Warner contract was fierce and price-cutting rampant, says one source. Size of order may require S/T to split production chores with Teletronics Video Services in Chicago, division of VCA, which has half ownership in S/T.

Pre-recorded cassette output, of course, has increased enormously in past year in response to VCR sales growth, still can't quite match demand during peak season. Magnetic Video, for example, now takes 7-8 days to fill orders, 3-4 more than usual, even though cassette capacity has been doubled. "It's the best kind of trouble," says Vp Robert Vandegrift. More serious trouble could be overcapacity if VCR sales continue to trail expectations. Major midwestern duplicator comments: "A tremendous inventory is being developed... I wish to heaven it sells, or else we'll be eating it."

Videocassette promoting Time-Life Films home video club (Vol. 19:39 p8) offers year membership with purchase of one Columbia Pictures movie, selection of 2nd title free.

Toyota joined list of car manufacturers reaching agreement with Custom Automotive Sound Assn. on offering dealers delete options for standard radios (Vol. 19:33 p9). Toyota Motor Sales and Southeast Toyota Dis. (85% of U.S. Toyota sales) said dealers can delete standard radios in Celicas and Corona Luxury Editions. Firms agreed not do any U.S. installation of optional radios unless dealers order it. GM, Chrysler & Honda have reached similar agreements with CASA; suit against Volkswagen is pending.

Ghost elimination techniques are gaining more & more attention from engineers. Says veteran consulting engineer Howard Head: "The techniques are known, but they're still too costly. I think that within a few years set manufacturers will be offering ghost elimination in the high end of their lines."

Consumer Electronics Personals

David Arganbright, ex-RCA Consumer Electronics VCR mdsg. mgr., joins Magnavox as sales planning & administration vp, succeeding Vp **Robert McCarthy**, named Philips Hi-Fi Labs gen. mgr. last July (Vol. 19:32 p11). ... **Troy Kwit**, ex-Warner Bros., one-time ABC, joins United Artists as vp in charge of new Video & Special Markets Div., responsible for developing home video, pay TV & CATV markets as well as specialized theatrical distribution, merchandising & licensing activities.

Rand Bleimelster, ex-Allied Artists Video, joins Warner Communications Home Video Div. as national sales mgr. ... **John O'Donnel** appointed Sony Video Products product support services mgr., responsible for software market development. ... **Richard Salam** promoted at Panasonic Video Systems Div. from regional sales mgr. to CCTV national mgr. ... **Gary Carter**, ex-Bosustow Productions & Paramount Pictures, named Javelin Electronics national sales mgr. ... **Billie Brown**, ex-Cunningham & Walsh, appointed Corning corporate communications dir., succeeding **James Burt**, now investor relations vp.

Jay Clark, ex-Rockwell media relations mgr., appointed Ampex PR dir. ... **Margaretha Bystrom**, former Sony Industries ad mgr., named Fuji Photo Magnetic Tape Div. ad mgr. with responsibility for promotion & PR. ... **Stanley deSzamelt**, ex-Superscope national accounts sales mgr., appointed TDK midwest region sales mgr.; **Lee Adams**, ex-Federated Group & Pickwick International, named for west region.

James Garvey advanced at GTE from GTE Products Corp. asst. controller to Sylvania Distributor & Special Mkts. Div. controller, succeeding **John Nugent**, now Sylvania Electronic Components vp-controller. ... **Richard Anderson** promoted at Electra from credit mgr. to assistant to National Sales Mgr. **James Farland**. ... **Robert Treanor**, ex-Motorola Communications Div. mkt. planning mgr., joins Antenna Specialists as product mktg. mgr. for new RESCU emergency location system.

Robert Braverman, ITT vp, named group exec. of new Consumer Services, Publishing & Home Products Group. ... **Paul Hoppe** promoted at Switchcraft from engineer vp to mktg. & sales vp, succeeding **Gerald Mills**, resigned. ... **Eric McLeod** advanced at National Semiconductor to MR mid-range MPU mktg. mgr.

Ad notes: JVC launches multi-city spot TV & print campaign for metal tape cassette decks. Support program includes store demonstrations, seminars & sweepstakes. Campaign will stress that new metal tape decks provide superior performance even when standard oxide tapes are used. ... **BASF** fall promotion offers 2 for price of one to buyers of standard audio cassette, 3 for price of 2 chromium dioxide cassettes. ... Sony is spending \$2 million on hi-fi print campaign under slogan "We've never put our name on anything that wasn't the best." ... **Magnetic Video** appoints **J. Walter Thompson**, Detroit, as first outside agency. ... **Digital Equipment** names **Benton & Bowles** for worldwide corporate ads.

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with
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Sony unveiled 9 new industrial video products to be exhibited at Oct. 16-18 Video Expo in N.Y., including SLO-323 Betamax VCR with Betascan, dual audio tracks, at \$1,600; portable U-Matic at \$3,300; color portable camera with 2/3" MF Tricon tube at \$3,450; 2 programmable search controls, for 1/2" and 3/4" players at \$350 & \$400. More sophisticated one is capable of dividing tape into 63 segments, retrievable by either unit. Machines have already been introduced in Japan (Vol. 19:32 p10). Controllers will be available in Oct.-Nov., other hardware by year-end. Sony sales Vp Philip Stack says U-Matic introductions indicate "faith in both" formats, claims 3/4" sales are strong "as ever." Sony has supplied industrial Beta for more than 110 organizations, with 50 accounting for a least 2,500 machines.

Sylvania postponed to at least mid-Nov. introduction of Intellivision video game it planned to begin marketing Oct. 1 under license from Mattel (Vol. 19:25 p10). Earlier this year, Mattel said it would launch game in Aug., later changed that to simultaneous introduction with Sylvania. Company sources declined comment, but it's understood Mattel too, is now on hold. However, game is featured at \$250 in Penney's Christmas catalog, with cartridges for backgammon, blackjack & poker, armor battle, baseball, basketball & math game at \$22 each

Obituary

Jack B. (Kip) Anger, 53, Zenith Sales Co. western vp, died Sept. 26 in Anderson, Ind. He served in top positions with Zenith after joining in 1958 as mdsg. mgr., previously was Motorola asst. gen. sales mgr. after serving with Norge in various posts. He was widely recognized expert in motivation selling techniques & training, was one of industry's most popular public speakers. He is survived by wife, 4 children.

WEEKLY

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SUMMARY-INDEX OF WEEK'S NEWS

Broadcast

NBMC 'BOTTOM LINE' ON DE-REG. Blacks submit 35-point proposal to seeking assurances for black ownership, employment & programming before de-regulation is approved. Seek reservation of any new allocations for minorities as 'single most important proposal.' (P. 1)

FTC ON DEFENSE in Senate oversight hearing finale. Commissioners and staff explain kid ad rulemaking. ANA suit against kid ad rulemaking thrown out by court. Bailey nomination hearing scheduled. (P. 2)

'BLUE RIBBON' NAB STUDY looking 10 years ahead to be proposed by Evaluation Committee, which also wants another look at size of radio board. (P. 4)

NATPE CLAIMS 'FIRST' in trying to get trade associations together—but will join NAB in several ventures. (P. 4)

Consumer Electronics

COLOR SALES BOMBED in Sept., dipping to 9.1-million annual rate for month. VCR sales dropped 5.3%, but b&w rose 3.8%. (P. 6)

MAJOR PRICE HIKES in color sets may be necessary next year as Corning announces 20% glass increase. Tube makers had already sought 7-8% boost. If all hikes stick, they could increase 19" set by \$30. (P. 6)

DECISIVE VICTORY for VCR in Betamax court test should help manufacturers in advertising product uses. Sony wins on all points. (P. 7) Decision highlights. (P. 9)

VCR, TV IMPORTS dropped in Aug. Rise in incoming color cameras offset b&w decline. Korea seeks color chassis quota. (P. 8)

CBS INTO VIDEODISCS & cassettes through new operation, first titles possibly coming this year. Pioneer postpones scheduled Oct. disc announcement, still plans 3rd-quarter consumer market debut. (P. 10)

CHRISTMAS CATALOGS by Sears, Ward, Penney heavily stress handheld electronics. Penney features own-brand VCR line, but other ignore product. (P. 11)

ZENITH FORMS DATA DIV. to handle own-brand entry into computer systems market as Heath acquisition is finalized. (P. 11)

NBMC 'BOTTOM LINE' ON DE-REG.: "If America is to have a largely de-regulated radio industry, a TV system whose growth is altered by land-mobile growth in the UHF band and satellite-to-home broadcasting, a media industry dominated more and more by large conglomerates which cannot always be depended upon to insure equity for blacks and other minorities—then [FCC] must first assure, for black Americans, commitments of air time, resources, jobs and spectrum space for black Americans sufficient to meet our communications needs."

This is "bottom line" of 136-page petition—seeking major revisions in many FCC rules & policies, plus institution of many new ones—filed last week by National Black Media Coalition, which added: "To fail in this is to insure for America a future of racial misunderstanding, dishonesty, hatred and hostility and for black America a future of neglect, powerlessness, confusion and menticide in a communications-based society."

As its "single most important proposal," NBMC urged FCC to "set aside" for minorities any new assignments made available through spectrum re-arrangement—such as VHF drop-ins, reallocation of UHF's, clear-channel break-up, expansion of AM band or reduction in AM bandwidth.

Other specific NBMC proposals: Radio de-regulation—Continue ascertainment as "essential to our local system of broadcasting" but eliminate "the ritualistic, makework aspects." Preserve program guidelines for public affairs, access & PSAs. "We enthusiastically support the elimination of all commercial time rules." Eliminate logging requirements except for public

affairs, access & PSAs. Adopt FCC policy on racial defamation by broadcasters, "an area in which the industry has utterly failed to regulate itself." FCC should investigate "manipulation of radio station playlists." Protect & encourage black music formats. Create a research div. in Bcst. Bureau "to monitor the effectiveness" of de-regulation.

TV proposals: Require stations to air minimum 30 min. per week of local public affairs in prime time. Require itemization of minority programming in renewal applications. Public TV stations have "particularly strong obligations" to minorities and Commission should adopt "robust and solid guidelines to insure that this obligation is met." Inquiry into "overwhelming absence" of black programming & participation in public affairs shows.

Affirmative action & EEO: Form a Citizens Advisory Council on Equal Opportunity; Council also should examine "the dismal record" of cable industry in EEO. Require 40% of parity in minority employment by stations with more than 25 employees.

License renewals & revocations: "Automatic revocation hearing" if station doesn't broadcast at least 35 hours weekly. Expand available sanctions beyond "usually meaningless" forfeitures & short-term renewals, to include suspensions and requirement that station fund & operate minority training program.

Minority ownership: Re-open conglomerate inquiry, focus on local access, editorial independence, public affairs & minority programming. Waive top 50 policy only for minority owners. Prohibit new AM-FM combinations except for minority owners and give tax certificates in split-up of existing combinations only when sold to minorities. Permit distress sales at half market value before hearing, 1/3 during hearing, 1/4 after hearing, with assessment of market value made by 3 outside assessors. To be eligible, buying group would have to be 51% minority owned, maintain management control. FCC inquiry into "continuing practice" of rating services undercounting black audiences and alleged "colluding" of ad agencies with licensees to exclude entry of black owners into certain markets. Ban state- or regional-owned public TV networks and permit grandfathering only below top 150 markets. Make "explicit and stronger" minority preference in comparative hearings. Order expedited processing for renewals, transfers and new station applications by minorities.

Cable & satellites: Establish FCC Urban Cable Office to encourage minority ownership & employment. "We have taken a long, hard look at Comsat's satellite-to-home proposal [and] we have problems with it...lest many mom-&-pop stations providing the only local programming...could be driven out of business."

* * * *

Filing at FCC coincided with NBMC's convention in Washington last week, which heard Comr. Brown praise organization "as one of the most effective interest groups that we deal with at the Commission." He attributed this largely to efforts of Coalition Chmn. Pluria Marshall. Brown said groups "that do not represent vested business interests" are having positive impact at Commission, urged their increased participation. He also praised efforts of FCC Chmn. Ferris, said he has earned "support and confidence" of blacks. Brown defended his radio de-regulation proposals (Vol. 18:50 p5)—opposed by NCCB and other public interest groups—said they'll result in increase in access opportunities for minorities.

FTC ON DEFENSE: FTC got chance to respond to weeks of criticism on Capitol Hill last week as 4 commissioners and 3 senior staff members testified on last day of Senate oversight hearing. FTC kid ad rulemaking inquiry won small victory in D. C. Appeals Court when Court threw out suit by ANA, Kellogg & Chocolate Mfrs. against rulemaking procedure. And Senate Commerce Committee scheduled nomination hearing for Patricia Bailey—needed for FTC to reach quorum on kid ad rulemaking.

Senate Consumer Protection Subcommittee's sharpest questions on kid ad proceedings came from Chmn. Ford (D-Ky.). He asked why rulemaking began on broad issues rather than specific Commission recommendations. Chmn. Pertschuk is still barred by courts from kid ad rulemaking because of bias and Comr. Pitofsky disqualified self. Comr. Clanton said FTC

wanted to gather public opinions, would make specific recommendations, take comments on those, too.

Albert Kramer, FTC bureau of consumer protection dir., said FTC could come up with specific proposed rules 6 months after Commission has quorum. Comr. Dixon told senators that if staff recommended banning ads to children or banning ads at certain times of day, "there's a constitutional problem. I'd have to vote against banning ads." Sen. Warner (R-Va.) asked if FTC is pursuing voluntary ad standard possibilities. Said Kramer: "We regard industry action, such as the ABC initiative toward cutting ad time, as important, and we're in contact with the networks."

Tone of questioning was grim, occasionally acrimonious. Pertschuk told senators that "the painstaking and searching inquiry you have been conducting is neither a delight nor a pleasure." Commerce Committee Chmn. Cannon (D-Nev.): "I want to advise members of the FTC, as well as the other regulatory agencies over which this committee has jurisdiction, that we will be conducting the most vigorous type of oversight activities that your agencies have probably ever experienced." Former Senate aide said hearings had "toughest questioning I've seen in quite a few months."

FTC kid ad victory in ANA suit was expected. Court struck down suit because it came too early in rulemaking, but added that unique FTC procedures in rulemaking were "window dressing" designed solely to pass court review. Same court is still considering Pertschuk appeal of suit which barred him from proceeding because of bias (Vol. 18:45 p1).

Patricia Bailey, Republican nominee for 5th commissioner slot, is expected to receive grilling from Senate Commerce Committee at Oct. 10 confirmation hearings. Along with Bailey questioning, Subcommittee has scheduled brief period same day to allow other Senate and House members to speak on FTC.

"The government cannot be asked to impose its perceptions upon the broadcast industry," NAB told FCC in opposing request by NCCB that agency set ad limits for TV stations (Vol. 19:33 p2). NCCB request was based on Justice Dept. antitrust suit against TV Code, and NAB "scoffed at the presumption" that govt. would win suit, accused NCCB of "hiding behind the skirts of the Justice Dept." ABC asked FCC to use NCCB petition as vehicle "to reaffirm the benefits to the public interest of the TV Code's advertising limits." NBC said policy reasons against FCC adopting commercial time standards "are so compelling" it wouldn't even comment on merits of NCCB petition.

Franchise applications for cable in Brooklyn, Bronx & Staten Island will be accepted by Bureau of Franchises. It's also expected that new applications will be accepted for Queens, where franchise had been awarded to Knickerbocker Communications, Time Inc. subsidiary; court sent case back to Bureau after challenge by Orthovision.

Supreme Court has refused to review 1977 NBC-Justice Dept. antitrust agreement which prohibited network from holding interest in programming produced by others. CBS sought to kill agreement, claiming that it was "anti-competitive." Justice Dept. suits against CBS and ABC on same issue are pending.

Harte-Hanks acquires National Telecommunications Services, Alexandria, Va., price undisclosed, will expand cable acquisition activities. NTS chmn. is John McDonough, pres. Bruce Lovett, both former ATC vps. Harte-Hanks now has only one system—Pasadena, Tex.

King Bestg. purchases 4th TV station—KTVB Boise—for about \$14 million. Meanwhile, American Family Corp. (subsidiary of American Family Life Assurance Co.) is acquiring Black Hawk Bestg. in stock exchange worth about \$45 million. Black Hawk owns KWVL-TV Waterloo-Cedar Rapids, KTIV Sioux City & KAAL Austin, Minn., 4 radios, cable systems; some radios will be sold to comply with FCC one-to-a-market rule. Jack Harvey of Blackburn was broker. American Family currently owns 3 TVs, is acquiring WTOG-TV Savannah in separate transaction.

Three cable rulemakings regarding franchises have been closed out, FCC concluding that its change in policy—which deleted franchise standards in Sec. 76.31(a) of rules—made rulemaking unnecessary. Rulemakings involved: (1) Doc. 22019 covering due process. (2) Doc. 20022, on expiration, cancellation & continuation of service. (3) Doc. 20023, regarding ownership & transfers. FCC said it recognizes "importance and complexity" of Doc. 20022 but said problems can be resolved on local level.

NAB again opposed FCC-EEOC data exchange pact in reply comments to D.C. Appeals Court. NAB seeks end to data exchange in which EEOC determinations trigger FCC review of licensee EEO performance.

Staffers of House Communications Subcommittee, in preparation for FCC oversight hearings later this month, were rebuffed in effort to obtain briefing on work of Commission's children's TV inquiry staff (Vol. 19:39 p1).

'BLUE RIBBON' NAB STUDY: 'Blue ribbon' group, including non-broadcasters, to take a long-range view of where broadcasting will be 10 years from now, will be a major recommendation of NAB ad hoc Evaluation Committee to Exec. Committee in Washington next week. Evaluation Committee, headed by NAB TV Chmn. Robert King of Capital Cities, sees NAB responding rapidly to conclusions & recommendations of special study—expected to take 2-3 months.

Major emphasis would be given to determining if NAB is staffed & structured properly to respond to upcoming developments. Evaluation Committee also will recommend immediate study of size of radio board and geographical distribution of its 29 members. Several unsuccessful attempts have been made in past to reduce size of board. Among other recommendations:

Station Services Dept. should be renamed Bcst. Dept.; Engineering and Public Affairs Depts. should be headed by senior vps; more specific job descriptions for executives and closer evaluations of their performances; improved inner communications among NAB depts.

AP Broadcast news wire adds morning, evening & night news summaries ("Dawn Express," 4 a.m.; "Homeward Bound," 3 p.m.; "Nightcap," 9 p.m.). AP has standardized format of all news summaries, sent every hour, and eliminated dateline to make scripts more readable. "Shadows of the Seventies," 62-part series of one-min. scripts on 1970's, will be sent to AP radio stations twice daily starting in Dec. AP TV stations will receive whole series in late Nov.

Videocassette sales of PBS Video Program Service were \$167,577 for Jan.-June 1979, bringing 4-1/2 year total to \$936,164. VPS reports 1,294 purchases and 387 rentals for period, with 70 public TV stations sharing in royalties. Educational institutions accounted for 55.9% of bookings, public libraries 30.3%, business, industry, health care, etc., 13.6%. Among most popular programs were "College Can Be Killing" and "TV on Trial."

Warner Cable denies published report that it intends Dec. 1 start of commercial insertions on Star Channel pay-TV cable service. Warner spokesman says report was "apparently a misunderstanding." Warner continues to "look into the possibility" of "many new services" including advertising, he added.

NAB filing in U.S. District Court in TV Code case says Justice Dept. antitrust suit lacks substance, contradicts agency's past statements. Filing states Code "does not supplant competition in any shape or form..."

NBC TV, which lost VHF affiliate WDTN Dayton to ABC, will affiliate with Ch. 22 WKEF, current ABC affiliate, when switch takes place Jan. 1.

Streamlined broadcast rules index was released by FCC, volume reduced by 33%, subject & rule title entries alphabetized.

NATPE board has nose somewhat out of joint, what with NAB getting credit for forming Bcst. Inter-Assn. Council (Vol. 19:40 p3), pointing out NATPE made first move several years ago to get various TV trade associations under loose confederation; that effort was rebuffed by NAB. However, NATPE is going along with Council, plans several joint ventures with NAB: Co-sponsorship of June 25-27 children's TV conference; exchange of information among Exec. Committees; sending rep to other's board meetings; NATPE participation at NAB TV conference, to mention few. NATPE, however, refused NAB requests that each group's convention programming & formats be cleared with other in advance to avoid duplicated speeches, panels, etc. NAB agreed to reconsider March 18-21 dates for 1984 convention in Las Vegas because it comes too close on heels of NATPE convention same year. FCC Comrs. Lee & Washburn will appear at Feb. 16-21 NATPE convention in San Francisco, to be keynoted by ABC TV Stations Div. Pres. Richard O'Leary. Starting in 1984, NATPE will go to exhibit hall concept, abolishing traditional hospitality suites.

Pay-TV service of Spanish International Network should be operational Oct. 26 on 6-7 cable systems with about 40,000 subscribers in Fla., Colo., Tex., Ariz. and N.M. Teleprompter has bought Galavision for 2 systems, is expected to expand number to 20 Spanish-speaking markets next year. Acceptance of 70 hour-a-week SIN program package must await delivery of 2nd set of descramblers to cable operators already taking pay TV. TPT system in El Paso, for example, won't be able to take Galavision until Jan. Galavision is 80% feature films, 20% entertainment (including first-run miniseries made in Latin America), with sports due later. SIN has spent \$1 million for Hollywood studio and \$500,000 on satellite uplink, using 10-meter Scientific-Atlanta dish. Galavision is pegged at 50% of basic cable service, or \$3.50 a month, whichever is greater, making it slightly more expensive than HBO and Showtime.

Precedential decision by Judge Warren Ferguson in L.A. Dist. Court, which last week found no copyright violation in home taping of copyright TV programs, doesn't apply to pay TV or cable, which weren't involved in case. For details, see pp. 7 & 9.

Televising SALT debate in Senate may be possible, said Senate Democratic leader Robert Byrd (W.Va.). He favors idea if senators agree to limit time spent on treaty. "That would be my quid pro quo," he said.

NBC Evening News co-anchor David Brinkley has been relieved of that chore, at his request, will concentrate on commentary (at least 3 per week), political coverage & documentaries. Brinkley won't be replaced; John Chancellor becomes single anchor.

Atlanta City Council has voted 14-2 not to revoke Cox Cable's franchise following complaints that company is behind in construction schedule.

Personals

VOA Dir. **Peter Straus**, owner of WMCA(AM) N.Y., resigns at end of Oct., stating that President "Carter is badly served by his staff these days"... **Ron Tindiglia**, WABC-TV N.Y. news dir., appointed vp-news, CBS TV Stations Div... **Donald McGouirk**, ex-WCBI-TV Columbus, Miss., named vp-gen. mgr., WYEA-TV Columbus, Ga... **Jess Mooney** promoted to vp-gen. mgr., WTOC-TV Savannah.

Virginia Rush promoted to asst. gen. sales mgr., WICS Springfield, Ill... **Robert Hoffman** shifts from national to local sales mgr., WLS-TV Chicago... **Allan Fox**, ex-staff chief for Sen. Javits (R-N.Y.), joins Washington law firm Leighton Conklin & Lemov... **Frank Harold** elected exec. vp, Nielsen Marketing Research Group... **Oscar Katz**, ex-CBS vp-special projects, joins 20th Century-Fox as program consultant.

Willa Hoffner moves from Paramount Pictures pay TV to gen. mgr.-asst. to pres., Madison Sq. Garden Communications... **Richard Green**, ex-ABC, appointed engineering dir., Fiber Optics Div., Times Fiber Communications... **Thomas Delaney**, ex-Teleprompter, named cable services marketing mgr., Arbitron... **Loreen Arbus**, ex-ABC, appointed west coast program development vp, Showtime; **James Vaughan** promoted to engineering mgr... **Susan Perchonock** advanced to marketing mgr., Viacom Licensing & Merchandising Div.

Thomas Jordon promoted to mgr.-studio & control equipment product management, RCA Bcst. Systems; **Paul Farmer**, ex-Western Union, appointed public affairs administrator, RCA Americom... **Donald Maly**, ex-Computer Image Corp., named pres. of VAMCO, Tulsa-based equipment mfr. recently acquired by group headed by **Gene Randall**, vp-engineering & operations; **Gene Sudduth**, ex-Ampex, named vp-marketing.

John Chow, ex-JVC, named eastern regional sales mgr., Ikegami Electronics... **Jerry Mather** promoted to dir. of marketing support, Tocom... **E. Phil Smoot**, ex-Gulton Industries, appointed vp-gen. mgr., Oak Technology subsidiary Techno-Components... **Raymond Peirce**, pres. of Oak Technology, elected pres. of parent Oak Industries; **Gary Barbera** succeeds Peirce at Oak Technology.

Bonnie Adamson, ex-20th Century-Fox TV, appointed operations dir., Telepictures... **Donald McCrea**, ex-Warner Communications, moves to Warner TV as financial administration dir.

Wometco takes over STV subscribers of First Cine-Tel Metroplex in Morris, Somerset & Hunterdon counties, N.J. in deal with undisclosed price. First Cine-Tel will continue to market WHT's STV service to MATV, including hotels & apartments. First Cine-Tel doesn't provide STV programming, acting only as sales & service support for N.Y.-area STV.

"The Man from Atlantis" is said to be first U.S. TV series purchased by Chinese. It was sold by Taft H-B International.

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Teletext developments are subject of 160-pp. \$24.50 report entitled "Videotext: The Coming Revolution in Home/Office Information Retrieval" from Knowledge Industry Publications, White Plains, N.Y. Contents include chapters by Colin McIntyre, editor of BBC's Ceefax; Max Wilkinson, correspondent of Financial Times (London) and consultant Joseph Roizen, who represents France's Antiope system in U.S. & Canada.

Inter-American Assn. of Bcstrs. meets Oct. 9-13 at Mayflower Hotel, Washington. Keynoting meeting, sponsored by NAB & Canadian Assn. of Bcstrs., is Leonard Marks of Cohn & Marks. Other speakers: Jay VanAndel, Chamber of Commerce chmn.; George Beebe, World Press Freedom Committee; OAS Ambassador Alejandro Orfila.

REA will help finance its first 2 rural cable systems, in Kingfisher, Okla. (Broadband Services Inc.) and Harold, Ky. (Tel-Com Inc.). Okla. system will receive \$3 million to serve 3,400 homes; Ky. system will receive loan guarantee for \$2.8 million for 6,400 homes.

Obituary

Elmer Metz, 55, pres. of cable consulting firm Metz & Jarvis, died of stroke Oct. 4. Pioneer in cable, he was an early employe of Jerrold, also held interest in cable systems. Wife, son & daughter survive.

James F. Tighe, 53, vp-gen. mgr. of KTVE El Dorado, Ark. last 10 years and with parent Gray Communications since 1960, died Oct. 1 following heart attack. He also was Quaticha, Ark. county commissioner. Wife, 4 children survive.

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STATE OF THE INDUSTRY

Sales to dealers (total market), from EIA, for week ended Sept. 21 (38th week of 1979):

	Sept. 15-21	1978 week	% change	Sept. 8-14	1979 to date	1978 to date	% change
Total TV.	348,346	387,248	-10.1	335,689	10,884,060	10,867,387	+0.2
color	217,707	245,988	-11.5	201,827	6,774,046	6,905,764	-1.9
monochrome . . .	130,639	141,260	-7.5	133,862	4,110,014	3,961,623	+3.7
Home VCR	11,030	12,721	-13.3	10,245	277,812*	225,618	+23.1
Total radio	741,805	847,887	-12.5	585,346	29,574,086	33,596,686	-12.0
home, portable .	521,843	586,334	-11.0	371,867	20,215,770	24,406,971	-17.2
AM-only	87,062	142,604	-39.0	76,883	4,122,250	5,534,662	-25.5
FM & FM-AM .	434,781	443,730	-2.0	294,984	16,093,520	18,872,309	-14.7
auto	219,962	261,553	-15.9	213,479	9,358,316	9,189,715	+1.8

Color TV 5-week moving average: 1979—195,740; 1978—224,779 (down 12.9%).

Home VCR 5-week moving average: 1979—9,620*; 1978—9,537 (up 0.8%).

*Record for period.

'BIG SEPT.' A COLOR SALES BUST: Sept. traditionally is year's best month in color sales to dealers. It maintained this tradition in 1979—by a whisker. But it was only 4th best Sept. in history, with sales of about 1,055,200, down 12.7% from 1,208,070 a year earlier.

Although 9-month sales are still at better than 10-million annual rate, Sept. came in at just under 9.1 million—and all signs indicate year's total should be around 9.8 million at current pace. Final Sept. week wasn't best of year (though it usually is), saw sales of 282,400, down 13.5% from 1978 week, was 9th consecutive week of color declines.

Home VCR sales for Sept. totaled 53,735, down 5.3% from year earlier. Final week of month was year's best, but at 16,800 it fell just 1% short of breaking record set same week last year. B&w continued to be bright spot, Sept. sales of 693,000 beating 1978 by 3.8%.

Some improvement in color figures can be expected in Oct. as result of Oct. 8 end of 9-week strike at Sanyo Mfg., believed to supply more than 5% of U. S. color sets.

TV FACES BIG TUBE PRICE HIKE IN '80: After more than 10 years of stability—and even declines—color picture tube prices threaten to move sharply higher next year. Some picture tube manufacturers have been talking in terms of 7-8% increase to set makers—but that was before bombshell announcement by Corning of 20% hike in picture tube glass prices effective Dec. 21.

"If we simply pass on the 20%" in addition to other planned tube increase, one tube maker noted, "that would mean a rise of probably 13% or more." Such an increase, he forecast, could force \$30 hike in list price of 19" set which now sells for \$400.

Corning's price hike is certain to be resisted by tube makers, and tube makers' hike is certain to be resisted by set makers. Last Corning glass increase, an announced 3-5% in Jan. 1976, was gradually dissipated. By same token, tube industry attempts to raise prices collapsed in Feb. 1975, Jan. 1976 & Jan. 1977. But in those years, tube plants were hotly competitive because of excess capacity. Today, American color tube factories are operating at or near capacity, and story may be somewhat different.

Tube makers acted shocked by at least size of Corning's planned hike. "We will continue to resist any price increase in glass or any other components in these inflationary times," said one. Added another: "The tube price increase is definite. The glass increase is probably legitimate, but it will be fought vigorously."

Average 19" tube currently sells to OEMs at about \$65. Glass price increase alone, if just passed along, would increase this by \$3.50-\$4. It would increase 25" tube (at \$85) \$4.50-\$5. Both glass & tube makers blamed sharply higher material & energy costs and secondarily cost of labor. Tube industry relies heavily on such metals as lead & silver, which have gone sky-high, and requires great amount of heat to make both glass and finished tubes. This time, it appears some kind of increase is coming—just when industry needs it least.

DECISIVE VICTORY FOR VCR IN COURT TEST: Decision by Judge Warren Ferguson in copyright lawsuit brought by MCA & Disney was all-out victory for Sony—and VCR industry & VCR-owning public. In virtually every aspect of 3-year-old case, the L. A. judge upheld defendants (which also included Sony's former ad agency, dealers, one Betamax owner). In nutshell, ruling was: "Non-commercial home-use recording of material broadcast over public airwaves does not constitute copyright infringement."

Based on judge's rulings & comments during trial, it generally was expected that movie makers' arguments would be rejected, but it was thought that decision might be made on narrow legal grounds. Even Sony lawyers were surprised by their clear-cut victory, and Ferguson made point in 102-page decision of calling litigation a "test."

Effect of ruling on VCR-owning consumers: Nil. They would have gone on taping from air, no matter what the outcome. Effect on VCR manufacturing & marketing industry: It makes life easier. As one company spokesman put it, VCR ads now can make "specific appeals" about major purpose of recorders—taping broadcast programs and building program libraries. "We had to tiptoe around that point."

Very nature of decision makes success of appeal unlikely. On heels of Oct. 2 ruling, MCA & Disney announced they were taking case "immediately" to 9th Appeals Court. (Ferguson, just elevated to 9th Appeals Court, may get there at same time his last Dist. Court opinion arrives.) Ferguson said MCA-Disney arguments didn't hold up under either old or new copyright laws, indicated that relief they wanted could come only from Congress, not courts. With lobby of nearly million home VCR owners in place already, legislation to restrict VCR use would be highly unlikely.

Not only did judge rule that no copyright infringement had taken place, he commented that even if it had, neither Sony, its ad agency nor retailers would be liable. He added insult to injury by turning statements of MCA Chmn. Lew Wasserman & Pres. Sidney Sheinberg in favor of defendants. Sheinberg had described TV ratings, mentioned as means of determining economic harm of off-air recording, as "black art." Wasserman had downplayed "forecast of doom" that entertainment industries would be hurt significantly by new technologies. MCA Attorney Stephen Kroft told us Wasserman "wouldn't have brought the lawsuit if he didn't feel this [danger] strongly."

But Ferguson, who displayed show-biz savvy in his rulings & decision (peppering his text with such expressions as "miniseries," "sweep periods" & "counter-programming"), concluded: "TV production by plaintiffs today is more profitable than it ever has been, and, in 5 weeks of trial, there was no concrete evidence to suggest that Betamax will change the studios' financial picture."

Judge touched on audio tape recording, using it as precedent for video ruling. He probably dashed some hopes by indicating that home taping from radio or records for personal use violated no law. However, he specifically said his decision didn't apply to pay TV, cable, tape-swapping or duplication of tapes "within the home...by individuals, groups or corporations."

In addition to loosening marketers' self-imposed restrictions on advertising, decision might have effect of bringing more pre-recorded titles to market if copyright owners want fair

value for them. Although he said litigation wasn't "determining factor," MCA's Sheinberg told us videocassette catalog is now "absolutely possible."

Another potential impact: "It violates integrity of copyright regardless of how it is interpreted," lamented Pres. Albert Berman of Harry Fox Agency, which acts as clearinghouse for use of music. Berman predicted major suit involving music on pre-recorded cassettes next year. Thomas Brennan, senior member of Copyright Royalty Tribunal, thinks "prospects of relief" for audio copyright owners are "somewhat diminished." Tribunal has just completed survey of 1,500 households and 500 teenagers on extent of taping from radio & records, will issue results Nov. 1. (For excerpts from Betamax case ruling, see p. 9.)

VCR, TV IMPORTS DOWN IN AUG.: Color cameras were only highlight item for video equipment importers in Aug., and month's sharp increase pushed them ahead of b&w cameras on cumulative basis for first time, Commerce figures show. Aug. imports of b&w cameras continued decline, while TV shipments dropped markedly, due in large part to unexpectedly steep decline for b&w.

VCR import total, which includes non-consumer models, dropped 5.4% in month to 46,800, bringing 8-month total to 336,600, up 5.8%. Monthly figure is about 10% below expectations, considering Japan's July exports-to-U.S. of nearly 52,000. Sept. imports, which will include record 65,400 Japan shipped in Aug., should show marked increase over Sept. 1978 total of 35,800. Aug. color camera imports of 6,400 were triple those of Aug. last year, bringing year-through-Aug. to 48,800, up 278.5%. For b&w cameras, it was 6th monthly decline in row, with Aug. off 72.9% to 3,800, leaving cumulative total at 48,500, down 32.3%.

In TV, month's imports of 712,600 were down 31.1%, as color dropped 36.4% to 270,100, b&w fell 27.4% to 442,600. For full period, total TV imports were down 10.8% to 6.22 million, with color at 2.53 million, off 18.7%, b&w at 3.7 million, down 4.4%.

Aug. color imports included 98,300 complete sets, down 60.2%, 171,700 chassis and kits, off 3.3%. For 8 months, complete color imports were down 42.5% to 979,000, while incompletes were up 10.3% to 1.55 million. While Japan, Mexico and, to lessening degree, Taiwan, are major source countries for incomplete color, Singapore and, in last 2 months, Philippines, are starting to move in, with monthly imports running about 2,000 each. Several producers have capacity for chassis assembly in Singapore, including Matsushita, Hitachi, Mitsubishi & Philips (for Magnavox), while shipments from Philippines are believed to come from just-established Matsushita plant.

Color chassis issue is expected to figure prominently in trade talks between U.S. & Korean officials in Seoul this week. Phase One of 10-month quota pact limiting Korean color exports of all types to U.S. to just over 19,000 monthly expires at month's end. Full agreement is supposed to expire July 1, along with similar quotas on shipments from Japan & Taiwan. Koreans want to re-negotiate. Key complaint is that Korea alone has no incremental quota for chassis & kits, so Korean producers can't economically follow lead of Japan & Taiwan makers and set up U.S. assembly operations. Probability is that U.S. negotiators will refuse to change current agreement but will promise adjustment if restrictions are extended.

Coleco is suing to invalidate what Mattel claims is basic patent for hand-held electronic obstacle-type games. Patent (4,162,792) recently issued to Mattel covers simple game now being imported in quantity from Far East which requires player to move object LED through group of IC-controlled LEDs. Available in various formats, such as football, hockey, soccer, basketball & combat, games retail in \$14-\$20 range. Suit was prompted by infringement notice sent to Coleco, and Mattel says it will launch "comprehensive enforcement program" soon. Coleco Pres. Arnold Greenberg said suit would cause no interruption in game shipments, told us firm expects to receive 4 patents covering game features in near future, would take action against infringers.

First standards for measuring performance of car stereo systems by ad hoc committee of producers & marketers cover amplifiers, FM tuners & tape drives; 22 companies have agreed to bring product literature into conformity by June 1. Upcoming are standards for AM tuners, speakers. Details: Marshall Brown, Craig Corp., 921 W. Artesia Blvd., Compton, Cal. 90220.

Columbia Pictures' Home Entertainment Div. appoints sales reps for pre-recorded videocassette line covering metropolitan N.Y.; eastern Pa. & Del.; Md., Va. & D.C.; northern Cal. & northern Nev.; N.D., S.D., Minn., Wis., Ill. & Mich. First 20 titles have just gone on sale (Vol. 19:36 p10).

SONY DECISION HIGHLIGHTS: Excerpts from 102-page decision in Betamax case by Judge Walter Ferguson (see p. 7):

"Neither the [old or new copyright acts] gave copyright holders monopoly power over an individual's off-the-air copying in his home for private, non-commercial use. This Court is not deciding whether tape duplication, or copying from pay TV, is prohibited. Nor is this Court ruling on off-the-air recording by individuals or groups for use outside the home. Even if the Copyright Act did prohibit home-use copying [the defendants] would not be liable under any of the theories of direct or contributory infringement or vicarious liability. . .

"The ramifications of this new technology are greater than the boundaries of this lawsuit. A court reviewing the limited claims of specified parties in a particular factual setting cannot & should not undertake the role of a govt. commission or legislative body exploring & evaluating all the uses & consequences of the videotape recorder. . ." On other issues raised at trial:

In-store demonstrations: "Facts supporting these allegations [of illegality] are weak. . . This cause of action against retail stores is without precedent. There has been no suit to challenge photocopying to demonstrate a photocopier, playing a record to demonstrate a stereo system, or recording off a radio to demonstrate a recorder."

Liability of manufacturers: Sony makes & markets Betamax & tapes, but doesn't "loan or otherwise provide the copyrighted work" and had no employee directly involved "with the alleged infringing activity" or with purchasers who made off-air recordings. "Defendants. . . could not know what copyright law was required. Before this lawsuit, that issue had not been determined. . . Even if this finding were incorrect, defendants could not be held responsible for knowing otherwise."

Injunctive relief: Injunction halting Betamax sale "would deprive the public of new technology capable of non-infringing uses" and "enforcement would be impossible, and in any event highly obtrusive," requiring "extensive inquiry into activities of Betamax owners in their homes."

Shows & seminars: (1) International Video Music Conference Nov. 15-18 at Hollywood's Sheraton-Universal Hotel, sponsored by Billboard magazine, will feature MCA Pres. Sidney Sheinberg, Pickwick's Charles Smith, RCA's Robert Summer, hardware update chaired by ITA's Larry Finley, with participation of many record & video software company executives. . . (2) Video '80 Berlin, May 5-7, international exhibition & seminar, sponsored by German Radio & TV Assn. and Assn. of German Radio & TV Wholesalers.

Korean color tube glass plant planned by Samsung Corning will be built at cost of \$82.9 million, have 2.3-million annual capacity. Construction is due to start in April with Sept. 1981 completion target. Separate Samsung venture will build tubes under license from Japan's NEC (Vol. 18:18 p12).

Japan-China plan for joint development of Chinese consumer electronics manufacturing venture may be falling apart. Plan, developed by Matsushita founder Konosuke Matsushita, called for creation of consortium of Japanese producers which would invest \$65 million, contribute technology to production in exchange for 50% share of business (Vol. 19:29 p10). While Chinese govt. expressed willingness to accept plan in principle if Japan would come up with additional financing, Japanese manufacturers attending EIA-J-sponsored meeting last week decided to put project on hold pending further study. Major influence appears to have been strongly negative view expressed by Sony Chmn. Akio Morita, who returned from China just before meeting. He said China lacks basic industry & skills, is not in position to accept project of such size & complexity. Sanyo is only major company, aside from Matsushita, to have publicly agreed to join consortium. Opposition of several other manufacturers centered on desire to make individual deals with Chinese and concern that western nations would think Japan was trying to lock them out of Chinese market.

Japan Electronics Show, which opened 5-day run Oct. 5 in Osaka, featured these new video products: (1) By Matsushita, projection TV with 14-ft. screen, shown in consumer products exhibition hall along with 292 other new products & developments. (2) Also by Matsushita, color camera with single 2/3" vidicon tube, weighing 3.3 lb., with upright shape similar to super-8 camera, expected to be priced about \$700 in Japan. (3) By Mitsubishi, portable VCR-camera outfit. VCR, at about \$1,050 in Japan, features still- & slow-motion viewing without noise-bars, controlled by wired remote, with "automatic editing" features permitting editing without loss of sync. VCR weighs 17.4 lb. (21.6 lb. with battery). Camera weighs less than 4 lb., has single 2/3" vidicon, through-lens viewing, will sell at about \$640. In U.S., Magnavox introduced lightweight (4-lb.) camera with 5X power zoom, through-lens viewer at \$975.

Sony will spend \$25 million to expand video-cassette tape & housing plant in Dothan, Ala. Capacity addition is due for completion by next spring, and employment will be increased to about 1,500. Sony opened plant in Feb. 1977 and immediately announced plan to double capacity. Latest addition will raise Sony's investment in Dothan to \$75 million. Sony currently produces Beta & U-Matic video-cassettes there for sale in U.S., Europe & Japan, will add audio cassette packaging when export-assembly facility in Nuevo Laredo, Mexico goes on stream.

China will buy more than million b&w TVs this year from Japanese manufacturers and their subsidiaries in other Far East countries, Japan's Finance Ministry estimates. Only about 20,000 were bought in 1978.

Title picked for industry promotion film produced by EIA Consumer Electronics Group: "The Link Between Us. . . Electronics." First screening is in N. Y. this week, followed by Oct. 15 showing in Washington, Oct. 23 in San Francisco.

CBS INTO VIDEO DISCS: CBS Records has established top-level video operation and hopes to offer home videocassette programming before year's end, eventually enter videodisc programming. Operation will be conducted under "new ventures" group headed by CBS Records Pres. Walter Yetnikoff, while some of his duties in audio records will be taken over by M. Richard Asher, ex-pres. of CBS Records International, now deputy pres. & chief operating officer of CBS Records.

CBS Records will form totally new video div., which will function parallel to existing audio record organization, to offer material developed for other media as well as original video programming. New operation is expected to be in place by year's end, with first announcements on structure and program plans coming as early as end of Nov. New div. is expected to establish own disc mastering & replication capability as soon as successful formats are evident. Official told us last month that CBS is "currently in the shopping-evaluation mode" on videodisc formats. Yetnikoff forecast home video programming would become "multi-billion-dollar business" within decade and CBS would do "whatever it takes" to get share.

CBS's action comes on heels of establishment of ABC Home Video, which plans to go into virtually all phases of video programming & sales (Vol. 19:29 p8). ABC last week established ABC Learning Resources Co. to supply information & training films to industry & education "in all formats" including film, already claiming more than 2,000 customers.

Next to announce video programming venture could be RCA Records. In videodiscs, Records is expected to cooperate with RCA Consumer Electronics in supplying discs to hardware dealers as well as record stores.

Meanwhile, videodisc activity is accelerating both at RCA Consumer Electronics and corporate levels. At N.Y. hq, Selectavision activity has been moved from RCA Bldg. to entire 12th floor of 10 Rockefeller Plaza next door, which will be location of executive offices, demonstration room and projection-TV theater. Production equipment is being moved into Rockville Rd. plant in Indianapolis, and parking lot there is gradually filling up with new employees' cars. RCA will announce disc plans in Dec.

Two of top developers of RCA videodisc system are moving to high posts in 2 closely related operations in Stamford, Conn. Thomas Callahan, former staff vp, Selectavision videodisc, currently serving as head of NBC's computerized Management Information System, will go to Thomson-CSF Labs in undisclosed post. Donald McCoy, former staff vp, Selectavision mfg. & engineering, later at RCA Labs, recently was named pres. of CBS Technology Center (Vol. 19:39 p6). Both ended active participation in SV project when it moved from R&D to pre-production engineering. T-CSF Labs & CBS Technology Center both were created from former CBS Labs. T-CSF is selling optical videodisc system for commercial-educational use (Vol. 19:39 p11).

Pioneer has postponed scheduled Oct. announce-

ment of plan for entry into U.S. consumer optical videodisc player business, though it's understood company still intends to start test marketing here by 3rd quarter next year. Players are to be produced in Japan by Universal-Pioneer (U-P), which now turns out MPU-controlled institutional players for Discovision Assoc. (DVA), recently formed disc manufacturing venture of MCA & IBM (Vol. 19:37 p7). In forming venture with IBM, MCA transferred its 50% interest in U-P to DVA, and delay in Pioneer's consumer player program is to allow U-P & DVA time to coordinate production and expansion programs, informed sources indicate.

Japanese are speculating that Philips will introduce videodisc player and Video 2000 VCR format in Japan, on basis of announcement that Dutch company is forming wholly owned subsidiary there, to market audio equipment & hearing aids, at first. New Philips Kaden, capitalized at about \$50,000, reportedly will open sales offices in at least 7 cities, will be headed by C. Bossers, who also is pres. of Nihon Philips, distributor of electric housewares, jointly owned with Matsushita. Sharp is Japanese licensee of Philips videodisc system, and Universal Pioneer makes compatible MCA disc players there.

Hitachi will halt b&w TV & b&w tube production in Japan, shift operation and equipment to Taiwan, where most of its b&w sets are already being assembled. Only volume b&ws Hitachi currently makes in Japan are radio-cassette combos. Toshiba dropped b&w as prime activity in Japan last year, though it still makes a b&w combo, and subsidiary turns out tubes there.

TELEVISION DIGEST ON VIDEOCASSETTE

Television Digest Video Edition is a series of videocassettes, issued as events warrant, giving news & demonstrations of important developments in consumer electronics & related fields. The first Video Edition is an on-the-spot color videocassette report of major developments at the recent Internationale Funkausstellung in Berlin. This cassette contains detailed demonstrations & explanations of 2 new VCR formats scheduled for introduction next year—Philips' Video 2000 and BASF's American-made LVR.

Other highlights of the Berlin show in the tape include brief reports on teletext & viewdata, projection & mini-TV and glimpses of the Berlin show, as well as a photo and short discussion of the mysterious Blaupunkt "Mini-Maz" hand-held VCR, scheduled for exhibition, but withdrawn from show at last minute because of dispute with BASF (Vol. 19:35 p6).

Television Digest Video Edition, Vol. 1 No. 1, is \$250 per cassette; price includes permission to make up to 10 copies for company use. It's available in Beta-1, Beta-2, U-Matic & VHS formats. Copies in European PAL color standard will be supplied on request. For information & orders, call our N.Y. (212-355-5611) or Washington (202-872-9200) office.

CHRISTMAS CATALOGS: Among Christmas mail-order catalogs, only Montgomery Ward stresses price cuts on TV. Sears & Ward don't even show VCRs, while J.C. Penney makes big inside-front-cover splash with complete VHS line under own name (Vol. 19:34 p8). All 3 devote many pages to hand-held games, language computers, etc.

Sears features different color TV selection from fall-winter catalog, reinstating some models from spring-summer & fall 1978 books. Color offerings start with 13" at \$290 (replacing wood-grain model at \$320), 19" at \$340 (down \$70 from fall 1978 book but far from fall 1979's 19" starting price of \$299), with pushbutton varactor remote at \$460 (same price as similar fall set without remote), stepping to VIR-equipped keyboard remote at \$590. Console series starts with 25" at \$500 (down \$50 from spring book), furniture pushbutton-tuned series of 3 at \$600 (down \$100 from spring book), 3 remotes at \$700 (down \$150 from spring book). B&w sets are 5" AC-DC mini with FM-AM at \$165 (unchanged), 12" AC at \$78 (unchanged) & \$85 (down \$13 from spring book), 12" AC-DC at \$118 (down \$40 from spring book).

Sears features Atari-made Video Arcade TV game at \$155, lists 31 cartridges in 2-page spread; Pong at \$25, Motocross \$35, devotes 2 pages to Atari 400 personal computer (\$549), accessories & cartridges; 12 pages to calculators, learning games & handhelds, including Sears-brand number games at \$15; Craig translator is listed with no brand-name; included are Chess Challenger, Bridge Challenger, Backgammon Challenger; handheld games, under Entex & Sears names (latter \$20), occupy 2-page inside-back-cover spread. Sears gives 10% discount on orders placed through Oct. 17.

Ward color specials: GE-made 10" at \$245 (down \$30 from fall book), 19" leader at \$350 (down \$100), pushbutton-tuned 19" at \$370, keyboard remote at \$490 (down \$70). Consoles start with 21" at \$399 (down \$30), 25" at \$470 (down \$50), double-sided console at \$550 (down \$90), single-knob quartz-tuned version \$600 (down \$130), 2 keyboard remote consoles at \$790 (down \$100), 2 at \$800 (down \$110). In b&w, 5" mini with AM-FM is \$148 (down \$20), 12" AC \$98 (down \$40), 19" \$148 (down \$10).

Ward offers Lexicon translator (\$140 without modules); Chess, Bridge & Backgammon Challengers; Fairchild Channel F video game \$100 (down \$50), APF programmable \$140 (down \$50), inside-back-cover 2-page spread on handheld games, including Mattel, Simon, Merlin, Coleco's Zodiac. Back cover features compact stereo system (\$240, down \$40) & multi-band radios.

Penney video equipment is listed at prices slightly lower than in its retail stores. Matsushita-made standard VHS recorder is \$988, programmable \$1,188, portable \$990, tuner-timer \$295, 7-day programmable varactor tuner-timer \$395, optical color camera \$790, thru-lens-finder camera \$990, telecine accessory \$149. Various portable-tuner-camera combinations are priced at saving of \$225 over items purchased separately. All VCRs are 2-4-hour speed. Penney spokesman says that while catalog buyers will only be able to order 2-4-hour VHS VCRs, firm

expects to have newer 2-4-6-hour units available in stores, at somewhat higher prices, by early Nov.

Penney lists only 4 TV sets—13" color at \$279 (down \$40), RCA-made 19" remote \$479 (down \$60); b&w mini 5" with AM-FM & digital clock alarm at \$204, 4" with cassette \$254. Penney features Atari 800 computer at \$995, accessory floppy-disc recorder & printer, Craig translator at \$170 (down \$30), Chess & Bridge Challengers, Mattel Intellivision video game \$250, Atari Ultra Pong \$19, 3 pages of handhelds from Mattel, Atari, others. Back-cover feature is 5-piece modular stereo component system including cassette deck & 23-watt receiver at \$399 ("save \$300").

ZENITH INTO DATA PRODUCTS: Industry speculation that interest in data processing was major consideration in Zenith's planned \$64.5-million acquisition of Heath was confirmed last week when Zenith announced: (1) Completion of purchase of kit, computer product & educational products producer and retail chain operator. (2) Formation of new Zenith Data Systems Div., with Edward Roberts, former corporate treas., as gen. mgr.

New unit will be responsible for developing line of Zenith-brand microcomputer products & systems related to small computer field, for homes & businesses. Line will be marketed through data products distributors, retail computer stores, OEMs & packagers. It also will be sold through 55 Heathkit Electronic Centers, be included in Heath mail-order catalog.

Zenith isn't first to put consumer electronics logo on data equipment. RCA, through Solid State Div., has been active for 2 years, and Sylvania is slated to start marketing Mattel's convertible-to-computer Intellivision video game next month. Move does, apparently, put end to persistent rumors of data-product tie-up between Texas Instruments & Zenith. Reports of such deal were sparked earlier this year when it was announced TI would buy color TV displays for home computers from Zenith.

Meanwhile, TI is borrowing leaf from Radio Shack's successful computer marketing book and expanding own chain of specialty retail stores. Subsidiary TI Supply opened new outlet in Seattle area last week, bringing number in operation to 10, may open 4 more by year's end. TI had only 3 owned stores at end of 1978. Stores carry complete TI consumer products line, provide training in use of more items, such as learning aids & programmable calculators.

Despite generally sagging industry sales in U.S., new small-computer market entries keep popping up. Both Sharp & Toshiba, which are offering models in Japan, say they expect to start exporting to U.S. next year. Tandy, Radio Shack's parent, previously announced plan to add home model to current small computer line in 1980. In Germany, business equipment maker Triumph-Adler added personal computer to line at \$1,000, said exports to U.S. are possible, but no plans have been made.

Consumer Electronics Personals

John Bubbers, ex-Celestion & ADC, appointed Dynaco pres... David Wolff promoted at York from exec. vp to pres., succeeding Alvin Tanenbaum, who continues as chmn... William Kopp, ex-Macy's, joins Panasonic Portable Audio Div. as Radio Dept. national sales mgr.; Michael Dollacker advanced at Video Systems Div. to northeast region mgr... Mark Yamagata promoted at Tandy International Electronics to U. K. mdsg. mgr... Phillip Goldstein, ex-Hitachi, appointed JVC Hi-Fi Div. national field sales mgr.

Jerry Weiss, ex-Danville Industries, named east region sales mgr., Sharp Consumer Calculator Div... John Parkhurst, ex-Gusdorf, appointed Bush Industries sales dir.; Steven Harvey named controller... Don Bryson, ex-Intel, appointed Apple Computer new product development mgr... Scot Edwards, ex-Cardinal Sales, appointed Maxell product & ad coordination mgr.

Alva Way resigns as GE senior vp-finance to join American Express, Nov. 1, as vice chmn... Glenn Ronk appointed Sola Basic Industries group exec., succeeding Frank Roby retiring; John Hutson appointed Sola Electric pres., replacing Ronk... Francis Connolly named Sylvania Chemical & Metallurgical Div. controller, succeeding Arthur Weber, now GTE Telecommunications Systems Group vp-controller... Phillip Drayer, ex-Mostek, joins Hitachi Semiconductor as mgr. of new Irving, Tex. plant... George Beylouny advanced at Murata America to senior vp & components gen. mgr.; John Driscoll, ex-Sprague, joins as sales & mktg. vp, succeeding Beylouny; Fred Fernandez, ex-AVX, appointed regional sales mgr.

VCRs are leading general consumer electronics market recovery in U. K., BREMA figures show. Trade group put factory VCR deliveries (all imports) in year's first 7 months at 100,000, up from 29,000 in same period last year. In color TV, shipments rose 6.1% to 955,000, as imports jumped 57.4% to 269,000, offsetting 5.9% drop to 686,000 reported for domestic factories. Figures exclude deliveries of Matsushita & Sony plants there. Other total-market figures for period: B&W TV 751,000, up 28.4%; portable radios 2.67 million, up 9.7%; stereo systems 464,000, up 7.2%; AC-only radios (excluding clocks), tuners, receivers & combinations 201,000, up 28%; phonos & record players 318,000, up 60.6%.

Fujitsu acquired 10-acre plant site in San Diego for \$1.9 million, says it will spend \$10 million to build 66,000-sq.-ft. IC memory & test facility there, operations to start by end of 1980. New subsidiary, Fujitsu Microelectronics, has been set up to run plant, with Matami Yasufuku, a director of parent, as pres., Fujitsu America Pres. Norihiko Nakayama chief operating officer. Plant will employ 150 at start, may build to 400 within 3 years. NEC says it's shifting U. S.-market production of some of own-brand LSIs from Japan to subsidiary Electronic Arays. Output of NEC-brand devices is slated to start in Feb. at 100,000 monthly rate.

Financial Reports of TV-Electronics Companies

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

Company & Period	Revenues	Net Earnings	Per Share
AEL Industries			
1979-26 wk. to Aug. 31	29,647,000	628,000	.33
1978-26 wk. to Aug. 25	27,841,000	992,000	.53 ^a
1979-13 wk. to Aug. 31	14,620,000	182,000	.10
1978-13 wk. to Aug. 25	13,712,000	512,000	.27 ^a
Cablecom-General			
1979-9 mo. to Aug. 31	27,681,045	3,771,142 ^b	1.47
1978-9 mo. to Aug. 31	25,039,061	3,576,872 ^b	1.39
1979-qtr. to Aug. 31	10,762,721	1,443,325 ^b	.56
1978-qtr. to Aug. 31	10,001,278	1,280,483 ^b	.50
Gray Communications Systems			
1979-year to June 30	23,752,145	1,752,660	3.52
1978-year to June 30	18,043,685	1,341,750	2.81
Lafayette Radio & Electronics			
1979-year to June 30	65,711,000	(14,565,000)	--
1978-year to June 30	75,889,000	(8,039,000)	--
1979-qtr. to June 30	10,515,000	(4,889,000)	--
1978-qtr. to June 30	16,775,000	(3,822,000)	--
National Semiconductor			
1979-16 wk. to Sept. 16	242,070,000	12,528,000	.93
1978-16 wk. to Sept. 17	184,163,000	8,752,000	.65
Reeves Teletape			
1979-year to June 30	30,502,000	2,288,000 ^c	1.01
1978-year to June 30	17,355,000	787,000	.36
United Cable TV			
1979-qtr. to Aug. 31	10,002,000	1,425,000	.35
1978-qtr. to Aug. 31	6,427,000	745,000	.18 ^a
Video Corp. of America			
1979-year to June 30	9,421,000	302,000 ^d	.27
1978-year to June 30	6,543,000	(12,000)	--
Wometco Enterprises			
1979-36 wk. to Sept. 8	209,951,000	13,801,000	1.61
1978-36 wk. to Sept. 9 ^e	189,436,000	13,522,000 ^b	1.59
1979-12 wk. to Sept. 8 ^f	75,204,000	4,892,000	.57
1978-12 wk. to Sept. 9 ^e	70,358,000	6,390,000 ^b	.75

Notes: ^aAdjusted. ^bIncludes special credit. ^cRecord. ^dAfter special charge. ^eRestated.

Lafayette reported sharply higher losses in fiscal 4th quarter and year to June 30 on sales declines of 37.3% & 13.4% (see financial table)... Video Corp. of America reported sales for year to June 30 were up 43.9%, but income from continuing operations was down 22.8% to \$335,000. Loss for 1978 was after \$446,000 deficit from discontinued operations. Net for fiscal 1979 was after \$8,000 loss from discontinued operations and special \$25,000 debt retirement charge... Toshiba plans to raise \$50 million through sales of 15-year 7.5% convertible debentures to be offered on international markets, but not in U. S.

Industry moves: Melco Sales (MGA & Mitsubishi brands) moves exec. offices and marketing operation to new 14,000-sq.-ft. hq at 3010 E. Victoria St., Compton, Cal... Magnetic Video has opened new hq at 23689 Industrial Park Dr., Farmington Hills, Mich., Sept. 11.

JVC will expand VCR production in Japan, increasing capacity to 75,000 monthly by next spring from present 50,000. Matsushita's current capacity is 75,000, but it's manufacturing about 60,000 monthly. Sony has 60,000 capacity.

WEEKLY

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NETWORK INQUIRY TO REPORT: Staff says that FCC has direct jurisdiction over TV networks but that agency shouldn't get involved in network-affiliate relationships. (P. 1)

SATELLITE TV IN 1980: Launch of new Satcom opens way for new pay & basic services, clears transponders for broadcasters. (P. 2)

PUBLIC INTEREST SPLIT WIDENS as Wilcher is expelled by NBMC for 'conduct detrimental' to black public interest group. Coalition also refuses to support Citizens fund raising. (P. 2)

COPYRIGHT WRANGLE: Claimants meet with Copyright Tribunal after failure to agree on division of \$12-million pie. (P. 3)

CABLE & RECESSION: Tight money prospects bring pro & con reactions at PSSC meeting. (P. 4)

FTC KID ADS PASS initial Hill test as House Consumer Protection Subcommittee recommends amendments to FTC authorization bill in 2 other rulemakings. (P. 5)

ABC RADIO SATELLITE: Digital network for 1,600 affiliates in works, using 3.3-meter antennas. (P. 6)

Consumer Electronics

COLOR TV PRICE HIKES virtually certain by year's end, with bigger increases coming next year due to tube cost increases and higher interest rates. Anti-inflation policies cloud 1980 outlook. (P. 7)

PHILIPS-SONY LICENSE agreement covers opticals, video & audio discs & VCRs, but doesn't mean Sony will produce consumer optical system. RCA disc licensees complain of information clampdown. (P. 8)

AUG. TV IMPORT decline shared by most major source countries, but b&w from Korea and color from Singapore & Mexico rose. (P. 9)

EIA-J VIDEO SURVEY shows 51.7% of Japanese consumers plan to buy VCRs. Study indicates better potential for tape than disc as video product. (P. 9)

HOME VCRS IN USE could hit 5.3 million in 1982, by which time film makers could reap \$3.7-million tape royalty harvest, VCA says. (P. 10)

SANYO MFG. SALES ROSE slightly in 3rd quarter, but losses continued; TV yoke, microwave oven production planned. CBS says record earnings dropped, plans to enter movie production. (P. 11)

NETWORK INQUIRY TO REPORT: FCC has legal authority to exert direct jurisdiction over TV networks and there's very little reason for Commission to attempt to control network-affiliate relationships. These are salient conclusions of Network Inquiry Staff in 6 position papers presented to commissioners before Oct. 16 meeting to determine next move in year-old study.

Staff—headed by Co.-Dirs. Stanley Besen & Thomas Krattenmaker—doesn't recommend that Commission exert direct jurisdiction over networks, even though it cites several cases (Southwestern Cable, Midwest Video, chain broadcasting rules, option time ban, limitation on graduated compensation) as ample authority for agency to do so. Report also says authority is clear since there's no specific ban against direct regulation of networks in Communications Act.

Report on network-affiliate relationships notes that past Commission attempts in area haven't been very successful (option time ban, for instance) and that it's easy for networks & affiliates to get around FCC's efforts. Report cites prime-time access rule (PTAR) as sole successful effort to regulate network-affiliate area, says if Commission does decide to attempt to regulate it should be through unspecified "structural" changes.

Other staff reports deal with history of proceedings leading to adoption of PTAR, FCC rules regulating networks through their owned stations, structure & business activities of network's parent corporations, history of origin of TV networks. Commission officials stressed that

studies aren't "negative" or "anti-network"; they'll be released at Oct. 16 meeting. Of proposed inquiry & rulemaking, FCC official said: "You can read anything into it that you want to... That makes it a pretty good inquiry." Comments will be due 90 days after FCC releases report & order, replies in 15 days.

CABLE AWAITS SATCOM III: Launch of 3rd RCA Satcom—due Dec. 7—opens way for host of new program services for cable; by removing most cable services from Satcom I, it opens opportunities for expanded satellite use by broadcasters.

Many firms are keeping intentions quiet—pending successful launch & positioning of new spacecraft—but broad outlook for satellite TV in 1980 is emerging. It includes:

(1) Greatly expanded range of pay-TV services for cable, taking advantage of transponder availability on new satellite (several Satcom I transponders were inoperative or dedicated to non-video uses). Time's HBO and Warner Amex will control 5 transponders each on Satcom III; both are expected to launch new pay tiers. HBO is expected to start 12-18-hour daily "low-brow" movie & entertainment package, featuring drive-in-movie-type fare with popular music concerts—announcement expected by year's end. Warner Amex's Star Channel and Showtime (with 3 transponders) are expected to supplement current services.

(2) New "basic" cable services, including National Christian Network, Melbourne, Fla. (joining CBN, PTL & Trinity); Turner's Cable News Network; Cineamerica network (for persons over 50); new network for women (in planning stages, due to share transponder).

(3) Opening of new programming services on Satcom I. After bulk of cable services move to new bird, RCA will use half the 22 operating transponders on Satcom I for data, telephone and other point-to-point services, will reserve 9 transponders for video. Those reserving these transponders—expected to become valuable if cable systems install 2nd antenna—include ESPN, HBO, Total Communications Systems (Pittsburgh cable sports venture), United Video. Believed likely to take up transponders are Washington Post, Spanish International Network, Eastern Microwave.

(4) Availability of new transponders for broadcasters. RCA plans to start SMARTS syndicated program service next year, using Satcom I. Expanded use of transponders for radio & newswire services also is expected, with UPI and ABC Radio likely customers. RCA also is expected to go after more "occasional video" business—now concentrated largely on Western Union's Westar.

PUBLIC INTEREST SPLIT WIDENS: Because of "conduct detrimental to the productive development of the National Black Media Coalition," Marcus Garvey Wilcher and his San Francisco-based Community Coalition for Media Change have been expelled by NBMC in unanimous vote. Action was taken at close of recent NBMC convention in Washington (Vol. 19:41 p1).

NBMC Chmn. Pluria Marshall cited Wilcher's opposition to agreements made by Coalition in mergers of big groups—particularly GE-Cox—which resulted in blacks acquiring several stations. "If he's so against everything we're doing, we should have been able to accept his resignation rather than throwing him out," Marshall told us. "We feel very relieved that [NBMC] was able to remove an element from our ranks which simply does us no good." He said NBMC will affiliate with another group in Bay Area.

Coalition—which also is feuding with Citizens Communications Center and NCCB (Vol. 19:35 p2)—refused to support Citizens in drive to retain Ford Foundation as major contributor. "We haven't closed the door... but we feel that Citizens needs to come to us and tell us where they are," Marshall said. NBMC split with Citizens came over latter's opposition to Gannett-Combined merger.

Marshall was re-elected NBMC chmn.; Yvonne Day was named to succeed Wilcher as west coast vp; Charles Hatcher, Rochester Black Media Coalition, was elected vice chmn.; Ella Lane, treas.; Thomas Hart, secy.

In unrelated development, Wilcher has sued KIOI(FM) San Francisco owner James Gabbert for \$10.5 million because of alleged libel. Suit cites letter Gabbert wrote to FCC commissioners (Vol. 19:35 p3) concerning Wilcher's attempts to negotiate agreement with KIOI.

COPYRIGHT WRANGLING: With \$12 million as prize, and claimants putting in bids for 300% of that, Copyright Tribunal met last week in its 2nd formal step towards resolving issue.

First step came several weeks ago when claimants—as expected—declared they were unable to agree on who gets which pie slice. With no agreement, Tribunal followed law, declared that "controversy" exists, stepped in. By law, Tribunal must resolve question in a year.

Controversy exists because of size of pie but also because of importance of precedent. "We're as much concerned with the precedent as the \$12 million," said one lawyer. Purpose of last week's meeting was to establish ground rules and issues, and most vocal among battery of lawyers present were those representing biggest players—NAB, MPAA and sports interests. Some at session suggested Tribunal first establish who gets what, then let parties argue.

Pie for 1979 is expected to rise as high as \$15 million, according to MPAA Vp Allen Cooper. And FCC could play major role in increasing pot in 1980. If distant signal importation rules are dropped, cable systems will pull in more distant signals, pay more in royalties. MPAA has no estimate on how much increase that could mean.

Census Bureau held meeting in Washington Oct. 11 to persuade broadcasters to run PSAs urging public to fill out census forms next year. Jack Harris, chmn. of Bcstrs. Census Committee of 80, said census "is of vital importance to all stations" and urged broadcasters to "use our own ingenuity to add to the PSAs our own local spots and programs." Campaign developed by Ogilvy & Mather will feature 60-, 30- & 20-sec. TV spots and 60- & 30-sec. radio spots available Jan. 1. Slogan: "We're counting on you. Answer the Census."

Latest PBS figures on financial contributions (Dec. 1978) show following contributing most, aside from stations and CPB (list is in descending order, although PBS wouldn't provide figures): HEW, Exxon, Mobil, NEH, Atlantic Richfield, NEA, Ford Foundation, Sun Co., Allied Chemical, McDonald's, Gulf, Martin-Marietta, Xerox, Mrs. Paul's Kitchens, Raytheon, Texaco, Hoffman-La Roche, Prudential, Chubb, Cecil & Ida Green, IBM, AT&T, Polaroid.

Tax certificate for WJNJ(FM) Atlantic Beach, Fla. was issued by FCC to WKTX Inc. for sale to BENI, controlled by Ragan Henry, a black. Price: \$920,000.

NAB and EIA engineering representatives meet Nov. 2 to organize committee to study ways to improve radio broadcasting. Topics include: 9 kHz, AM stereo, FM quad.

N.Y.C. plans to use WNYC-AM-FM to broadcast names of men convicted of soliciting prostitutes, as means of deterring prostitution. "We're going to call it the John Hour," said Mayor Edward Koch.

Cable & pay TV score well in media study from investment house Drexel Burnham Lambert. Report predicts number of CATV subscribers will double to 30 million, pay-TV customers "virtually quadruple" to 15 million, by 1985. Another 4 million are expected to take STV services, although DBL research Vp John Reidy thinks demand will slacken as more cities are wired for cable. Reidy picks Time Inc. as major investment opportunity on basis of video operations, possibly "its largest profit contributor" in 1980, with pretax margin of \$100 million vs. \$26 million in 1978. This year, HBO is expected to gross \$150 million, ATC & Manhattan Cable over \$120 million. CATV earnings could account for 25% of 1980 profits at Storer Bcstg. Each of RCA's Satcom satellites, principal carriers of cable programming, "could generate profits of \$10 million or more," says Reidy. He credits cable & home video for 15% drop in hours spent watching broadcast TV in 1985, although decline will be balanced by increase in TV households. Cable's glamor is driving up price of acquisitions, such as \$650 per subscriber American Express paid for 50% of Warner Cable (Vol. 19:38 p5). Reidy claims deal gave Gannett 2nd thoughts about exploring possible mergers.

"Strong performance" of CBS Bcst. Group was cited by CBS as "principally responsible" for record income, revenues & earnings for 3rd quarter. CBS said that 9-month revenues also set record, but that net income & earnings were down because of first quarter decline. Led by TV network, Bcst. Group reported "sizeable profit increases in all areas" which more than offset profit drop in Records Group. In 3rd quarter, CBS net income of \$53.1 million was up 9% on revenues of \$882.9 million, also up 9%; earnings per share were \$1.91, up from \$1.75. Nine-month figures: Net income \$136.7 million, down 3%; revenues \$2.62 billion, up 14%; earnings per share \$4.92, down 4%.

NAB's Minority Executive Council has been established to advise on relations with minorities. It will cooperate with NAB Minority Investment Fund, suggest minority participation in conferences, propose research projects. Council replaces Minority Advisory Committee.

U. of Pa. has received approval to operate educational FM again after FCC last year ordered WXPB(FM) off air because of lack of supervision. Commission approved application of school's board to run new station. Station won't be run by students but rather by professional staff and will be affiliated with NPR.

Alleged broadcast of "slanted, distorted or false news programming" is a major issue in license renewal hearing for KDEW-AM-FM De Witt, Ark., ordered by FCC. Other issues include fairness doctrine & equal time violations. Stations also face fine up to \$20,000 if licenses are renewed.

CABLE WEIGHS RECESSION: Variety of views of impact on cable of sharply hiked interest rates—both worry & optimism—came out of discussion at Public Service Satellite Consortium in Washington last week. Among comments:

(1) NCTA Pres. Thomas Wheeler warned about possible impact of tight money but conceded "it's premature" to draw firm conclusions. He said he didn't expect recession would result in cable disconnects, because "when people stay at home, as they're likely to do in tougher economic times, the attractiveness of cable service increases."

(2) Independent cable operator John Evans of Artec, Arlington, Va., agreed that recession and tight money won't have impact on disconnects. He said that in 1973 subscribers disconnected telephones before dropping cable. "But for the independent operator or those MSOs without a lot of long term credit, all of us are going to be hurt. You'll see a lot of systems that more than likely will not be built until there are more favorable money markets."

(3) Edward Taylor, Southern Satellite Systems: "I am worried. Cable planned to borrow a hell of a lot of money next year. A lot of guys are one, 2 or 3% over prime; they may have to jerk rates to cover. There's so much already committed for 1980 that the impact of this might really show up in 1981. This will be the first time pay cable has ridden a recession. The growth of pay TV may take a dent if the consumer is really scared."

(4) More optimistic outlook, from major equipment manufacturer (not wishing to be named): "The big guys are up to their necks in cash flow. Our order book is at its highest level ever."

KTAB-TV (Ch. 32) Abilene, Tex. went on air Oct. 6 as nation's 1,007th TV station—624 VHF, 385 UHF; 730 commercial, 277 non-commercial. KTAB-TV is CBS affiliate, owned by Big Country TV. Rep is Avery-Knodel; William Terry is station & sales mgr., Bryan Mundy operations mgr., Larry Fitzgerald news dir., Leland Ohlhausen, chief engineer.

FCC has received 18,346 fee refund requests— seeking \$22 million—from all types of licensees, about 10% of those eligible. To date, only \$61,567 has been refunded, all by hand because of reported computer breakdown. Computer is expected on line by mid-Nov. at latest; deadline for seeking refund is Dec. 15.

FCC has extended to Oct. 26 deadline for reply comments on NCCB's petition for rulemaking on limiting amounts of non-program material. Extension was granted day after original deadline and after all broadcast groups opposing petition had filed.

Time Inc.'s ATC has dropped plan to purchase 50% of Ch. 44 WSNS Chicago, citing "unfounded petition" to deny by Paramount Pictures, which would have delayed FCC approval.

Pres. Carter has criticized unnamed network for coverage of Pope, claiming analysis after one Papal speech "glossed [it] over and made [it] trivial."

"I'm not committed hard and fast" to spectrum fee on any other legislative proposal, House Communications Subcommittee Chmn. Van Deerlin (D-Cal.) told N.C. Assn. of Bcstrs. convention last week. "That's not the way you make legislative progress"—to lock yourself into a position—he added. He said broadcast lobby in Washington is "first rate... Your lobby has always been a very skillful one... Because newspapers have their full First Amendment rights, they don't need a Washington lobby... This is one thing that I resent very much." He said NAB had "schizophrenia" over Rewrite, that "poor old Vince [Pres. Wasilewski] was just buffeted in one direction and then the other... And of course he had the fledgling NRBA exploiting the issue for radio... And on the other hand, he had the Green Berets of the MST trying to get him to have nothing to do with it... As usual, his advice that finally came out was just to do nothing." During Oct. 31-Nov. 1 FCC oversight hearing, Van Deerlin said he plans "to hold their [FCC commissioners] feet to the fire" on de-regulation to find out "how far they've gone in lifting the load that the President promised" when Carter spoke at April NAB convention. To have meaningful de-regulation, he said, objections of public interest groups will have to be mollified and this means existing owners can't be "locked in." On ascertainment, he said "it's not the place of a government agency" to tell licensees how to determine what to program or what groups must be interviewed.

Cal. Public Bcstg. Commission will study effects of statewide de-regulation of cable TV rates under mandate from state govt. Bill from state legislature also requires CPBS "to encourage the use of cable channels by local and state govt. agencies and by educational institutions." De-regulated cable systems in Cal. must make several channels available for community service programming and contribute 50 cents per subscriber per year for independent community service programming fund.

Frost-Kissinger NBC interview last week turned out to be more than network expected when Kissinger stalked off during taping because of allegedly hostile questioning. Frost withdrew from project complaining NBC was too protective of former Secy. of State—and ratings rose because of heavy media coverage of controversy.

Jerrold reports \$28 million in cable contracts from 4 companies: TCI, Storer, Teleprompter & Vision Cable. According to Frederick Shuh, General Instrument senior vp, industry built 32,000 miles during company's fiscal 1979, expects 50% increase in current fiscal year.

CBS plans move into theatrical motion pictures, will establish production arm in Hollywood to produce 3-4 films per year, spending up to \$8 million. Company has rehired former CBS Entertainment Vp Donald March to run operation.

Opposing Justice Dept., TvB filed amicus brief in antitrust suit against NAB TV Code, saying: "One would scarcely have thought that any responsible group would dispute the desirability of the regulations now under attack."

NRBA's 'BOTTOM LINE' MEETING: NRBA convention in Washington was nuts & bolts affair—programs, promotions, profits—attracted some 1,500 registrants, plus enough exhibitors, spouses, et al., to bring total to 3,800, according to NRBA staffers. Figure was up slightly from last year.

Key speaker Sen. Goldwater (R-Ariz.) told audience what it wanted to hear—that it's over-regulated; that his bill would relieve them of burdens and they ought to lobby for it. Example: "You do not need to rely on govt.-imposed formal procedures to know how to best serve your listeners. . . I was pleased to see that the FCC, after years of vacillation, has finally taken its first halting step toward freeing you from the dead hand of govt. control. . . Chmn. Ferris is to be commended."

Sessions on de-regulation and FCC policies received little attention—only about 100 attending former, 200 latter. In de-regulation session, Harry Shooshan, House Subcommittee counsel, urged group to "maintain a positive image" regarding new competition; said "legislative change will be needed before radio can be truly de-regulated" because of differences between court & FCC positions.

Sole opposition to broadcasters' thrust came from Andrew Schwartzman, Media Access Project, who said radio is doing quite well and: "You wouldn't want extensive de-regulation if you got it. . . There are only a few bad apples in the business. You should be glad the FCC enforces the law. You need only minor tinkering with the system."

In panel on FCC policies, Bcst. Bureau Chief Richard Shiben said AM stereo and FM quad have "very low priority" in rulemaking because of paucity of engineers. If Bureau gets 5 engineers requested, he said, these issues would get high priority—although clear channel continues with higher priority. He also said de-regulation would help only slightly in clearing backlog but that lack of engineers remains major problem.

Asked about status of smaller satellite dishes, such as proposed by MBS, Common Carrier Bureau Chief Philip Verveer said subject is on agenda for Oct. 18 de-regulation meeting.

Washington attorney Leonard Marks, ex-USIA dir., urged delegates to last week's IAAB conference in Washington to pressure their govts. to defend free flow of information and press freedoms. He also urged media in developed nations to offer better balance of news from less developed nations, not merely cover catastrophies.

Bristol-Myers plans to increase advertising in broadcasting & cable, has hired consultant Richard Block (ex-pres. of Kaiser Bcstg.) "for better utilization of emerging technologies. . . while also strengthening its ties with the communications industries."

FCC has extended comments deadline on improvements to UHF reception to Nov. 13, replies Dec. 10. More time was given for parties to study FCC task force report "Comparability for UHF TV: A Preliminary Analysis," released Sept. 11.

KID ADS SAFE—FOR NOW: FTC kid ad rulemaking escaped Capitol Hill wrath against FTC last week when House Consumer Protection Subcommittee recommended that FTC authorization bill allow amendments against only 2 rulemakings—funeral industry and agricultural cooperatives. If House Rules Committee accepts Subcommittee recommendations, authorization bill will reach House floor closed to other amendments. But kid ad proceeding hasn't escaped Hill scrutiny permanently.

"Of course, we have some immediate concerns to look after, like the authorization bill, but after that, kid vid is a very high priority item," said Consumer Projection Subcommittee staffer. "It's very likely the Subcommittee will hold some sort of kid vid oversight hearings."

Meanwhile, Senate Consumer Subcommittee wrapped up FTC hearings (Vol. 19:41 p2) by holding hearing for Patricia Bailey, nominated as 5th commissioner. Questioning was tough, as in oversight hearings; Committee made no immediate decision on nomination. Later, Consumer Subcommittee heard legislators on FTC: Sen. Metzenbaum (D-O.) spoke in favor of FTC, Sen. Nunn (D-Ga.) & Rep. Levitas (D-Ga.) generally against FTC, specifically were for legislative veto.

KVBC-TV (formerly KORK-TV) Las Vegas has picked Blair TV as rep, Douglas Elleson, ex-Gray Communications, as vp-gen. mgr. FCC refused to renew KORK-TV's license for clipping of network programs, gave grant to competitor Las Vegas Valley Bcstg. (Vol. 19:33 p4). Blair also has been named rep for WGAL-TV Lancaster & WTEV Providence, acquired by Hearst from Steinman. In other rep appointments, WVIR-TV Charlottesville names Avery-Knodel; WLIX-TV Lansing picks Katz Continental.

FCC is advertising, in major newspapers, for following with "current salary range, \$44,756-\$52,800, proposed salary range, \$47,889-\$56,500": Deputy chief, Office of Science & Technology; chiefs of Policy & Rules Div. & Renewal & Transfer Div., Bcstg. Bureau; chief, Economics Div., Common Carrier Bureau; asst. chief for policy, Private Radio Bureau; assoc. exec. dir., Operations. Ads run about 5" x 11".

NAB April-Aug. Income was \$3.03 million (\$24,294 below budget), expenses \$2.57 million (\$50,472 over budget). Secy.-Treas. Michael Harwood told Exec. Committee that if trends continue, NAB will have deficit at end of fiscal year in March. Staff was told to keep expenses down "consistent with accomplishing NAB roles and missions."

Despite opposition of Arbitron and Bcst. Rating Council, Washington Area Bcstrs. Assn. members plan to air promotional spots urging listeners to fill out diaries for radio ratings sweep beginning Oct. 18.

Western Union is testing digital TV transmission via Westar satellites, deriving 3 TV signals from single transponder.

Personals

Phyllis Golden-Gottlieb, ex-Rollins-Joffe, named NBC Entertainment comedy programs mgr., west coast... Michael Lewellyn promoted to ABC Chicago personnel dir., new post... Michael Sell advanced to Meredith treas... James Thompson, ex-news dir., WHAG-TV Hagerstown, Md., named news dir., WTAJ-TV Altoona... Jock Fritz promoted at WKBD-TV Detroit to sales mgr.

Vincent DeLuca, WTEN Albany, & Wheeler Rudd, WAVE-TV Louisville, elected chmn. & co-chmn., respectively, TvB Sales Advisory Committee... S.F. Carlstedt & John Reinking advance to Neilsen market research group vps... Ted Kavanau, formerly vp-news dir., WNEW-TV N.Y., appointed senior producer, Cable News Network.

Harriet Kaplan, WAYS(AM)-WROQ(FM) Charlotte, succeeds James Gabbert, KIOI(FM) San Francisco, as NRBA pres.; Stephen Trivers, Fairfield Bcstg., elected vp-east; Lynn Christian, Century Bcstg., vp-west; Bernard Mann, Mann Media, secy.; Theodore Dorf, WGAY(AM) Silver Spring, Md., treas.

Ed Christian, WNIC(AM)-WWKR(FM) Detroit, elected chmn., Arbitron Radio Advisory Council; George Nicholaw, KNX(AM) L.A., succeeds Christian after 1980 NAB convention... James Hanlon, ex-Viacom, named Buford TV CATV Div. pres... Susan Cornell promoted to communications dir., Canadian Cable TV Assn., replacing Terrence McLaughlin, resigned... Ronald Welch, ex-cable consultant in Houston, joins NAB as research-economist, new post.

John DeSimone, Raleigh Fitzpatrick & Michael Hugger promoted to div. vps, Katz American TV; Lucille Luongo moves up to Katz Agency corporate communication deputy asst. dir... Richard Larcade promoted at Petry TV to group research mgr... John Lionberger advances to MMT Sales Chicago sales mgr.

Ronald Davis appointed CPB treas. and acting vp for finance... Eric Sass advanced to PBS development dir., new post... Thomas Cannon, formerly asst. gen. mgr., WYES-TV New Orleans, appointed gen. mgr., Southwest Kan. Public TV, Garden City... George Lott, formerly dir. of learning resources, Northern Mich. U., named station mgr., WGVC Grand Rapids... Torrey Southwick, ex-vp & programming dir., KPTS Hutchinson, Kan., named gen. mgr., WNEO-TV-AM Alliance, O.

Edward Dooley, ex-President's Council on Wage & Price Stability and one-time UPI, named chief, FCC public information... Russell Arkin joins Washington law firm Shrinsky & Eisen... Leslie Richards promoted to Gold Key Entertainment vp for business affairs, new post... Randy Hanson, ex-Worldvision Enterprises, named western sales mgr.

Leslie Ann Lillien, ex-WDVM-TV Washington & WJZ-TV Baltimore, named Air Time International marketing services dir... Steve Pequignot, ex-Sonocraft, appointed Convergence northeast sales mgr... Kenneth Leondar promoted to Cetec broadcast group vp & gen. mg.

ABC RADIO SATELLITE PLAN: Digital satellite distribution of ABC's 4 radio networks is being considered, and satellite carriers have been asked to make proposals. ABC intends upgrade of network to stereo if satellite project is approved by senior management.

"It's still questionable who pays" for installing earth stations, said ABC Program Operations Mgr. Anthony Masiello. Currently, ABC pays networking costs for some stations; others pay costs themselves, depending on network use.

Meanwhile, UPI deal with RCA Americom for analog audio service using 3-meter antennas has now technically expired because FCC didn't act on application by Oct. 1. RCA has told UPI that analog services to such small dishes may present interference problems, has recommended upgrading to digital—more expensive but offering advantages of quality and immunity to interference.

Sen. Barry Goldwater (R-Ariz.), ranking Republican on Communications Subcommittee, has indicated he's irritated at inaction on Subcommittee and is pointing figure at Chmn. Hollings (D-S.C.). In speech before U.S. Independent Telephone Assn. in Phoenix, he noted he sent letter to Hollings in July outlining Republican position on proposed Communication Act amendments (Vol. 19:30 p3), and: "Our letter, which was never acknowledged by the chairman, was not intended as an ultimatum but rather contained our thoughts on what good legislation should look like. We indicated then that our respective staffs should sit down and try to work out the differences. Such a meeting would still be useful—provided that both sides are willing to be realistic." Goldwater also was irked by FCC over 3-year length of telco-cable cross-ownership docket.

Communications legislation is "resting," House Communications Subcommittee chief counsel Harry Shooshan said last week at Public Service Satellite Consortium meeting. Other notes from meeting: (1) RCA Americom Pres. Andrew Inglis said technical problems with proposed SMARTS syndicated TV distribution are more severe than anticipated, slowing implementation. (2) Comsat did nothing to end confusion over plans for programming direct broadcast satellite. Comsat Marketing Dir. Neil Helms said: "Comsat doesn't intend to subcontract programming." Comsat spokesman William Brobst told us: "Comsat has no intention of producing its own programming." (Comsat now intends Feb. filing at FCC for its project, spokesman said last week.)

General Instrument plans satellite-linked off-track betting "TeleTracks" using projection TV. Tracks will be located in N.Y., Conn. & Nev.

Obituary

Louis Wolfson II, 52, senior vp of Wometco Enterprises and Fla. state representative for 10 years, died Oct. 11 following heart attack. He was son of Wometco Pres. Mitchell Wolfson, joined company in 1950 and was in charge of broadcasting, CATV & STV at time of death. Parents, wife, 3 children survive.

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STATE OF THE INDUSTRY

Sales to dealers (total market), from EIA, for week ended Sept. 28 (39th week of 1979):

	Sept. 22-28	1978 week	% change	Sept. 15-21	9 mo. 1979	9 mo. 1978	% change
Total TV.	489,569	511,199	-4.2	348,346	11,373,629	11,378,586	-0.0
color	282,428	326,527	-13.5	217,707	7,056,474	7,232,291	-2.4
monochrome . .	207,141	184,672	+12.2	130,639	4,317,155	4,146,295	+4.1
Home VCR	16,831	16,971	-0.8	11,030	294,643*	242,589	+21.5
Total radio	1,381,687	1,421,875	-2.8	741,805	30,955,773	35,018,561	-11.6
home, portable	1,160,990	1,159,241	+0.2	521,843	21,376,760	25,566,212	-16.4
AM-only	121,731	213,252	-42.9	87,062	4,243,981	5,747,914	-26.2
FM & FM-AM	1,039,259	945,989	+9.9	434,781	17,132,799	19,818,298	-13.6
auto	220,697	262,634	-16.0	219,962	9,579,013	9,452,349	+1.3

Color TV 5-week moving average: 1979—211,037; 1978—241,634 (down 12.7%).

Home VCR 5-week moving average: 1979—10,753; 1978—11,352 (down 5.3%).

*Record for period.

COLOR TV PRICE HIKES BY YEAR'S END: Across-board price increases on color sets are almost certain at upcoming Nov.-Dec. distributor-dealer conventions. These won't reflect increase in tube prices and big jump in picture-tube glass costs (Vol. 19:41 p6)—nor will they fully respond to Federal Reserve's new monetary policy—so further (and larger) increases can be expected next spring.

Shock waves of Corning's proposed 20% increase in glass were still reverberating last week. No. 2 picture-tube bulb producer Owens-Illinois says it's also "taking a hard look" at how much prices have to go up, but probably won't reach conclusion for couple weeks. Spokesman pointed out that glass prices are now "back to the 1972-73 level," despite fact that price of lead (used for X-ray protection) has risen 75% this year alone, barium & strontium 30%, plus huge increases in energy costs.

Zenith is expected to lead parade to higher prices later this year with moderate across-board boosts. "Even without the glass increase we're under tremendous pressure," Zenith Sales Pres. Walter Fisher told us last week. "It's impossible to swallow a major increase in glass. There's no way around it."

Fisher's sentiments were reflected by every TV maker questioned. All agreed with estimate last week that tube & glass boosts alone, if they stick at proposed levels, force \$30 rise in price of 19" color. Said GTE Consumer Electronics Pres. Thomas Shepherd: "It's real, and the set manufacturer won't be able to absorb it. It will be passed on to the ultimate consumer. The only question is whether it will just be passed through or how much will be added on." Magnavox Senior Vp Kenneth Ingram: "There's no room to absorb increases in items like tubes." GE TV Mktg. Mgr. Lud Huck: "This industry has not readily passed on price increases, but any prudent businessman has got to think about it. The size & timing of this increase came as a shock on top of everything else. The pressure as we go into 1980 is going to be unbearable."

Picture tube industry, which already had notified OEMs of proposed increase before Corning's bombshell, now will start negotiating to try to moderate glass hike—but certainly there will be a glass boost, and this should push tube increase considerably higher than 7-8% originally

requested.

Govt.'s new high-interest monetary policy is expected to force TV industry into recession sooner & deeper than expected, set makers agree. "It's got to affect immediately any business which depends on credit," said Magnavox's Ingram. "Our industry is doing right now what the Fed is trying to force other industries to do"—push down prices. "How do you tell a lean man to go on a diet?"

Despite concern for future, Zenith, Magnavox, GE & Sylvania agreed that their business is still very good, but they look to immediate future with apprehension, as govt. seeks to force prices up so high that nobody will buy, thereby causing prices to drop.

Color TV slump at wholesale already is very real, as Aug. & Sept. figures show (see p. 10). Having anticipated decline, all segments of trade, from factory to retail, have kept inventories trim, eliminating any fear that large quantities of unsold sets will interfere with price increases. But new pressures make 1980 outlook considerably more cloudy than it was 2 weeks ago.

PHILIPS, SONY IN VIDEO LICENSE PACT: Video cross-licensing agreement between Sony & Philips gives each firm free access to large numbers of others' patents, clears way for Sony to produce optical videodisc players & discs. While pact could have some far-reaching effects, it would be mistake to conclude it means Sony will offer optical consumer videodisc system.

Although details weren't announced (pact was merely described by both parties as "comprehensive agreement which permits them to use each other's patent rights freely for a wide range of products"), it's understood to cover: Players, recorders & discs for optical video & audio systems; magnetic video recorders, players, tape & cassettes; video camera-recorder interfaces.

Pact ends long-standing animosity between the 2 companies over their use of similar loading & wrap systems in VCRs. Actually, both Philips & Sony (along with JVC & Matsushita) were signatories to 1970 videocassette standardization agreement which came to naught. New agreement presumably gives Sony right to produce Video 2000 VCR developed by Philips & Grundig, which certainly is food for thought in view of fact that Philips officials have said they won't solicit Japanese manufacturers. It also gives Sony access to Philips' tiny "Compact Disc" PCM audio system.

It's easy to jump to conclusion that Sony is now in optical videodisc fold for consumer market. Sony officials privately say this isn't so, that their interest in optical system now is for industrial-educational market and that they won't move into consumer field until Japan officially standardizes on single home videodisc system. Sony demonstrated own optical player & discs compatible with Philips/MCA system at Berlin's Internationale Funkausstellung (Vol. 19:35 p6), will show them next week at ITA seminar in N. Y.

Optical system has taken early lead in Japan, with Universal Pioneer in full-stream production of industrial version for GM & others, Sharp having signed Philips license and Sanyo (a TED videodisc licensee) demonstrating institutional-educational optical player at Japan Electronics Show. Hitachi has optical digital audio disc system with solid-state laser pickup.

RCA videodisc licensees in Japan, meanwhile, are starting to complain about recent inability to get new information from RCA. "They've clamped the lid down," said one. "We just can't keep up." This is leading some licensees to speculate that changes in RCA system are in wind.

Media study by Drexel Burnham Lambert last week forecast that RCA would introduce videodisc system nationally in late 1980 with retail price under \$400, factory price about \$275, making per-unit profit \$30-\$40. Sales of 1.5 million annually, report suggests, would make player profits equal to what RCA earned from NBC in 1978. Report said that price & complexity may limit consumer-market future of optical systems, particularly if RCA & Matsushita agree on standard non-optical format. Study forecast disc player sales of "several million a year early in the 1980s" if RCA marketing & pricing adhere to schedule. It suggested that VCR sales may "level off and possibly decline" after 1980 when disc systems become widely available.

Philips plans to produce optical videodiscs in Blackburn, England with 200 employees in \$22-million facility in 2nd half of 1980 for European launch in 1981-82. Magnavox, meanwhile, is adding 2 new dealers (3 outlets) in Atlanta, 3 new dealers (3 stores) in Seattle area for videodisc player sales Oct. 26, making 6 outlets in each market.

AUG. TV IMPORTS: Surprisingly sharp (31%) drop in Aug. TV imports (Vol. 19:41 p8) was shared generally by all major source countries, with exception of color from Singapore (sets & chassis) and Mexico (chassis). Korea showed continued gain in b&w, as manufacturers there started replacing producers in Japan & Taiwan as major suppliers of low-end 12" models.

Here's breakdown of Aug. TV imports by country, from Commerce figures (8-month results in parentheses): Japan total TV 98,600, -66.5% (921,200, -56.6%); color 74,400, -54.8% (524,500, -52.4%); b&w 24,100, -81.6% (396,600, -61.0%). Taiwan total 323,900, -34.3% (2.8 million, -8.8%); color 52,400, -65.2% (644,800, -32.1%); b&w 271,500, -20.6% (2.16 million, +1.6%). Korea total 157,800, -3.3% (1.32 million, +55.7%); color 14,600, -57.0% (234,800, +30.1%); b&w 143,200, +10.8% (1.08 million, +62.7%). Singapore color 9,400, +68.5% (56,700, +131.9%). Canada color 3,800, -68.8% (71,600, -47.7%).

Totals for complete color imports: Japan 40,100, -71.3% (375,000, -60.9%). Taiwan 31,600, -42.0% (249,400, -37.6%). Singapore 7,400, +32.7% (46,600, +90.7%). Canada 3,700, -69.6% (67,300, -48.8%). Totals for incomplete (chassis & kits) color: Japan 34,300, +38.2% (149,600, +4.6%). Taiwan 20,900, -78.4% (395,400, -28.2%). Canada 96, against none in Aug. 1978 (4,400, -20.9%). Mexico 112,400, +108.0% (970,800, +39.4%). Supplying incomplete color this year for first time: Singapore 2,000 (10,100). Philippines 2,000 (5,000). All color imports from Korea were complete receivers.

GE is No. 3 color TV brand in U.S., according to Lud Huck, recently-named TV mktg. mgr. Last year, GE claimed to be 3rd largest U.S. producer, but that included output for such private-label customers as Montgomery Ward & J.C. Penney. If Huck's contention is correct, it means GE has vaulted past Sears & Magnavox. Our annual market share survey showed GE ranked 5th in 1979 model year with 6.9%, trailing Sears's 7.9% & Magnavox's 7.2% (Vol. 19:23 p11). GE also claims 3rd place in b&w, same slot it held in our survey. Meanwhile, we've learned GE is expanding capacity of Syracuse color tube plant by 25%, has opened new color components plant in Malaysia. Malaysian plant is feeding parts to GE plant in Singapore which assembles circuit boards for export to U.S. Also new in Malaysia is Matsushita color parts plant. Output is for color assembly operations in Far East & U.S.

Single-chip IC speech synthesizer being developed by ITT has vocabulary of about 20 words which can be combined in any order. Circuit is designed for such products as talking clocks and alarm devices, could also be used to provide oral, step-by-step operating instructions.

EIA-J ON VIDEO: Latest home-market consumer survey on VCRs from EIA-Japan shows 51.7% of those queried plan to buy unit, 1.3% already have, 17.1% were undecided and 29.9% aren't interested. While 42% said they were most interested in buying home decks, EIA-J believes that by 1989 they will account for only 33.8% of business, with TV-VCR combinations taking 26.7%, battery portables 33.5%. Some 33% said they would buy camera eventually.

Based on survey, EIA-J estimates VCRs will have 4.4% Japan market penetration by end of this year, rise to 38.6% by 1989, level off at 56.8%. It predicts that eventually 50% of VCR owners will buy color cameras as prices generally decline 40% from current levels, estimates 19 videocassettes will be sold per VCR in use per year. It sees videodisc player penetration peaking at 40%, though that could go significantly higher if prices fall and manufacturers standardize on system.

For U.S. market, EIA-J sees sales of 575,000 this year, 850,000 in 1980, rising to 1.5 million & 2.1 million in following 2 years. It estimates videocassette sales for this year at 11.2 million, rising yearly to 17 million, 25 million, 36 million and hitting 52 million in 1983.

Fotomat has ordered 10,900 videocassettes of 29 feature films owned by Video Communications, Tulsa, Okla. as part of 2-year distribution contract. Titles will be included in Fotomat's Drive-Thru Movies purchase & rental campaign, scheduled for national rollout next month (Vol. 19:39 p8). Among movies are "A Christmas Carol," "Abbott & Costello Meet Capt. Kidd," "Run of the Arrow." Fotomat catalog will list about 135 titles, with Paramount biggest contributor.

Polish color tube-glass complex, built under contract by RCA & Corning, has started operation. About 25,000 tubes are expected to be produced this year, 200,000 next. Million annual rate could be hit by 1985. Color set production may be launched by year's end... Corning says Korean govt. has yet to give go-ahead for Corning-Samsung color tube glass plant, adds that reports facility will cost \$82.9 million are high by about \$20 million (Vol. 19: 41 p9).

Ad notes: GE TV Dept. has record budget for 4th-quarter TV & print campaign using soft-sell slogan "America's True Colors Come Through On GE." Campaign also will feature new corporate consumer theme "GE Brings Good Things to Life" (Vol. 19:38 p11)... Fotomat will use same "Introducing Fotomat Drive-Thru Movies" theme tested in west coast markets when it goes national with pre-recorded videocassette rental & sale Nov. 19... Sennheiser appoints Michel-Cather.

9-MONTH SALES: Color TV sales to dealers reached that widely anticipated turning point in Aug., and downturn intensified in Sept. (see p. 7 & Vol. 19:41 p6), but first-half headstart and trim inventories promise sales of about 9.8 million sets in 1979—making it 2nd best year in history—without any dumping of product.

Sales in Sept. were down 12.7% from Sept. 1978, following 11.7% decline in Aug., and ran at annual rate of 9.08 million, lowest of year (highest was June's 10.83-million rate). For 3rd quarter, sales totaled 2,438,130, down 8.5% from year earlier and at rate of 9.38 million. First quarter ran at 10.23 million, 2nd at 10.44 million. For first 9 months (see State of the Industry), sales of 7,056,474 were 2.4% below 1978 but still at rate of 10.09 million.

Manufacturers had anticipated downturn all year, kept production low in comparison with sales, which even resulted in minor shortages—particularly in 13" area. But even if reduced sales pace of Sept. continues, pipeline stocks represent little more than 10-week supply, down from 11 weeks at end of Aug.

At factory-plus-distributor levels, color TV inventories at end of Sept. totaled about 2,309,000, down 7.8% from year ago—biggest year-to-year percentage drop of any month since March 1976. At factory level, stocks dropped to 1,168,000 by big 22%—largest dip since Feb. 1976—while distributor inventories were up 13.3% to almost 1,141,000. During month, factory-plus-distributor inventories were reduced by 6%, factory inventories by 12.9%, distributors' stocks rising 2.3%. Factories clearly are cutting back sharply, while rise in inventories at distributor level reflects reduced dealer buying.

Inventory comparison with last year, however, could result in misleading conclusions. Current totals are somewhat distorted on low side as result of 8-week strike which closed Sanyo's Forrest City, Ark. plant from Aug. 5. Plant supplies bulk of Sears' 19" and all of its 25" console color requirements. Last year's figures were inflated by quota-anticipation stockpiling by Korean & Taiwanese manufacturers and their private-label customers here. Also building inventory was Admiral, which was being pulled out of TV business by parent Rockwell. Although it was leaving field, Admiral still had to fill Christmas needs of its dealers and meet commitment through March 1979 to its major private-label customer Montgomery Ward.

Home VCR sales, still good 21.5% ahead of last year for 9 months, were down 5.3% from Sept. 1978, but the 53,766 sold still made Sept. 1979 2nd best month on record. It wasn't first monthly decline for VCR sales this year; sales in April & May were down by larger percentages. B&W sales continued to run ahead of last year; in fact, July was only month of 1979 to show decline.

First week of Oct. will show 10th consecutive weekly decline in color sales—about 197,300, off 8% from year earlier. B&W also dropped in week, to 129,600, dip of 11%. Home VCR sales show signs of recovery, some 12,900 being sold in week, up 3.2% from same 1978 week.

Here are EIA sales-to-dealer figures for Sept., compared with 1978 & 1977 results:

DL 1 9 Months Sales TABLE:rai

Product	Sept. 1979	Sept. 1978	% change	Sept. 1977
Total TV	1,748,671	1,876,071	-6.8	1,686,859
color	1,055,185	1,208,170	-12.7	1,104,941
monochrome	693,486	667,901	+3.8	581,918
Home VCR	53,766	56,759	-5.3	—
Total radio	4,195,320	4,795,031	-12.5	7,765,263
home, portable	3,081,864	3,494,806	-11.8	6,524,584
AM-only	447,023	719,345	-37.9	1,559,217
FM & FM-AM	2,634,871	2,775,461	-5.1	4,965,367
auto	1,113,456	1,300,225	-14.4	1,240,679

VIDEO CORP. FORECAST: Video Corp. of America Chmn. George Gould painted rosy picture for movie producers entering home video market in talk at recent N.Y. security analysts meeting. He said VCA's VidAmerica rental business pays producers 20% royalty, or \$2.80 on \$14 fee charged members. Assuming major title can be rented to 25% of 5.3 million VCR owners as Gould forecasts for 1982, producer would get \$3.7 million. Figure jumps to \$8.54 million in 1985 when Gould predicts 12.2 million VCRs will be in home use.

"This is far beyond what TV or pay TV returns... now for anything except 'Gone With The Wind,'" Gould said. VCR's player predictions were developed in 1977, didn't relate to VCR prices now on rise. He thinks prices will drop, "possibly substantially," with arrival of no-frills units.

Gould related VCR growth to programming "flash points," claimed player population of 2.4 million next year would foster production of "modest" made-for-VCR specials; 3.7 million in 1981 would lead to made-for-VCR movies. He sees "reasonable return on investment" if production costs are held to \$200,000-\$300,000 and \$1-\$2 million, respectively.

Mattel hiked prices on Intellivision program video game-computer system, which it says it will start delivering to major markets by end of this month. Basic game console will carry \$275 list, up \$25 from target announced last June and from price in current J.C. Penney Christmas catalog (Vol. 19:40 p12), while 14-cartridge library lists at \$23 each, \$1 over Penney price. Penney prices are guaranteed through Aug. 9, 1980. Mattel accessory keyboard needed for computer operation, due for delivery by year end, is also up \$25 to \$275. Sylvania is expected to start own-brand market test of Intellivision game in Philadelphia, Baltimore & Washington with next 2 weeks. Kickoff markets for Mattel, it's understood, are N.Y., Chicago, L.A. & San Francisco.

Daniel Minchew received 1-3-year sentence from D.C. Dist. Court Judge John Lewis for submitting false expense vouchers to Senate while he served as aide to Sen. Talmadge (D-Ga.) in 1971-74, is expected to actually serve 6 months. Following Talmadge stint, Minchew was named to International Trade Commission, served as chmn. during ITC injury probe that led to imposition of quotas on color imports from Japan.

COMPONENT IMPORTS: Component parts imports were up sharply in first half, despite general decline indicated for TV, while imports of accessories presented mixed picture, Commerce Dept. figures show. Value of selected components imported in period totaled \$1.36 billion, up 33% from same year-earlier period.

Market problems in audio are spotlighted by record player imports, which fell 34.1% to 3.58 million. Shipments of record changers, which reflect state of compact-console market, were down 35.9%; imports of automatic turntables, last year's high-flyer with 45% increase to 480,000, were down 50.7% in opening half this year; other turntables were down 20.9%. In other accessory items, amplifiers were up 0.6%, enclosed speakers rose 4.7% to 14.5 million, microphones made comeback from 1978 slump with 10.5% rise.

In TV area, total picture tube imports were down 10.3% to 489,400, all of decline in color, off 34.9%, as b&w rose 2.5%. TV tuners were off 15.3%, shipments declining from all major source countries (Japan, Taiwan & Mexico). Imports of cabinets, antennas & deflection components were also down.

In tape, videocassettes posted 26.4% increase, but audio cassettes slipped 5.7%. Most of audio cassette fall-off came in shipments from Mexico where several U.S.-brand marketers have assembly operations, while imports of high-quality cassettes from Japan and promotional tapes from Hong Kong increased.

In components, receiving tubes continued down road to oblivion with 35.1% decline, incoming shipments of variable resistors were off 3.3% and variable capacitors fell 72%. Posting increases were ICs (10.6%), transistors (10.8%), fixed capacitors (29.3%) and fixed resistors (17%).

COMPONENT IMPORTS

	First Half 1979		First Half 1978	
	Units	\$ Value	Units	\$ Value
Color TV tubes . . .	122,490	7,630,344	188,100	9,792,294
B&W TV tubes . . .	366,967	4,750,509	357,704	3,947,260
TV tuners	5,307,684	45,467,179	6,266,150	43,048,617
TV cabinets	172,552	1,633,070	301,054	2,613,511
TV antennas	5,456,282	5,935,385	6,044,262	5,416,229
Deflection parts . .	9,086,564	44,839,185	10,366,706	48,716,293
Speakers, unencl. .	32,632,550	56,992,515	25,458,727	48,782,893
Spkrs., lone, encl. .	10,149,379	35,981,765	10,220,444	33,625,702
Spkrs., mult., encl. .	4,357,547	33,128,308	3,633,168	27,809,197
Microphones	4,342,059	12,714,224	3,927,501	10,742,809
Amplifiers	1,988,724	56,788,055	1,977,330	42,825,787
Record changers . .	2,718,357	46,595,912	4,243,222	70,849,082
Autom. turntables .	131,240	10,127,352	266,048	14,829,112
Manual turntables .	727,334	40,491,643	919,043	44,373,334
Video cassettes . . .	3,032,980	28,384,521	3,399,919	21,703,313
Audio cassettes . . .	85,654,373	37,349,387	89,613,393	31,442,029
Receiving tubes . .	10,421,143	11,860,539	28,363,007	17,408,598
ICs*	1,293,102	897,008	1,196,402	632,586
Transistors*	961,447	136,429	867,356	83,614
Fixed capacitors* .	2,102,463	113,103	1,626,393	81,315
Variable capacitors* .	18,701	3,450	66,880	7,220
Fixed resistors* . .	3,327,699	31,833	3,845,205	25,749
Variable resistors* .	142,375	33,434	147,284	28,540

*Units & value in 1,000's.

Montgomery Ward will test-market personal computers at stores in Houston & St. Paul; hardware comes from Interact & Ohio Scientific. Unlike Sears & Penney, MW isn't putting computer in catalog. MW catalog has expandable APF program-mable video game but doesn't mention accessory keyboard needed to convert it to computer (Vol. 19:41 p11). In past, MW has handled \$399 Cyber-vision programmable with game & computer func-tions.

SMC SALES UP: Sanyo Mfg. Co., Sanyo-Sears joint color production venture, reported 3.2% sales gain in fiscal 3rd quarter, first such increase since same 1978 quarter but 4th consecutive quarterly loss (see financial table). For full period, sales were down 43.3% and firm continued in red. SMC said results were affected adversely by 8-week strike, which ended with signing of 3-year labor contract Oct. 1, plus start-up costs for planned 4th-quarter produc-tion of microwave ovens and color TV deflection yokes.

SMC said it expects to show special credit of \$1.75 million in 4th quarter as result of guarantee from Japanese parent of maximum royalty rates payable to unspecified 3rd party, believed to be RCA. In 1978 annual report, SMC said it was operating without any patent licenses and had reserve of \$3 million to cover liability.

GE reported record 3rd-quarter results, said that while consumer products & services sales were up, earnings from that sector were flat.

CBS said results for 9 months were hampered by declining sales & earnings from U.S. records operation, although record sales were level in 3rd quarter. Also impacting on results were lower margins in firm's hi-fi retail outlets. CBS said it's entering motion picture field, will produce 3-4 films annually. Move is connected with creation of home video program development & marketing unit within CBS Records (Vol. 19:41 p10).

Videodisc R&D is gaining momentum at Exxon Enterprises and Atlantic-Richfield Development Corp. (Ardev) on west coast. Ardev Vp Peter Wohlmutter says prototypes of film-based system will be built next year at old Anaconda Copper plant in Marina del Rey. Technology is similar to that attempted by defunct I/O Metrics (Vol. 19:39 p11), although Wohlmutter emphasizes Ardev's effort is totally sep-arate. Exxon program, under direction of Leonard Laub, ex-Zenith disc R&D, is hiring staff via ads in L. A. Times and trade magazines such as Laser Focus, Computerworld. Tentative name for opera-tion—Star Systems—was scrapped. Exxon probably is inclined toward optical disc, but Laub claims technical range is "extremely broad." Major inter-ests of Exxon & Ardev are industrial applications.

Digital audio will dominate technical sessions at AES convention, Waldorf Astoria, N.Y., Nov. 2-5. PCM systems will get full coverage at morning and afternoon meetings Nov. 4. Japanese will be much in evidence, as Mitsubishi & Sony present 3 papers each, Matsushita one, all on tape recording & play-back. Philips & Teldec will discuss their respective optical & mechanical disc systems. Show will feature record 160 exhibits.

Brazil is getting 5th color TV manufacturer. Evdin Industrial is launching production of 19" sets at 5,000 monthly rate under license from Mitsubishi, plans to double output next year. Philco (now owned by Mexico's Grupo Alfa), Philips, Matsushita, Sharp & Toshiba currently produce color in Brazil.

Financial Reports of TV-Electronics Companies

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

Company & Period	Revenues	Net Earnings	Per Share
CBS			
1979-9 mo. to Sept. 30	2,620,300,000	136,700,000	4.91
1978-9 mo. to Sept. 30	2,303,000,000	141,600,000	5.11
1979-qtr. to Sept. 30	882,900,000	53,100,000	1.91
1978-qtr. to Sept. 30	807,400,000	48,500,000	1.75
GE			
1979-9 mo. to Sept. 30	16,332,700,000	1,026,300,000	4.52
1978-9 mo. to Sept. 30	14,250,100,000	866,100,000	3.80
1979-qtr. to Sept. 30	5,608,800,000	340,800,000	1.50
1978-qtr. to Sept. 30	4,842,900,000	298,900,000	1.31
North American Philips			
1979-9 mo. to Sept. 30	1,745,569,000	55,324,000 ^a	4.25
1978-9 mo. to Sept. 30	1,573,722,000	43,147,000	3.34
1979-qtr. to Sept. 30	581,523,000	16,682,000	1.28
1978-qtr. to Sept. 30	530,219,000	14,702,000	1.13
Owens-Illinois			
1979-9 mo. to Sept. 30	2,579,193,000	98,962,000	3.38
1978-9 mo. to Sept. 30	2,299,012,000	79,555,000	2.70
1979-qtr. to Sept. 30	883,386,000	33,658,000	1.15
1978-qtr. to Sept. 30	788,098,000	27,490,000	.93
Raytheon			
1979-9 mo. to Sept. 30	2,741,774,000	149,154,000	4.77
1978-9 mo. to Sept. 30	2,385,331,000	112,387,000	3.62
1979-qtr. to Sept. 30	883,495,000	55,110,000	1.76
1978-qtr. to Sept. 30	781,499,000	40,794,000	1.31
Sanyo Mfg. Co.			
1979-9 mo. to Aug. 31	82,105,000	(2,287,000)	--
1978-9 mo. to Aug. 31	144,864,000	1,968,000	.45
1979-qtr. to Aug. 31	46,151,000	(580,000)	--
1978-qtr. to Aug. 31	44,711,000	610,000	.14

Note: ^aIncludes special credit.

Consumer Electronics Personals

Ailan Kennedy resigns as IBM commercial relations program dir. to join IBM-MCA videodisc venture Discovision Assoc. as commercial development dir.; **John Reilly**, DVA exec. vp, will resign post as IBM General Business Group operations planning staff dir. Jan. 1 to become fulltime DVA pres., replacing **James Fiedler**, currently in post on interim basis, who will return to exec. vp post with MCA Discovision (Vol. 19:37 p7)... **Robert Mueller** advanced at Sony Video Products Co. from west region mgr. to national mkt. development mgr. responsible for national accounts, new products & tape... **C. William McDaniel**, ex-Gould, joins Advent as finance vp & treas., succeeding **William Beebe**, being reassigned.

John Humphreys appointed consumer sales vp for video & audio tape in restructuring of Memorex Business Media Group; **Howard Earhart** named operations vp; **Harry Hensman** appointed engineering vp... **John Jackson**, ex-BASF & Maxell, joins Audio Magnetics as consumer & professional products mgr.; **Paul Talley** named research & product development vp; **Charles Trausch** advanced from midwest region sales mgr. to national sales mgr.; **Philip Kuss**, ex-RCA, appointed corporate materials control mgr... **Arnie Orleans** joins RCA Records as sales & distribution vp.

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Phil Goldstein, ex-Hitachi, appointed JVC Hi-Fi Div. national field sales mgr... **Bernhard Jakobs**, Shure engineering dir., named vp... **William Ranshous**, ex-Electro-Voice, named EV-Game national sales mgr... **Ralph Fridley**, ex-Gusdorf, joins Bush Industries as national sales mgr., responsible for Zenith distributors & branches... **Eric Halstead** appointed southern region sales mgr., **Jensen Car Audio Components Group**.

R. Fred Webb advanced at GE from Electronic Components Sales Dept. region mgr. to Semiconductor Products Dept. mktg. mgr., succeeding **John Garrett**, now pres. & managing dir. of manufacturing subsidiary in Ireland... **Wayne Timpe** promoted at GC Electronics from mfg. & research vp to vp-gen. mgr., succeeding **Anthony Vallulis**, retiring; **James Heighway** advanced to special mktg. dir... **Larry Blostein**, former Radio Shack national ad & sales promotion mgr., resigns to form **Larrabee Writing Services**, a copy & promotion support firm, 4025 Alava Dr., Ft. Worth, Tex. 76133.

Sony is halting ad campaign geared to slogan: "Before we invented our system—the Beta system—we invented theirs." Move follows objections by members of VHS camp. Source at Sony ad agency McCann-Erickson said ad campaign is being withdrawn because of insufficient VCRs to meet demand, adding that drive will resume later this fall with new slogan and presumably sufficient number of recorders.

Mergers & acquisitions: Memorex acquisition via stock swap valued at \$177 million is proposed by Storage Technology, producer of computer equipment. Memorex Chmn. Robert Wilson said he opposed offer, and that previously announced merger talks with Amdal were continuing... **Visionik** has acquired speaker product line & brand rights from **L.T.L. Electronics**, terms undisclosed.

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SUMMARY-INDEX OF WEEK'S NEWS

Broadcast

MANDATORY N.J. AFFILIATIONS?: Network Inquiry conclusion on FCC authority over networks leads to proposal to require affiliations with new Us in N. J. Brown calls for EEO supervision of networks. (P. 1)

EARTH STATION BOOST: FCC eliminates mandatory licensing, spurring more rapid transition to satellites for radio & TV, cutting costs of installation. (P. 2)

NEW SHOVES FOR RADIO DE-REG as associations applaud FCC efforts but still look to Congress for major relief. NAB radio board splits 14-9 on one provision. (P. 3)

CANNON-IMPROVE TV PROGRAMMING: Senator is 'disturbed by the mediocrity and sometimes tasteless fare' on TV, claims broadcasters get free ride, not cable. Bortz tells NAB conference super stations 'just a passing fancy.' (P. 4)

CABLE COPYRIGHT REVISITED: House Judiciary Subcommittee to hear Valenti, Geller, others; 'lean & efficient' hearing will 'educate' members. (P. 5)

NTIA MINORITY PLAN: FCC asked to waive top-50 & 3-year policies for minorities. (P. 5)

MANDATORY AFFILIATIONS FOR N. J. ? Announcement of Network Inquiry conclusion that FCC can regulate networks (Vol. 19:42 p1) was only one day old last week when Commission came up with something a good deal more surprising—proposal to require networks to affiliate with N. J. UHF's.

Affiliation plan came from Chmn. Ferris, has some backing of other commissioners, despite certain court battle if ever adopted. "That's something we've talked about for years," said Comr. Lee, "and we've always struck out. When we met with the networks on this, they said it's none of our business. Now we have the authority, and it's a whole new ball game."

Issue came up when Commission debated long-festering demands for commercial VHF assignments in N. J.; agency concluded it's impossible because of interference. Commission instead proposed new UHF's in Asbury Park, Atlantic City, Newton, Vineland, West Milford & Wildwood. UHF's already operate in Camden (WNJS), Montclair (WNJM), New Brunswick (WNJB), Trenton (WNJT), Wildwood (WCMC-TV).

Network affiliation for stations would be mandatory, unless a station didn't want it, and purpose would be "to make the Us more viable," said Comr. Quello. He continued: "As a proposal, I find it rather interesting... If we go in this direction, we have to make it clear this is an exceptional exception." Comr. Jones said matter of affiliation and FCC's authority should

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Consumer Electronics

NEVIN OUT, WRIGHT BACK at Zenith in change from new guard back to old. (P. 8)

OPTICAL VIDEODISC unquestioned hit in industrial field, but consumer model's readily available at retail. Consumer discs in short supply, although GM already has 70,000. (P. 9)

REP. VANIK SEEKS ACCESS to Treasury documents amid indications agency is adopting liberal policy in granting Japanese claims for TV dumping duty reductions. (P. 10)

BLANK VIDEOCASSETTE sales of 11 million this year seen by suppliers concerned over possible overcapacity, declining VCR sales, threat posed by discs. (P. 10)

TIME HOME VIDEO club passes first test, draws 20,000 responses to magazine ads. Membership target is 50,000-100,000 within 2 years. (P. 12)

THORN BIDS FOR EMT in continuation of industry consolidation in Europe. Bid for Capehart. Sarkes-Tarzan Tuner Div. sale off. (P. 12)

RCA, ZENITH REPORT lower 3rd-quarter earnings. GTE shows loss from consumer electronics. (P. 13)

be part of Network Inquiry. Chances of any mandatory-affiliate rule ever going into effect is remote. Existing affiliates and their political friends aren't about to stand by and let govt. tamper with affiliation process. Commission issued rulemaking notices on the additional UHF's and the mandatory affiliation.

In related action, Commission remained undecided on whether to order WNET-TV N.Y. to put its main studios in Newark, called on station to resubmit proposal on how it plans to increase its presence in N.J. Ch. 13 actually is commercial allocation to Newark; educators bought station in 1963 and it has become N.Y.C. station for all intents & purposes, transmitting from Empire State Bldg. with N.Y. studios.

Another area FCC may be looking into at networks is EEO. Comr. Brown, speaking to National Assn. of Media Women in N.Y., called for inquiry into whether Commission had power to examine that area. Brown said in speech that if networks do not employ sufficient numbers of minorities & women, programming will not be representative.

Network Inquiry's findings overall were viewed as mild, when compared to some past staff recommendations. "I'm sure Westinghouse would say it's a whitewash," said NBC official, "but we had trouble figuring out just what the Inquiry could do."

Key points of report: (1) Commission has "broad" authority to regulate networks, although "the power is by no means boundless." (2) Commission regulation of network-affiliate dealings "would be extremely difficult." Leaving that alone "may be the best course." (3) Decision to affiliate is "business" decision, is not "sinister" and "undoubtedly provides substantial benefits to the viewers in [station's] community." (4) "So long as the underlying incentives of networks are unchanged by regulation, both networks and stations can be expected to find ways to evade the effects of regulation."

(5) Examination of program clearances found combined effect of all regulation resulted in reduction of prime-time clearances by no more than 5%. "It is possible that almost all of the reduction results from the limitation on ownership and that the limitations on contractual practices have had little or no effect."

(6) Prime Time Access Rule had more effect on programming than all other regulations, reducing prime-time network programs by 10%. (7) It's impossible to determine whether networks attempt to "foreclose" competitive program sources. (8) Networks in past may have found it more profitable to buy out competitive program sources rather than compete. (9) Commission must look to "structural changes" to reshape number of program sources.

EARTH STATIONS DE-REGULATED: FCC dropped mandatory licensing for receive-only earth stations last week, clearing way for what's expected to be more rapid transition to satellite distribution by radio networks, news wires, TV syndicators and networks. Move will cut costs of installing earth stations substantially, also is expected to stimulate market for TV receive stations at hotels & motels, apartment complexes, private homes.

Scientific-Atlanta Chmn. & Pres. Sidney Topol, speaking to N.Y. Society of Security Analysts, hailed FCC move as opening for sale of "thousands" of home satellite terminals. AP Communications Dir. David Bowen said: "It is likely to bring about a rapid expansion of the existing satellite plan."

FCC action, eliminating requirement for mandatory licensing, frequency coordination & CPs for receive stations, is effective immediately. It clears road for: (1) Use of antennas smaller than 4.5 meters--now usual FCC minimum. (2) Cheaper earth stations. (3) More rapid installations.

Savings to operators will be substantial, equalling \$1,000-\$3,000 per installation in coordination & legal fees, \$2,000-\$2,500 in reduced costs associated with use of smaller antennas. Savings in time required before terminal can be installed will run 3-4 months (now required for completion of FCC paperwork). Overall, action means cost of turnkey installation, now in \$20,000 range, may fall to \$10,000 by next year.

Voting unanimously, FCC launched rulemaking to start self-licensing for operators who

want protection of coordination—meaning that following coordination, operators could simply notify FCC of their intention to install station, without needing CP or license to go ahead. It's still unclear how many operators will want to retain interference protection, but indications are that many—especially radio networks—will accept the risk of waiving coordination.

FCC said issue of unauthorized reception (under Sec. 605 of Communications Act) won't be ignored, though licensing won't be used as enforcement tool. FCC staff attorney Jane Mago said options for programmers seeking to protect services from pirate reception include: (1) Seeking forfeitures under FCC rules. (2) Cease & desist orders obtained in civil lawsuits. (3) Criminal actions under 1968 Omnibus Crime Control Act (barring wiretapping). (4) Civil actions under copyright statutes. (5) Use of scrambling (already high priority for Home Box Office, others).

In statement, FCC Chmn. Ferris said waiver of coordination will be especially attractive "as the number of stations in a network increases. With the hundreds or thousands of stations necessary to distribute a national newswire system to the nation's newspapers and broadcast stations, it might make better economic sense to move those few which receive interference than to pay hundreds of thousands of dollars for frequency coordination for all those stations." NCTA Pres. Thomas Wheeler applauded move, saying it would "hasten development of cable—especially in rural areas."

NEW SHOVES FOR RADIO DE-REG: Although broadcasters still are looking toward Congress for any major relaxation of radio regulations, NAB & NRBA boards have adopted resolutions applauding FCC's rulemaking (Vol. 19:38 p1) as an acceptable first step. Both said that major relief from "unnecessary regulatory burdens borne by America's radio broadcasters (NRBA's language)" must come from Congress, but they'll accept FCC action as interim measure.

In long, and sometimes heated meeting, NAB radio board—on 14-9 vote—adopted resolution calling for Commission to take 4 steps as soon as possible. Meeting later with TV dirs., NAB joint board unanimously endorsed resolution drafted primarily by Radio Chmn. Arnold Lerner. "This is a big step," Lerner said, but it in no way ends NAB's drive for legislation "which is much preferred."

Section that caused controversy calls on FCC "to adopt rules setting a standard which combines maximum licensee discretion with a presumption of license renewal." Lerner said board was split many ways on proposal, some dirs. feeling it didn't go far enough and/or wasn't strong enough. NAB also asked Commission to eliminate ascertainment requirement, "delegation standards concerning commercial time" and mandatory logs.

NAB said steps are necessary to "avoid protracted hearings," provide "clear and definite standards" and to provide "the least likelihood of court reversal."

NRBA resolution favors "all moves toward the genuine de-regulation of radio but feels this can be truly accomplished only through legislation and that other avenues will result in mere re-regulation."

FCC has advised WEVU Naples, Fla. & 28 radio stations they didn't meet EEO requirements, granted 15 of them renewals with EEO improvement as condition, and called for goals & timetables from rest before renewals will be given. Naples station was given short-term renewal and goals and timetables must be submitted.

New pay-TV service from HBO (Vol. 19:42 p2) is tentatively called Max, may run 24 hours a day to compete with Warner Cable's all-day Star Channel. HBO hopes to iron out details by Nov. 2, announce plans at Western Cable Show in Dec., start in Jan. Big question is transponder availability. Of 4 channels now in use, 2 carry HBO's main service, one is standby, remainder transmits Take 2 mini-pay package devoted to G & PG family fare. HBO has requested 5th channel on Satcom III, but must await outcome of allocation battle. Problem could be compounded if HBO decides Max itself requires 2 transponders. HBO says Max probably will cost subscribers \$10 a month, vs. \$9 average for present service, with program overlap limited to 2-3 shows 90 days after either service has shown it. Emphasis will be on movies.

Congressional Research Service study—for Sen. Goldwater (R-Ariz.)—has found fundamental legal problem exists if broadcasters are to be charged fee based on transmitter power. Said CRS: "If there is no correlation [between cost of providing license and transmitting power] basing a license fee on authorized power would not appear to satisfy the Supreme Court's definition of a fee as a charge based upon a 'benefit' of 'value to the recipient.'" CRS said research unearthed previous congressional study on fee based on transmitter power—in 1929—with Federal Radio Commission concluding that more than transmitter power must be considered in developing fee schedule.

Communications Technology Management, devoted primarily to non-entertainment cable services, is organization formed by Robert Schmidt, former NCTA pres. He'll hq in Washington area, is adding staffers in engineering, marketing, software. He's been travelling—exploring developments in Germany, France, U.S., Canada. Until end of year, he remains consultant to NCTA. In addition to CTM, he's considering assuming "of counsel" role with law firm.

Black Entertainment TV adds Daniels systems... Sammons began ESPN Oct. 1.

CANNON—IMPROVE TV PROGRAMMING: "As one who continues to be disturbed by the mediocrity and sometimes tasteless fare served up on TV, I am most interested to find ways to improve TV's quality." That was message of Senate Commerce Committee Chmn. Cannon (D-Nev.) to nearly 100 TV execs. Oct. 19 at NAB conference in Atlanta.

He said "the handwriting is on the wall. With or without legislation in broadcasting... there will be more competition, there will be more options for consumers." He cited satellites, cable, STV and "the boom in UHF."

Cannon also chastised broadcasters for continuing to oppose spectrum fees, although "I realize that many of you are unwilling to look at this issue dispassionately. But, I believe you do yourselves a disservice by perpetuating a situation where you receive this valuable resource at no charge." He noted that cable pays copyright fee, "yet you pay nothing for the privilege of using the airwaves... In addition, cable companies generally pay a rather hefty franchise fee... Who then is getting the free ride?"

Opening Sept. 18-19 conference, NAB Govt. Relations Vp William Carlisle got little response with dozen questions on major regulatory proposals before FCC and/or Congress. "We are going to have trouble coming out our ears... much greater than in the past," he predicted in outlining NAB plan to assign up to 4 broadcasters to each member of Congress "to get our points across." This, he stressed, is reason for NAB leadership conference Oct. 20-21 in Washington.

Panel of 3 Washington lawyers got better reaction, with Alan Naftalin (Koteen & Burt) predicting that "cable is the most serious immediate threat to TV broadcasters"—although other new technology may be more troublesome in long run. He urged audience to search for instances where stations lose viewers because of cable. Robert Marmet saw more competition coming from STV than cable because its cheaper to go over-the-air than using cable.

Scientist-consultant Paul Bortz (ex-NTIA deputy dir.) predicted that super stations will just be "a passing fancy... Like TV of the early '50's, if you had a TV set you wanted to watch it" no matter what was on. He said local stations can do many things that super stations can't, said TV will have only slight loss of audience from new technology and that networks will continue as major program suppliers well into future. Networks, he said, will begin soon to use satellites extensively, will maintain land lines for protection and flexibility.

During session on "Our Image... What Can We Do About It," TV Code Chmn. Michael Kievman of Cox Bcstg. and TIO Dir. Roy Danish urged TV execs. to use their own facilities to get across broadcasting's story to public. "Let's get the hell out of the closet," Kievman said. "We react, we don't act." Danish and NAB TV Chmn. Thomas Bolger, WMTV Madison, discussed 6-week experiment planned early next year for Madison to educate & inform public about TV, its problems & services. Madison stations are cooperating in venture and impact on public will be measured. If successful, it'll be tried in

other markets.

NAB's next TV conference—replacing fall conferences of previous years which included both TV & radio—is Nov. 1-2 in Denver. Sen. Inouye (D-Hawaii) will speak, instead of previously announced Senate Communications Subcommittee Chmn. Hollings (D-S.C.). House Communications Subcommittee Chmn. Van Deerlin (D-Cal.) speaks at Nov. 19-20 TV conference in Houston.

ABC kid TV PSAs will use stars of 2 upcoming specials to discuss subject matter of specials—alcoholism and child abuse—outside of fictional context. "The Late Great Me—A Story of a Teenage Alcoholic," Nov. 14 is after school special; "When She Was Bad," Nov. 25, stars Cheryl Ladd. "These spots will run only after the programs have been aired. Their purpose is not to promote our programs, but to serve the public interest," said ABC TV Pres. James Duffy.

"Tests of TV Receivers for 'Just Perceptible' Interference to TV Ch. 6 from Educational FM Signals," reports on FCC tests on 45 TVs. FCC says that "data... infer that there has not been a marked improvement in TV immunity at Ch. 6 from educational FM stations since 1952." Report is available by sending self-addressed label to Office of Science & Technology, Room 7008, Washington 20554.

FCC TV channel utilization report shows number of VHF and UHF licensees, construction permits, applications, and channels not applied for—broken down by TV market. TV market designations are same as those used in FCC industry market reports of broadcast TV financial data. Report is available from FCC Office of Public Affairs, Room 207, 1919 M St. NW, Washington 20554, 202-632-7260.

CBS infringed on copyright of 6 Charlie Chaplin films, must pay \$717,281 in damages to Roy Export Co., federal jury in N. Y. has found. Parts of films shown previously on other approved programs, were shown again on 1977 tribute to Chaplin, which Roy Export claimed was infringement.

James Gabbert, KIOI(FM) San Francisco, has received first "James Gabbert Leadership Award" presented by NRBA at recent convention in Washington. NRBA also voted to increase number of directors from 25 to 36. Retired CBS commentator Eric Sevareid received NRBA's "Golden Radio Award."

New book—"Inside the TV Business"—offers appraisals by 10 senior broadcast managers: Paul Klein, ex-NBC vp; Richard Ward, senior vp, news, ABC; Don Ohlmeyer, exec. producer, NBC Sports; Alan Lansburg & Joe Barbera ("Flintstones" creators); others. Publisher is Sterling (\$14.95).

Vol. V of FCC rules (which includes Part 90) again is available from Supt. of Documents, Govt. Printing Office, Washington 20402. Cost: \$15, including continuous updating.

FCC no longer will automatically consider petitions for reconsideration unless requesting party supplies "new facts or changed circumstances."

CABLE COPYRIGHT REVISITED: House Subcommittee on Administration of Justice will take up CATV copyright issue at 2-3 day hearing next month. Witnesses will include cable foe Jack Valenti of MPAA; retransmission consent proponent Henry Geller of NTIA; Barbara Ringer, Library of Congress; probably Thomas Wheeler, NCTA.

Chief Counsel Bruce Lehman cautioned prospective witnesses that Subcommittee intends "lean & efficient" hearing, will "select from those interested in testifying" to keep hearing days to minimum possible. Subcommittee has no restriction on receiving written testimony.

Purpose of hearing is "basically to educate, more than strictly informational, not strictly legislative," Lehman said. Hearing will cover performer rights as well as cable retransmission. No legislation is being prepared.

First hearing day is Nov. 15; remaining days haven't been selected. Subcommittee chmn. is Rep. Kastenmeier (D-Wis.), ranking minority member Railsback (R-Ill.). We're told if broadcasters persist in supporting increased cable fees, NCTA may support fees for performers—abhorred by broadcasters.

WOFL (Ch. 35) Orlando returned to air Oct. 15, had previously operated March 1974-Sept. 1976, is nation's 1,008th station—624 VHF, 385 UHF. Lawrence Rogers II is pres. -treas., 37.1% stockholder; H. Talbott Mead, 23.2%; Joan Campbell, 10.2%; Meredith Corp., 7.1%. Ray Balsom is gen. mgr., Bill Hendricks local sales mgr., Paul Williamson program dir. There were 2 new applications last week, both for Ch. 12, Medford, Ore. (For details, see TV Addenda to Factbook.)

"Judges do not have a roving commission as agents of the Congress to oversee the implementation of legislation by the bureaucracy," said J. Skelly Wright, D.C. Court of Appeals chief judge, at Harvard speech. He said that judges shouldn't try to act as final arbiters of public good. Wright's court handles most cases involving federal govt.

Bristol-Myers filed \$25 million suit against CBS for WCBS-TV N.Y. reporting on FTC law judge's ruling that Bufferin & Excedrin are no more effective than aspirin (Vol. 18:42 p5). B-M charged that story, reporting that judge called B-M claims "hogwash," aired before judge issued ruling.

Japan's NEC won \$6.4 million TV equipment contract from Thailand. Order calls for 9 10-kw transmitters, 10 small satellite earth stations, mobile satellite unit. Gear will be used to form part of national TV network, will be installed in 9 different cities.

FCC will fund 4 policy studies by outside contractors on: (1) Consumer attitudes to UHF. (2) Low-power TV. (3) AT&T rate of return. (4) Telephone cost separation.

Assault on CBS News crew by police at Seabrook anti-nuclear demonstration drew protest from News Vp Burton Benjamin, who said crew was maced at point-blank range by state trooper.

NTIA MINORITY PLAN: Carter Administration has asked FCC to waive top-50 policy, 3-year rule and distress sale restrictions to stimulate minority ownership of stations. NTIA chief Henry Geller wrote FCC Chmn. Ferris: "Even though the number of minority-owned commercial stations has increased from about 62 in Jan. 1978 to about 134 today, minority ownership still accounts for only 1.5% of the nation's commercial outlets."

NTIA asked that FCC waive top-50 policy (prohibiting acquisition of more than 3 TV stations or 2 VHF stations in largest markets) in cases where applicant has 25% minority ownership and 50% of minority owners are "fully involved in station management." Similar criteria would be cause for waiver in 3-year rule cases (rule proscribing trafficking in licenses). Distress sale rule should be modified to permit licensees to enter distress sale agreements "at any time" before final FCC decision on sale—to "create an increased pool for potential sales to minorities."

NBMC chmn. Pluria Marshall applauded NTIA's proposal, calling it "the kind of consideration that's needed to add to the minority ownership thrust."

Major improvement in ENG & EFP performance is claimed by Philips for new family of low-capacitance diode-gun Plumbicons, to be sold in U.S. by Amperex. To be introduced at this week's SMPTE conference in L.A., new tubes are claimed to provide resolution of Saticon with benefits of Plumbicon. Amperex says they provide increased sensitivity of up to on F-stop or improved signal-to-noise ratio. Pricing will be 10-15% higher than current Plumbicons.

NAB plans reception in Geneva Nov. 12 for Region 2 (North & South America) WARC delegates. NAB Chmn. Thomas Bolger, Pres. Vincent Wasilewski, Engineering Vp George Bartlett (a WARC delegate) and their wives will attend. Foreign govts. customarily hold such receptions, but State Dept. doesn't have funds for parties.

Sen. Hollings (D-S.C.), Communications Subcommittee chmn., speaking to North American Telephone Assn.: "If the 96th Congress does not address communications policy, I assume the telecommunications industry, the Congress and the Republic will survive."

AT&T's "Reach Out" commercial is subject of first part of 2-part series by Michael Arlen in Oct. 15 New Yorker. Written in traditional New Yorker detail, article runs 18 pages, interspersed with 137 ads totaling 73 pages.

Supreme Court Justice William Brennan on press criticism of Court: "The press, of course, has in the past disagreed with the rulings of the Court, but I detect in the present controversy a new and disturbing note of acrimony, almost bitterness."

First black woman to own a U.S. radio station is Mutter Evans, Winston-Salem. With help of loans from local banks and U.S. Small Business Administration, she bought WAAA(AM) Winston-Salem for \$1.04 million.

Qube goes to Japan in April when Pioneer is slated to complete installation of 2-way TV system in Tokyo's New Otani Hotel. Japan's Pioneer makes many parts used in Warner Amex 2-way cable system in Columbus, O. Hotel guests will use 30-channel TV selector to receive either Japanese or foreign-language sound of TV shows being telecast with multiplexed audio by local stations, have choice of 8 pay channels at \$4.50 to \$7 per show, get access to special free channels featuring weather, traffic conditions, shopping guide, etc. Response feature on selector box will permit guests to pick items from room service menu displayed on TV screen, specify desired delivery time. System installation is expected to cost \$2 million.

CTW "Corporate Review", which highlights first decade of CTW, outlines plans for future development: (1) More programs building on experiences of "Sesame St.," "The Electric Co.," and "3-2-1 Contact." (2) More family programs like "The Lion, the Witch and the Wardrobe." (3) More joint productions of "Sesame St." with other countries, similar to those with Arab world and Spain, expected to premier in next few months. (4) More off-screen ventures such as planned theme park. (5) Additional publishing ventures. (6) Expansion of other licensed product lines such as records and games.

Despite published reports, NRBA isn't considering a merger with NAB or any other group, according to Exec. Vp Abe Voron. He said no merger discussions had been held with NAB, only "informal, private conversations on the subject of improving communication." In past, NAB has ignored NRBA conventions, but convention early this month was attended by NAB Chmn. Thomas Bolger and several staffers.

TV viewing report on minorities by Arbitron finds top-rated program for blacks is ABC's "Mork & Mindy," with ratings 29-37 in Atlanta, Baltimore, Detroit, Memphis, New Orleans, Norfolk-Newport News, Philadelphia, Richmond, Washington. Same show also rated highest in Hispanic markets sampled—Albuquerque, El Paso, McAllen-Brownsville, Miami & San Antonio.

ABC acquired Macmillan for \$340 million (Vol. 19:38 p4), will issue 7.5 million shares of \$2.125 stock (redeemable at \$25 per share) for 55% of Macmillan shares. FTC is expected to study deal for media concentration.

"More people will be watching TV than ever before" in 1980s, ABC Pres. Frederick Pierce told N.Y. Times editors, predicting use of TV will expand, expressing confidence that \$225 million 1984 Olympics buy would be profitable.

Parting company: Micro TV, Philadelphia, and Southern Satellite Systems, Tulsa, end plan for Cable-text joint venture. SSS said it will continue to market satellite data service itself, directly to cable systems.

Joint cable venture in suburban Chicago—Norcom—was announced by Cox and Paddock Publications, seeking franchises in Cook, Lake & DuPage counties.

Warner Communications said basic cable and Star Channel pay-TV services had improved results in 3rd quarter while start-up costs eased. Business segment results for period, with 9-month results in parentheses: CATV sales \$20.7 million, up 20.7% (\$59 million, up 22.1%); operating net \$3.28 million, up 38.8% (\$8.88 million, up 101.7%). TV series sales \$20.7 million, up 62.2% (\$82.5 million, up 85.1%). Films in TV distribution sales \$12.9 million, down 17.6% (\$35.5 million, down 18.4%). Operating net from TV films & series wasn't announced.

"The simple, crucial fact about American broadcasting is that it cannot be reformed from within," according to N.Y. Times reporter Les Brown in new book "Keeping Your Eye on TV." Book was commissioned by United Church of Christ Office of Communication, published (\$4.95) by Church subsidiary Pilgrim Press. Brown says that industry perceives TV "as a great business, not as a great communications medium," that FCC has failed to enforce Communications Act and that public must become more involved in regulatory process.

Joint PBS-NPR-CPB draft plan for political coverage in 1980: (1) "The core of the strategy is to work from existing strength—rather than start from scratch with new series and irregularly scheduled specials, we should build on established programming, production staffs and audiences." (2) Base for radio coverage—estimated to cost \$300,000—will be "All Things Considered." TV coverage base will be "enhanced" "Bill Moyers' Journal" and "MacNeil/Lehrer Report," with other series contributing to coverage (estimated cost: \$2.7 million).

Supporting de-regulation, FCC Comr. Fogarty told ANPA telecommunications committee: "In an era of explosive technological change and innovation, the wisest course of action for the Commission is to get out of the way. Where we can see a likelihood that the marketplace and competition will serve the public interest, we should rely on those forces until experience, not speculation, demonstrates that this approach is inadequate."

Sears TV ads were found misleading by FTC Judge Daniel Hanscom, saying firm presented "grossly deficient" evidence to support contention that its dishwashers eliminated need to scrape dishes. He ordered Sears to cease claim and to ensure that tests substantiating ad claims be "competent and reliable."

CBS is looking outside company in search for successor to ex-Washington Vp William Small, now pres. of NBC News (Vol. 19:36 p4). Also still said to be in running are John Kiermaier & Thomas Miller, both CBS vps in N.Y.

Howard U. School of Communications 9th annual communications conference: "Communications—An Agent for Social Change," Feb. 15-18. Details: 202-636-7491.

House Communications Subcommittee plans NTIA oversight hearing Nov. 8, FCC oversight Nov. 13-15.

ESPN signed Viacom to take all-sports cable service in markets with 35-channel capacity.

Personals

Network entertainment vps speaking at HRTS luncheon, Beverly Wilshire Hotel, L.A. Nov. 6: **Anthony Thomopoulos**, ABC; **Robert Daly**, CBS; **Michael Weinblatt**, NBC... **Tim Flack** promoted to ABC dramatic programs casting dir... **Lester Crystal**, ex-NBC News pres., named senior exec. producer, politics & special programs; **Gordon Manning** promoted to vp, same div... **Ernest Leiser** moves up to CBS News special events & political coverage vp, replacing **Sylvia Westerman**, now at NBC News... **Elizabeth Paine** promoted at ABC Bcst. Operations & Engineering from financial analyst to planning & analysis mgr... **Bertrand Christian**, ex-CBS, appointed ABC TV assoc. dir., contracts, West Coast.

John von Soosten named WNEW-TV N.Y. program mgr., succeeding **Richard Ballinger**, named Metromedia vp-programming mgr... **George Carroll** advanced to WTRF-TV Wheeling productions vp; **Gary Vorhees** to operations vp... Panel at TvB conference in Atlanta Nov. 13-14 speaking on "Where Will TV Be in the 80's": **Ted Turner**; **William Hillier**, Hillier Productions; **A. Van Cantfort**, WSB-TV Atlanta... **Ron Klayman**, ex-WQAD-TV Moline, named to new post of WMC-TV Memphis broadcast services dir.

Gerald McGavick, **Michael Volpe** & **Paul La Camera** named vps, WCVB-TV Boston... **Don Schomburg** advanced to KDSK St. Louis administration vp, new post; **J.E. Risk** named engineering vp... **Timothy Russell**, ex-WPGH-TV Pittsburgh, appointed WIIC-TV Pittsburgh ad & promotion dir... **Hal Greene**, ex-WNGE Nashville, named KLAS-TV Las Vegas operations & program mgr... **Hugh Roche**, ex-WJHG-TV Panama City, Fla., named vp-gen mgr., KTVE-TV El Dorado, Ark... **Mary Braxton**, WJLA-TV Washington editorial dir., adds duties of community affairs dir... Officers re-elected to 2-year terms, Inter-American Assn. of Bcstrs.: **Hector Amengual**, Uruguay, pres.; **E. Markham Bench**, U.S., first vp; **Gerardo Brborich**, Ecuador, 2nd vp; elected dirs. were **Luis Sole**, Uruguay, as dir. gen.; **Oscar Garibaldi**, Argentina, secy.; **Ed Prevost**, Canada, treas.

Wallace Johnson, former FCC Bcst. Bureau chief, named exec. dir., Assn. of Bcst. Engineering Standards... Among speakers at Ohio Assn. of Bcstrs. convention, Columbus Hilton Inn, Oct. 24-25: FCC Comr. **Anne Jones**, ABC correspondent **Tom Jarriel**, NAB Senior Vp-Gen. Counsel **Erwin Krasnow**, RCA Americom Vp **Harold Rice**... **Warren Ferguson**, Central Cal. federal judge who heard family viewing and MCA-Sony VCR trials, nominated for 9th Circuit Court of Appeals... **Jay Sondheim**, KTVU Oakland, elected TvB Retail Development Board chmn.

Jack Kelly, Scientific-Atlanta exec. vp, assumes responsibilities of chief operating officer... **Roger Watson**, ex-Video Magnetics, joins Ampex Audio-Video Systems Div. as national sales mgr... **William MacPhail**, former CBS sports vp, named CNN vp-sports... **John Marrinan** promoted to Viacom asst. to vp... **Anne Nobles** named AP national cable

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executive-east... **Douglas Pinnow**, ex-Hughes, appointed Times Fiber Communications optical fiber research dir... **Peggy Hughes-Whitting** advanced at RCA Bcst. Systems from sales administration administrator to mktg. service mgr... **Ken Rice**, ex-RCA, appointed Angenioux western TV sales mgr... **Tony Ford**, ex-MCA, named Metromedia Producers creative affairs vp... **Inez Almee** joins Katz Agency as corporate sales development dir., new post.

Tina Reiman appointed WRC-TV Washington program administration mgr.; **Richard Raab** & **William Hamby** operations & engineering production dir. and mgr., respectively; **Margaret Test** purchasing mgr.

ABC Pres. Elton Rule, speaking at ATAS luncheon in L.A., warned "the Hollywood production community... may find that the future has passed it by" if it doesn't look to needs of "narrowcasting" audience created by new videodisc & cassette technologies. "Except for the common element of a TV receiver at the end of the distribution system, narrowcasting interests are quite unrelated to those of the ABC broadcasting divisions," he said.

Pressed for space in Washington, FCC is considering leasing in Thurman Arnold Bldg., M St. & New Hampshire Ave.; Jefferson Bldg., 19th St. & Jefferson Pl.; AT&T Bldg., 20th & L Sts. None is expected to be available until well into 1980. Prices run \$14-\$17 sq. ft.

Unique videocassette service of Television Digest Inc. offers 2nd issue, devoted to highlights of Japan Electronics Show, showing many products never demonstrated in U.S. (For details, p. 12.)

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STATE OF THE INDUSTRY

Sales to dealers (total market), from EIA, for week ended Oct. 5 (40th week of 1979):

	Sept. 29- Oct. 5	1978 week	% change	Sept. 22-28	1979 to date	1978 to date	% change
Total TV.	326,890	361,706	-9.6	489,569	11,700,519	11,740,292	-0.3
color	197,317	214,568	-8.0	282,428	7,253,791	7,446,859	-2.6
monochrome . .	129,573	147,138	-11.9	207,141	4,446,728	4,293,433	+3.6
Home VCR	12,938*	12,477	+3.7	16,831	307,581*	255,066	+20.6
Total radio . . .	514,799	663,575	-22.4	1,381,687	31,470,572	35,682,136	-11.8
home, portable	279,399	409,970	-31.9	1,160,990	21,656,159	25,976,182	-16.6
AM-only	77,306	177,351	-56.4	121,731	4,321,287	5,925,265	-27.1
FM & FM-AM	202,093	232,619	-13.1	1,039,259	17,334,872	20,050,917	-13.6
auto	235,400	253,605	-7.2	220,697	9,814,413	9,705,954	+1.1

Color TV 5-week moving average: 1979—208,448; 1978—230,408 (down 12.6%).

Home VCR 5-week moving average: 1979—11,609; 1978—12,067 (down 3.8%).

*Record for period.

NEVIN OUT AT ZENITH, WRIGHT BACK IN: Amid growing criticism from financial community, John Nevin resigned Oct. 19 as Zenith chmn.-chief exec. officer. To succeed him, board recalled man Nevin had replaced, Joseph Wright, who has been serving as exec. committee chmn. since reaching mandatory retirement age of 65 in March 1976.

Nevin was considered whiz-kid when he left Ford to become Zenith pres. in 1971, filling vacancy created by death of Sam Kaplan. He was to have brought new, bold, management concepts with him, putting end to Zenith's traditional conservative approach to market. He made presence felt quickly. One of first acts was junking of planned 1973-model color line in favor of solid-state sets company intended to offer following year.

Chink in Nevin's armor appeared to be his dedication to halting what he considered unfair business practices by Japanese TV makers selling in U.S. He became leader in anti-Japan movement, was openly criticized by financial analysts for spending too much of his time and Zenith's money battling issue in courts and at various govt. hearings. All stop-Japan proceedings he launched were essentially failures, though \$1 billion antitrust suit filed against Japanese in Philadelphia in 1974 still pends.

Observers blame his anti-Japan views for decision in 1973 to expand Zenith color operations in U.S., rather than follow other manufacturers to Mexico or Taiwan. That led to purchase of Philco color tube plant that year. Situation peaked in 1977 when, faced with prohibitive production costs & excess capacity, Zenith announced it was writing off former Philco plant at loss of \$22.5 million, closing several U.S. plants and shifting color subassembly & chassis work to Taiwan & Mexico. Zenith claimed those moves, plus new chassis design, would sharply cut costs. But savings never materialized in form of improved earnings. Zenith underestimated size of color market in 1978 and that year also missed out on 13" sales boom. As a result, RCA slipped past Zenith as top color brand. This year, there were rumours of production problems in Mexico and a safety recall which cut into first half results.

Final straw may have been declining profit along with small sales increase reported for 3rd quarter. Zenith said Nevin left to pursue non-electronic interests, added details wouldn't be

revealed for at least several weeks. Nevin, company said, "has agreed to make himself available" for consultation.

V-DISC—INDUSTRIAL(HOT), CONSUMER(?): Optical videodisc has to be reckoned as success in industrial field, but returns are far from in on consumer version. GM has exercised options for 10,000 Discovision players, is expected to order at least 1,500 more, already has 6,000 in operation. That figure of 6,000 happens to hold as maximum number of Magnavision players in consumer hands, and sales pace has slowed to a walk. Whether it's lack of promotion, limited distribution or price, there are plenty of players in stock in first markets, Atlanta & Seattle. In response to our phone inquiry, one Atlanta store asked: "How many do you want? We can put them in the mail to N. Y. today."

Time when stores in the 2 markets promised 60-90-day delivery is gone, and retailers routinely carry inventory of 10-12 machines, sometimes more. Salespeople attribute situation to more frequent & larger shipments from Magnavox plus decline in interest as novelty wears off. They hope to recapture old excitement with approach of Christmas season and boost in Magnavox advertising. Magnavox is believed to be delivering players at 250-a-month rate.

Experience at Bon Marche in Seattle is typical. Store, which once had waiting list, now can supply units from inventory, says business is "fairly good." Most of 550 sold to date have been shipped out of town, but both Bon Marche & Boces in Seattle expect Christmas upsurge to come from local buyers. Allen & Bean in Atlanta figures 60% of 1,200-1,500 it has sold since introduction last Dec. were sent out of state, with 20% returned for maintenance.

Stores credit Magnavox with faster turnaround and improved design, which reduced Allen & Bean's return rate by 60%. Nevertheless, long-distance shipments increase chances of rough handling and possibility of far greater damage than misalignment of optical pickup, most common problem.

In contrast to players, discs are still in short supply, although situation is improving. Allen & Bean accuses MCA of "stand-off attitude," calls delivery schedule "leisurely." Store hasn't received new title in 60 days, has about 25 of possible 130 in stock. Availability of some of more popular movies such as "Saturday Night Fever" is up considerably, but Bon Marche says it got only 12 copies of extended-play "Animal House," still has more than 100 back orders. There has been grumbling but little resistance to MCA's 56-60% price increase (Vol. 19:25 p7).

Concentration on industrial market to support MCA (now DVA) Discovision system with discs increasingly is source of friction. MCA already has delivered over 140,000 sides (70,000 discs) to GM alone, MCA Vp A.R. Gale told seminar at Video Expo in N. Y. last week, and DVA expects to supply auto maker with 500,000 sides next year. He said the 11 stampers at Carson, Cal. disc plant are heavily overtaxed, and 18 more are on order. Second pressing plant, also in L. A. area, will be on stream around mid-1980, he added, forecasting that DVA eventually will produce discs in eastern U.S. & Europe.

GM's initial order was for 7,000 players and it exercised 2 options for 1,500 increments well ahead of time, said Gale, adding that he expects 3rd & final one to be exercised soon, but "in my opinion GM could wind up at 30,000" players if it extends their use to training as well as customer information.

MPU-equipped industrial player made in Japan by Universal Pioneer for DVA (formed by IBM & MCA from MCA Discovision) sells for \$3,000 in single orders, \$2,200 in lots of 5 or more (GM is believed to have paid \$1,650 each), as compared with list of \$775 for Magnavision consumer player. DVA offers 2-sided basic discs (without computer programs or branching) in quantities as low as 200 for \$41 each, including mastering.

Japanese Philips/MCA licensee Sharp paid \$100,000 advance royalty to join optical disc camp, Gale said, adding that RCA's licensees "don't have to pay a cent" until they start production. Trend to optical disc seems to be assuming proportions of landslide in Japan, but most manufacturers are hedging their bets by working with several types. At recent Japan Electronics Show, Sharp, Sanyo & Toshiba showed optical players. Sony recently signed cross-licensing agreement with Philips, including optical player, which it will demonstrate this week for

first time in U.S. after first showing in Berlin (Vol. 19:35 p6). But Sony also quietly extended cross-licensing deal with Matsushita & JVC to include videodiscs as well as VCRs, giving it access to mechanical & capacitance patents. Licensee Toshiba also demonstrated RCA-compatible capacitance player at JES. Sharp is RCA videodisc licensee; but then again, so is Pioneer. Sanyo is licensee for British-German TED mechanical systems.

Magnavox, meanwhile, is believed to be preparing for production of U.S. made Mark II player in late 1980. It has awarded 5-year, \$10-million contract to Optical Coating Labs for laser optic sets. It's understood Santa Rosa, Cal. producer is scheduled to start deliveries in 4th-quarter 1980. Magnavox currently buys all parts & subassemblies from parent Dutch Philips, as well as some finished players, but over past year has been talking with domestic vendors.

RCA's optimism for its low-cost disc system is undiminished. Exec. Vp Herbert Schlosser, in talk to Hollywood producers, writers & directors last week, forecast players would be in 30-50% of U.S. TV homes in 10 years—market penetration of 25-40 million players.

VANIK SEEKS DUMPING DATA: Treasury is balking at unusual—if not unprecedented—congressional request for advance look at reasoning behind as-yet-unissued Customs decisions on TV dumping protests by Japanese TV importers. Treasury says it wouldn't be proper to turn over documents before decisions are made because this could create legal problems.

Polite turndown, already made in oral form and due in writing this week, is in response to Oct. 11 letter from House Ways & Means Trade Subcommittee Chmn. Charles Vanik (D-O.). He requested Treasury deliver to him "as soon as possible" a "Green Book" dated Aug. 27, 1979 plus supplements, which analyze issues in TV dumping dispute, plus internal Treasury & Customs memos. Memos discuss policy and individual protests.

Prompting Vanik's interest, we understand, is belief Treasury decided to follow historical procedures in handling Japanese claims for reduced dumping assessments. If true, that would mean cuts of as much as 90% in the \$46-million dumping assessments issued by Treasury in March 1978 for imports through June 1973, actual reductions varying importer-by-importer. While only that group of assessments is covered by pending decisions, Treasury presumably will use same policies on all later shipments.

Those decisions were due Aug. 1, then delayed to Oct. 1, and now are day-to-day proposition. We've been told they're ready to go, with only signatures needed. Vanik letter seems to have brought issuing process to standstill, and belief is Treasury will hold off to see if he wants to press issue.

Situation again points up split in Treasury & Customs between hard- & soft-liners. Vanik traditionally has pressed for imposition of full penalties on dumped imports, and his document shopping list indicates he has information from insider unhappy that Japanese may get off relatively easy.

Should Vanik get advance peek, whether or not he attempts to get decisions changed, Japanese would claim political interference in any court appeal they might file. Treasury wants to avoid this, but has no taste for showdown with Vanik. Authority for handling dumping cases is slated to move from Treasury to Commerce Jan. 1—so Treasury has no long-term interest to balance against making enemies on Ways & Means Committee.

VIDEOCASSETTE MARKET STRONG IN 1979: Sluggishness affecting VCR hardware market seems to be having no impact on half-inch videocassette business, and blank tape sales at wholesale this year will be worth \$114-\$156 million, our survey of major U.S. market suppliers indicates. That would make this year's volume about twice size of 1978 market.

There's reasonably close agreement on market statistics among domestic VHS & Beta cassette manufacturers & importers. Estimates of number of blank tapes sold at factory range 9.5-13 million, average 11 million. There's similar consensus on how many of those blanks will make way to retail shelves, with estimate range of 8-10.5 million, averaging about 9.2 million.

Industry disagrees, however, when it comes to software market size. Estimates of number being sold to legitimate consumer & commercial software duplicators ran 1.1-4 million. Getting handle on this market is complicated, we were told, by fact that many smaller duplicators buy from wholesalers and even from larger retailers rather than factory-direct. Carload lot buyers can get factory quotes as low as \$9.13 for Beta and \$11.17 (including 5% cash discount) for VHS cassettes containing movie-length tapes. But when it comes to lesser quantities, small duplicators find they can get better pricing & terms and faster delivery from local jobbers. Also uncertain is number of blanks siphoned off by illegal duplicators. Guesses on this average just over million, but that's not much more than shot in dark.

Another area of industry agreement is on sales breakdown by type, VHS accounting for 66-75% of current market, though Beta appears to hold edge when it comes to non-consumer market sales. Marketers say sales are running at rate of 11-14 videocassettes annually per VCR in use. They acknowledge that total is buoyed by large number of cassettes bought by new VCR owners and free or discount videocassette promotions by dealers.

Worrisome puzzle for market planners is how many new cassettes will be bought per year by those who have owned VCRs for 2 years or more. They recognize there's stronger incentive to re-record \$20 videocassette than to re-use \$4 audio cassette, so feel they can't rely on historic audio cassette sales patterns as guide. VCRs, of course, haven't been around long enough for meaningful indications to emerge. There's lots of research going on, but the relatively small number of VCRs in use and disorganized market conditions make reliable results hard to come by.

At current production rate, industry is selling all it can supply. While there's no sizable inventory, neither is there any indication of shortages that plagued retailers last year, although longer Betas (750 & 830) and new mid-length VHS (90) are hard to come by. There's some price competition, mainly on market-by-market basis, but it's far from intense.

This rosy picture of robustly healthy industry could change quickly, however, if VCR sales fail to hold up at time of rapidly expanding videocassette capacity and brand proliferation. Such sizable producers as Ampex, BASF, Sony & TDK will have bigger or new plants in operation here next year; and others, including Memorex-Bell & Howell venture, 3M & Du Pont haven't really hit production stride yet. There's also massive expansion underway in Japan, including start up by Matsushita.

Adding to concern is prospect of market dilution caused by new tape formulations designed for slow-speed VCRs, new lengths in current formats and probable introduction of totally new helical & longitudinal-scan formats over next year or 2. And of course most significant cause of videocassette industry nail-biting is what impact introduction of planned low-cost videodisc players will have on VCR market.

Consumer video was noticeable by its absence at 10th Video Expo in N. Y. Oct. 16-18, unlike last year when more than dozen software distributors exhibited. Most programs then were X-rated, and prominence of porn upset other exhibitors, attendees and show organizer Knowledge Industry Publications. Also missing were Magnetic Video & Video Tape Network, with straight pre-recorded features, and industrial & home video duplicators such as Bell & Howell and S/T. Video Shack & Tape City, 2 N. Y. retailers, were present. Knowledge Industry, meanwhile, cancelled its first home video exhibition at Madison Square Garden, originally planned for late Nov., may hold it next fall.

GE is spending \$7 million on IC development & pilot production facility for R&D Center in Syracuse. Unit will design & produce custom ICs. It will be housed in same building GE used for commercial manufacture of ICs until it withdrew from business in 1971 (Vol. 11:42 p10).

Ad notes: Consumer complaints about misleading consumer electronics & appliance ads have dropped to point where they fail to show up in survey of consumer gripes prepared by Opinion Research. Survey showed 13% were unhappy with some aspect of consumer electronic-appliance purchase made last year, down from 15% in 1976 survey... TDK disagreed with BBB National Ad Div. challenge of audio cassette ads, but said they were being discontinued. TDK was asked to substantiate indicated claims that its premium cassettes are industry's best sellers and provide better performance than competitors.

Beta scan competition from VHS camp could appear as early as Jan. when Magnavox & RCA are expected to introduce high-end 4-head, Matsushita-made 6-hour VHS VCRs featuring still-frame and visual fast-forward. Additional models at lower prices will be shown by several VHS-format adherents at spring sales meetings.

VIDEO CLUB'S BIG START: Response to first promotion of Time Life Video Club (Vol. 19:39 p8) has Time Inc. doing handstands. Ads in several magazines, including Time, drew 20,000 returns, or one for every 1,000 potential readers. "We're getting 3 times the response we'd expect for a book or record club" where no exotic equipment is required, says Club Gen. Mgr. Paul Eisele. Time drew best, with hobbyist Video magazine running strong 2nd, hi-fi books last.

In "concept test" phase of 2-step promotion, respondents paid \$12 for videocassette, blank except for erasable 12-min. explanation of Club. Next step is conversion. Eisele hopes to bring 25-30% into fold with 2-for-1 offer, giving members choice of 2 prerecorded cassettes for \$64.95. Among 12 titles are 7 Columbia feature films (including "The Deep," "Man For All Seasons," "New Centurions") and 5 documentaries & music specials ("Life Goes to the Movies," "Billy Joel Tonight," "1976 Olympic Highlights," "Richard Pryor Live in Concert," "Casino de Paris," originally produced for Warner Cable's Qube.

Prices of pre-recorded cassettes are "down dramatically from 2 years ago," says Eisele. Blank tape & replication cost \$15 an hour now, vs. \$25 an hour in 1977.

Time Life Films Senior Vp Bruce Barnet predicts "significant investment" in programming over next few years, thinks estimate of 50,000-100,000 club members by end of 1981 is "certainly in right ballpark." Program catalog will be mix of outside titles, Time Inc.'s Home Box Office, broadcast TV productions and original shows, several of which have been commissioned. BBC co-productions, sampled in TLV's earlier "Great Performances" home video test, will be significant "but not dominant," says Barnet.

THORN BIDS FOR EMI: Trend toward consolidation of Europe's electronics industry was spotlighted in U.K. last week when Thorn offered to acquire financially ailing EMI for shares worth at least \$343 million. EMI, however, said bid was inadequate, issued statement urging its holders not to accept offer. Earlier this year, EMI agreed to sell half interest in worldwide music operations to Paramount for \$154 million, but deal fell through when companies couldn't agree on terms.

Also on acquisition prowl in U.K. is Racal Electronics, reportedly preparing to make bid for Decca. Racal recently increased cash hoard by about \$18 million through sales of holdings in Plessey & Exchange Telegraph, is believed to have increased Decca holdings. Before announcement of Thorn offer, Racal was rumored to be interested in EMI.

On U.S. merger front: N.Y. bankruptcy court is being asked to approve acquisition of all Capehart assets by Wakefield Industries for \$3.1 million, indicated as Capehart's liquidation value. Wakefield is headed by Marvin Margolis, currently Capehart pres. Key part of plan provides that Capehart assets be free & clear of bank debts. . . Sarkes Tarzian sale of TV Tuner Div. to Semicon has been called off (Vol. 19:36 p10). Firms said they couldn't reach agree-

ment before S-T shut Bloomington, Ind. plant at end of last month. . . Cyclops Corp., steel producer, has agreed to acquire Philadelphia TV-appliance dealer Silo for \$35 million. . . Emerson Radio acquires Cardiac Resuscitator, Portland, Ore. producer of medical equipment, terms undisclosed. . . Siemens of Germany has agreed to buy Aerotron, Raleigh, producer of mobile radios & telephones, for \$12 million. . . Audiotronics denies it's take-over target. It says it has received assurances from Seede, a subsidiary of Lincoln Mortgage Investors, that recent purchase of 7% interest in Audiotronics was for investment only. . . Mostek acquisition offer from United Technologies is getting Justice Dept. once-over. UT says it has been informed by agency that more information on proposal will be sought (Vol. 19:40 p10).

Complete text of L.A. Judge Warren Ferguson's 102-page decision dismissing VCR copyright suit filed against Sony by MCA & Disney (Vol. 19:41 p7) is reprinted in current ITA News Digest. Individual copies requested on company or organizational letterhead are free (\$5 charge on overseas requests) from ITA, 10 W. 66th St., N.Y. 10023.

JAPAN ELECTRONICS SHOW ON VIDEOCASSETTE

Second issue of Television Digest's Video Edition, unique color videocassette devoted to Highlights of the 1979 Japan Electronics Show Oct. 5-9 in Osaka, will be available next week. Tape features demonstrations of many new & developmental products never shown in U.S. Included are: (1) Optical videodisc systems from Sanyo, Sharp & Toshiba; PCM digital audio disc system from Sanyo. (2) Solid-state CCD color cameras from Hitachi, NEC, & Sharp. (3) NTSC-PAL-SECAM tri-standard VHS recorder from Mitsubishi; Sony's J7 multiplex stereo-bilingual Beta VCR; Toshiba's LVR; Sanyo's voice-activated VCR. (4) Sony's super-automatic MVC-80 color camera, due in U.S. next year. (5) Home slide & negative film display by Toshiba. (6) On-screen video painting & art systems by NEC & Sanyo. (7) 6-tube 170" video projector by Matsushita. (8) Pocket liquid-crystal (LCD) TV set by Matsushita. (9) Home optical fiber systems by Matsushita & Sharp. (10) Voice-command video geography game by Sanyo. (11) Pocket stereo system by Sony.

Price of new 43-min. cassette will be \$250, in Beta-1, Beta-2, VHS-2 or U-Matic formats. Special rate for charter purchasers of our recent first edition will be \$150. Copies of that videocassette, Highlights of the Internationale Funkausstellung 1979, featuring demonstrations of Philips Video 2000 and BASF LVR video recorders, are still available at \$250 each. If both cassettes (No. 1 & No. 2) are ordered at same time, price will be \$400—a charter discount of \$100. Order form will be enclosed with next week's Television Digest. For quicker delivery, call Barbara Pratt in our Washington office (202-872-9200).

Consumer Electronics Personals

Gerald McCarthy advanced at Zenith from TV planning dir. to Sales Corp. western sales vp, succeeding late **Jack (Kip) Anger**; **Wayne Morgan** promoted at Zenith Sales from sales training mgr. to audio mdsg. dir., new post... **Larry Stowe**, Audio Dynamics operations mgr., named vp... **T. Martin Rennels** advanced at Columbia Pictures Videocassette Services to business mgr... **Y.K. Choi** appointed Gold Star national service mgr.

Peter Schindo, former Video Dept. branch mgr. for retailer Harvey Radio, joins Panasonic Consumer Video Div. as VHS VCR national sales mgr., succeeding **William Caire**, now in similar post with Sharp... **Richard Mooney**, former Wilbur B. Driver pres., appointed GTE Products Group productivity improvement vp... **W. Michael Blumenthal**, former Treasury secy., onetime Bendix chmn., joins Burroughs as vice chmn. early next year, becoming chmn.-chief exec. end of 1980, succeeding **Paul Mirabito**, retiring... **Edward Jefferson**, Du Pont senior vp, becomes pres. Jan. 1 following retirement of **Edward Kane**.

Francis Datello advanced at CBS from Columbia House vp to Specialty Stores Div. exec. vp (Pacific Stereo & Soundworks chains), assuming responsibilities of **Norman McMillan**, who resigns as pres... **Craig Balchunas** resigns as Sharp Consumer Calculator Div. product mgr... **Melvin Pollack** resigns as Alpex Computer senior vp... **John Burnett**, Northern Telecom secy. & asst. gen. counsel, named vp... **Jerry Copeland**, ex-Aerotron, joins RCA Mobile Communications as vp-gen. mgr., succeeding **Joseph Ulasewicz**, being reassigned.

Robert Brown shifts at Motorola Semiconductor from U.S. sales dir. to western mktg. dir. in marketing realignment; **Donald Fullam** appointed eastern mktg. dir.; **Jerry Stewart** advanced from NW region sales mgr. to distributor sales dir., succeeding **Fullam**... **Heinz Roessle** advanced at ITT from worldwide semiconductor group gen. mgr. to components & semiconductor group gen. mgr., succeeding **Douglas Stevenson**, being reassigned; **Gerard Seelig** advanced from vp to senior vp in charge of new N. American Engineered Products Group; **John Chulowski** promoted to senior vp for European EPG... **Dale Mc Ivor**, ex-Norton Simon, joins Plessey (U.S.) as corporate development vp, new post... **Keith R. Robbins** joins Kollmorgens Photocircuits Div. as national sales & mktg. dir.

Import impact aid was approved by Labor Dept. for workers who lost jobs producing fractional horsepower motors for automatic car antennas when Tenna moved operation from Caguas, P.R. to new plant in Reynosa, Mex. earlier this month. Aid was disapproved for those similarly displaced by shift in antenna assembly to new plant in Ala. While Tenna's automatic antennas sales were down in Jan. 1977-July 1979, none of its customers were purchasing imported antennas, Labor report said.

Soundesign drops Tanglewood in favor of Acoustic Dynamics for brand it uses for audio line marketed through distributors. Company says it now has 30 distributors covering 42 markets for AD.

RCA NET OFF: RCA net dipped in 3rd quarter despite record sales, while both sales & earnings hit new highs for 9 months (see financial table). RCA said color sales were particularly strong in quarter, with unit volume up 12%, against industry-wide 2% falloff, indicating RCA maintained No. 1 sales position it claimed for year's opening quarters, with sales of remote models up 95%. In VCRs, RCA said sales performance was better than industry's 14% gain.

Overall profits of Consumer Electronics Products & Services segment were down because of R&D costs, primarily associated with videodisc, lower earnings at RCA Records, although that unit returned to black in quarter. Earnings at Picture Tube & Solid State Divs. also were lower. RCA has told security analysts that while color tube sales were up, intense worldwide competition held prices down.

Zenith reports lower 3rd-quarter & 9-month earnings, although sales in those periods were up 6.1% & 8.2%. Company said price increases at end of 1978 and last spring weren't enough to offset rising costs.

GTE Consumer Electronics (Sylvania in U.S., Saba in Germany) posted substantial losses in 3rd quarter & 9 months, although sales were up. GTE echoed RCA in pointing to lower earnings from picture tube & component business in U.S. & abroad, also cited intense color TV price competition in Europe. Results for Consumer Electronics, included in GTE consolidated totals, show sales for quarter up 9.5% to \$295.4 million, and for full 9 months up 3.4% to \$764.2 million. Unit lost \$3.52 million in quarter, \$11.6 million in 9 months, compared with income of \$2.84 million & \$8.98 million in same 1978 periods.

Price is key consideration for consumers seeking to buy basic telephone, but not for those looking for modern or antique instruments, according to survey by Venture Development Corp. Consumers were asked to select 2 most important factors influencing decision. Of those buying basic units, 56.4% mentioned price, with color/design a distant 2nd at 21.2%. Of antique phone buyers, 50% picked color/design, 42.9% named effective in-store display, 17.9% said "feel," 17.9% said price. Color/design also led among modern phone buyers with 58.1%, with price 2nd at 23.3%, followed by store display at 20.9%, features at 18.6% and feel at 16.3%. Store ads attracted 19.4% of basic phone buyers, against 14.3% who purchased antiques, just 9.3% of moderns. Report says phone sales are growing modestly, could hit 2 million this year. Details: VDC, 1 Washington St., Wellesley, Mass. 02181.

TDK completes 17,000-sq.-ft., \$1.5-million plant in Sao Paulo to produce ferrite cores for Brazilian market. TDK expects initial monthly sales of \$273,000, expanding to about \$1.4 million. In addition to output in Japan, TDK also produces cores in Mexico, Korea & Taiwan.

Beta group added adherent in U.K., Rank Radio agreeing to buy 10,000 VCRs from Toshiba. Second largest British TV maker (after Thorn), Rank has joint venture with Toshiba to make color TV sets in Britain.

Financial Reports of TV-Electronics Companies

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

Company & Period	Revenues	Net Earnings	Per Share
Andrea Radio			
1979-9 mo. to Sept. 30	2,045,698	183,085	.36
1978-9 mo. to Sept. 30	1,650,633	79,626	.16
1979-qtr. to Sept. 30	696,732	58,585	.12
1978-qtr. to Sept. 30	588,748	40,309	.08
Bell & Howell			
1979-9 mo. to Sept. 30	391,197,000 ^a	(34,258,000) ^b	--
1978-9 mo. to Sept. 30 ^c	335,867,000 ^a	9,110,000 ^b	1.63
1979-qtr. to Sept. 30	137,900,000 ^a	(36,167,000) ^b	--
1978-qtr. to Sept. 30 ^c	120,023,000 ^a	2,634,000	.47
Buckbee-Mears			
1979-9 mo. to Sept. 30	54,520,000	2,879,000	.94
1978-9 mo. to Sept. 30	46,965,000	2,094,000	.68
1979-qtr. to Sept. 30	18,313,000	896,000	.29
1978-qtr. to Sept. 30	14,621,000	714,000	.23
Chris-Craft Industries			
1979-year to Aug. 31	105,247,000	7,932,000 ^e	2.03 ^d
1978-year to Aug. 31	86,395,000	6,666,000 ^e	1.28 ^d
1979-qtr. to Aug. 31	25,578,000	2,112,000	.61 ^d
1978-qtr. to Aug. 31	21,459,000	2,619,000	.53 ^d
Clarostat			
1979-9 mo. to Sept. 30	14,569,000	507,200	.92
1978-9 mo. to Sept. 30	11,851,000	602,500	1.09
Conrac			
1979-9 mo. to Sept. 30	100,574,000	(745,000)	--
1978-9 mo. to Sept. 30 ^c	86,983,000	2,906,000	1.29
1979-qtr. to Sept. 30	35,367,000	1,587,000	.73
1978-qtr. to Sept. 30 ^c	30,201,000	1,337,000	.61
Corning Glass Works			
1979-40 wk. to Oct. 7	1,098,970,000	104,670,000 ^e	5.90
1978-40 wk. to Oct. 8	950,650,000	82,262,000	4.64
1979-16 wk. to Oct. 7	429,621,000	30,662,000 ^e	1.73
1978-16 wk. to Oct. 8	382,794,000	29,973,000	1.69
Craig			
1979-qtr. to Sept. 30	36,103,000	1,000,000	.33
1978-qtr. to Sept. 30	36,821,000	1,929,000	.62
Filmways			
1979-9 mo. to Aug. 31	115,216,000	5,250,000 ^e	.97
1978-9 mo. to Aug. 31	74,582,000	3,649,000	.82 ^d
1979-qtr. to Aug. 31	73,016,000	3,495,000	.61 ^d
1978-qtr. to Aug. 31	39,490,000	2,336,000	.48 ^d
GTE			
1979-9 mo. to Sept. 30	7,167,761,000	468,906,000	3.06
1978-9 mo. to Sept. 30	6,286,043,000	461,882,000	3.11
1979-qtr. to Sept. 30	2,473,471,000	152,936,000	.99
1978-qtr. to Sept. 30	2,153,648,000	163,639,000	1.09
Gross Telecasting			
1979-9 mo. to Sept. 30	7,376,709	1,754,346 ^f	2.19
1978-9 mo. to Sept. 30	6,961,378	1,495,506 ^f	1.87
1979-qtr. to Sept. 30	2,487,252	561,545 ^f	.70
1978-qtr. to Sept. 30	2,420,451	507,498	.64
Harte-Hanks Communications			
1979-9 mo. to Sept. 30	172,334,000	12,770,000	1.38
1978-9 mo. to Sept. 30	129,263,000	10,616,000	1.17
1979-qtr. to Sept. 30	60,270,000	4,455,000	.48
1978-qtr. to Sept. 30	45,922,000	3,515,000	.39
E. F. Johnson			
1979-9 mo. to Sept. 30	32,178,000	1,665,000 ^e	.64
1978-9 mo. to Sept. 30	31,636,000	1,107,000	.43
1979-qtr. to Sept. 30	11,840,000	788,000 ^e	.30
1978-qtr. to Sept. 30	9,625,000	550,000	.21
LIN Bcstg.			
1979-9 mo. to Sept. 30	41,266,000	9,328,000	3.39
1978-9 mo. to Sept. 30	36,288,000	7,655,000	2.74
1979-qtr. to Sept. 30	14,201,000	3,187,000	1.15
1978-qtr. to Sept. 30	12,070,000	2,561,000	.93
Metromedia			
1979-9 mo. to Sept. 30	278,802,000	25,729,000	5.60
1978-9 mo. to Oct. 1	243,741,000	22,516,000	4.39

Company & Period	Revenues	Net Earnings	Per Share
Metromedia (Continued)			
1979-qtr. to Sept. 30	88,085,000	8,315,000	1.80
1978-qtr. to Oct. 1	78,003,000	6,218,000	1.35
3M			
1979-9 mo. to Sept. 30	4,073,000,000	488,000,000	4.16
1978-9 mo. to Sept. 30	3,473,000,000	415,700,000	3.57
1979-qtr. to Sept. 30	1,422,000,000	174,300,000	1.48
1978-qtr. to Sept. 30	1,224,000,000	153,400,000	1.31
Motorola			
1979-9 mo. to Sept. 30	1,951,021,000	118,037,000	3.80
1978-9 mo. to Sept. 30	1,584,186,000	91,705,000	2.96
1979-qtr. to Sept. 30	661,529,000	38,494,000	1.24
1978-qtr. to Sept. 30	537,179,000	30,342,000	.98
Multimedia			
1979-9 mo. to Sept. 30	95,227,432	13,138,925	1.97
1978-9 mo. to Sept. 30	79,047,507	10,792,779	1.63
1979-qtr. to Sept. 30	33,721,507	4,652,228	.70
1978-qtr. to Sept. 30	27,570,209	3,830,771	.58
RCA			
1979-9 mo. to Sept. 30	5,471,400,000	213,700,000 ^e	2.80
1978-9 mo. to Sept. 30	4,752,400,000	203,200,000	2.66
1979-qtr. to Sept. 30	1,833,400,000	66,000,000	.86
1978-qtr. to Sept. 30	1,664,400,000	70,000,000	.92
Scientific-Atlanta			
1979-qtr. to Sept. 30 ^c	39,471,000	2,249,000	.50 ^d
1978-qtr. to Sept. 30 ^c	26,352,000	1,457,000	.38 ^d
Taft Bcstg.			
1979-6 mo. to Sept. 30	125,839,000	19,172,000	2.23
1978-6 mo. to Sept. 30	98,042,000	15,973,000	1.89
1979-qtr. to Sept. 30	73,851,000	12,149,000	1.40
1978-qtr. to Sept. 30	54,354,000	9,995,000	1.18
Tandy			
1979-qtr. to Sept. 30	290,969,000	19,294,000	.76
1978-qtr. to Sept. 30	262,983,000	14,873,000	.62
Time			
1979-9 mo. to Sept. 30	1,787,105,000	100,795,000	3.61 ^g
1978-9 mo. to Sept. 30	1,155,615,000	88,650,000	4.10 ^g
1979-qtr. to Sept. 30	621,426,000	31,847,000	1.14 ^g
1978-qtr. to Sept. 30	407,675,000	26,009,000	1.20 ^g
Viacom International			
1979-39 wk. to Sept. 29 ^c	77,259,000	6,517,000	1.70
1978-39 wk. to Sept. 30 ^c	58,202,000	4,941,000	1.30
1979-13 wk. to Sept. 29	27,354,000	2,392,000	.62
1978-13 wk. to Sept. 30 ^c	21,114,000	1,838,000	.48
Warner Communications			
1979-9 mo. to Sept. 30	1,238,918,000	75,352,000	3.75
1978-9 mo. to Sept. 30	904,427,000	59,579,000	3.16
1979-qtr. to Sept. 30	417,347,000	24,342,000	1.17
1978-qtr. to Sept. 30	316,563,000	21,161,000	1.08
Zenith Radio			
1979-9 mo. to Sept. 30	754,400,000	11,300,000	.60
1978-9 mo. to Sept. 30	703,400,000	13,100,000	.70
1979-qtr. to Sept. 30	278,600,000	5,300,000	.28
1978-qtr. to Sept. 30	262,600,000	6,400,000	.34

Notes: ^aFrom continuing operations. ^bAfter special charge. ^cRestated. ^dAdjusted. ^eIncludes special credit. ^fRecord. ^gFully diluted.

Milton Bradley has launched production of electronic game modules in temporary 12,000-sq.-ft. plant on Caribbean island of St. Lucia. Operation is slated to be shifted in April to 30,000-sq.-ft. plant being constructed in island's new free trade zone.

"Thousands" of home earth stations will be sold, following FCC action removing license requirements, said Scientific-Atlanta Chmn. & Pres. Sidney Topol in address to N.Y. analysts. (Details, see p. 2.)

Lowest-priced 3-tube projection TV system on Japanese market is one-piece 50" Sharp unit which went on sale last weekend at under \$2,500 (548,000 yen).

WEEKLY

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FTC SETS CORRECTIVE AD policy, rules AMA can't prevent doctors from advertising. Capitol Hill criticism of FTC unabated. Bailey confirmed as 5th member. (P. 3)

ORLANDO MEETING & 'MORALITY': Most questioners, affiliated with Miss. group, ignore minorities, women, kid TV, at NAB town meeting. (P. 4)

FERNSEH GETS U.S. Foothold for production & service by buying 50% of Telemation from Bell & Howell. New Fernseh Inc. could be launching pad for digital broadcast VTR. (P. 5)

GOVT. FINANCES N.J. UHF: FHA-HUD \$5.4 million package goes to minority-owned company in first of such deals. (P. 5)

Consumer Electronics

HOME VIDEO REALISM apparent at ITA as speakers confront lagging VCR sales, impact of pay TV on program demand. RCA warns against believing 'our own rhetoric.' CBS writes off tape as program vehicle. (P. 7)

JAPAN VCR EXPORTS to U. S. continue at record 74,700 in Sept.; b&w hits high for year as color slump continues. Treasury says no to Rep. Vanik. (P. 8)

MAGNAVOX SEES VIDEO equipment as \$4.2-billion business by 1985. RCA survey shows 12 million potential VCR customers. (P. 9)

RCA VIDEODISC catalog will include 75 titles from Paramount, 20 from Rank. Paramount begins direct marketing of videocassettes. (P. 10)

SONY'S VIDEODISC policy clearly outlined in position paper & presentation: It favors optical system for institutional market, leans toward 'linear' approach for home, but hasn't decided on either. (P. 10)

HARMAN-KARDON SALE to Japan's Shin-Shirasuna completed; Robert Furst named pres. NAP loses Pertec to higher bidder. (P. 11)

PBS ADS TO SUPPORT KID TV?: FCC meets Oct. 30 on staff recommendation that commercial stations be required to carry minimum amounts of "instructional and educational" programs for children on weekdays (Vol. 19:39 p4), along with concurrent recommendation that Congress amend law so that PBS stations can sell time to support children's shows. First recommendation is labeled "extremely close" by FCC officials; latter was called "premature" by some.

FCC insiders believe split on mandatory programming is 3-3—Ferris, Brown & Fogarty for; Lee, Quello & Jones against; Washburn undecided. Noting several recent 4-3 votes which went against Chmn. Ferris, Commission official predicted "they're going to have a hard time carrying this thing... Abbott [Washburn] certainly is the swing man."

Washburn reportedly is undecided, believes that "something must be done" beyond relying on 1974 FCC policy statement on children's TV. He said many stations have improved since statement, but that "overall the picture is not much better." He pointed out that in rejecting ACT appeal against policy statement, D.C. Appeals Court told FCC to take another look in 5 years.

Recommendations are work of children's task force, headed by Susan Greene, and Office of Plans & Policy, whose chief is Nina Cornell. They give FCC 3 options—clearly prefer 3rd: (1) Rescind 1974 policy statement, take no further action. (2) Leave policy statement and

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operations unchanged. (3) "The Commission can require licensees to broadcast specific amounts of educational and instructional programming during specific day parts" for both pre-school and school-age children.

Staff seeks issuance of rulemaking & inquiry requiring all licensees to air 5 hours Mon.-Fri. of "educational and instructional" programming for pre-schoolers; 2-1/2 hours for school-age children. Shows could be broadcast between 8 a.m. & 8 p.m. Recommendations also envision "longer-term structural solutions" requiring parents to pay for quality children's shows—in other words, pay TV.

On legislative front, commissioners are asked to support amendment of Emergency School Aid Act—administered through HEW—to encourage public TV stations to produce quality programs for children and to permit such stations to solicit direct commercial sponsorship. Also, staff recommends that FCC support creation of "National Program Endowment" to generate additional sources of educational programs for children outside current advertiser-supported structure. Such legislation has been introduced by Sen. Heinz (R-Pa.).

NAB CODE HELPS PUBLIC—FCC: NAB appears to have found friend in FCC in struggle with Justice Dept. over alleged antitrust violations inherent in TV Code (Vol. 18:25 p1). Said Chmn. Ferris in recent letter: "The Commission, for its part, has been willing to accept the possibility of increased prices in order to achieve, through industry self-regulation, other public benefits."

Ferris letter came in response to series of questions on Code case posed in letter from Rep. Van Deerlin (D-Cal.), House Communications Subcommittee chmn. Ferris noted that all other commissioners agree with his response.

Van Deerlin asked if Commission backs self-regulation, and Ferris replied: "As a general rule, the Commission has encouraged voluntary industry self-regulation in First Amendment sensitive areas, such as TV commercial practices, in preference to direct govt. regulation... It is [true] that the Commission has encouraged and supported the concept of an NAB Code on commercial practices, without necessarily endorsing all the specifics of that Code." And the chmn. says Commission came close to "adopting the NAB Code insofar as it relates to certain commercialization practices in children's programming."

Ferris stated that Commission was not "formally or informally advised or consulted by [Justice Dept.] before the filing of the suit," although he says Philip Verveer, former Bcst. Bureau chief, now Common Carrier chief, was told by JD official of plans to file suit. Van Deerlin also asked if FCC believes Code's time limitations are too low or high; Ferris said that Commission had made no judgment on that.

Ferris letter notes that although Commission has given great weight in past to Code in children's programming, present children's inquiry (p. 1) is examining question. "Whether the Commission will continue to rely upon industry self-regulation is a matter still under consideration," he said.

Although commissioners are sympathetic to NAB Code, there is majority (4-3) who oppose filing amicus brief backing NAB. Opposing amicus brief are Ferris, Brown, Fogarty & Lee, some of whom believe letter to Van Deerlin is sufficient.

Newspaper-broadcast cross-ownership waivers were denied by FCC for 5 cities: (1) Owosso, Mich.—"Evening Argus" & WOAP-AM-FM. (2) Watertown, N. Y.—"Times" & WWNY-TV. (3) Albany, Ga.—"Herald" & WALB-TV. (4) Anniston, Ala.—"Star" & WHMA-AM-TV. (5) Mason City, Ia.—"Globe-Gazette" & KIMT. FCC said it wouldn't consider extensions of time for divestiture except in "extraordinary" cases, would hesitate to consider reasonableness of prices offered unless offers "were so few as to suggest the absence of competition." All cases involve markets in which sole daily newspaper is commonly owned with commercial TV or radio station.

Gannett News Service began 5-part series Oct. 28 dealing with trends in radio since decline of radio networks in early 1950s, concludes: "The cash registers have started jingling again at America's radio networks—not the way they used to 30 years ago, but louder than they have for the past 2-1/2 decades."

C-SPAN plans coverage of Republican Governors' Conference from Austin Nov. 18-20 in first major move outside House coverage for cable systems. It will cablecast speeches by GOP Presidential hopefuls during prime time, present 10 hours Thanksgiving day.

FTC SETS AD POLICY: FTC, refusing to ease up in face of current criticism, took aggressive stance on advertising last week: (1) Setting standards for ordering "corrective" ads. (2) Ruling that American Medical Assn. must allow doctors to advertise fees, compete for patients.

Commission, in open meeting, rejected staff recommendation to set specific formal policy on corrective advertising, decided on 4 factors as grounds for FTC action: (1) Amount of exposure consumers have to ad claim. (2) Persuasive characteristics of claim. (3) Dramatic manner in which claim is presented. (4) Special "persuadable" nature of audience—elderly, young, etc.

"The presence of one or more of the 4 factors stated as well as other evidence could in the future form the basis for a corrective advertising order," decision stated. Policy action was result of 1976 petition by Institute for Public Interest Representation.

FTC unanimously voted to require AMA to allow doctors to advertise, saying that restraints are illegal. But FTC gave AMA right to set guidelines to prevent "deceptive or unsubstantiated" claims. AMA Counsel Newton Minow said AMA would appeal any FTC action that prevented establishment of ethical guidelines. AMA claims membership of 53% of the 400,000 U.S. doctors.

Meanwhile, Capitol Hill criticism of FTC continued, as House Speaker O'Neill (D-Mass.) described FTC as "overly ambitious," saying he "never received so many complaints about one agency as I have about them." Senate Commerce Committee Chmn. Cannon (D-Nev.) included FTC in general condemnation of regulatory aggressiveness: "The disturbing trend is that even when the Congress is explicit in its direction to the independent agencies, it is increasingly being ignored as the agencies plow their own way." Administration inflation fighter Alfred Kahn got into act, calling FTC staff occasionally "overzealous."

Confirmation of Patricia Bailey as 5th FTC member occurred routinely. It means kid ad rule-making is unfrozen since Commission now has quorum for inquiry.

In continuing get-tough stance on EEO—but only after lengthy wrangling—FCC last week imposed equal employment sanctions on 29 southern stations. Only TV station involved is KTHV Little Rock. Comr. Quello complained "we are getting very strict... excessive bureaucracy" in citing several stations with only 6, 7 or 8 employees. "I share your concern," responded Comr. Jones. She also noted that KCLA(AM) Pine Bluff, Ark. was cited—yet it has 5 women, one black, one Hispanic among only 11 employees. Chmn. Ferris countered station's coverage area is 1/3 black, that it hired 32 people in last 12 months, only one black. "Every licensee, however small," has same degree of EEO obligation and Commission should make standards "more stringent, rather than less stringent."

Atlanta Cable Club held first meeting Oct. 17, with more than 100 from 46 companies attending.

TOUGH TIMES IN GENEVA: With WARC half over, U.S. is facing strong opposition in conference work, with special problems in key allocations committee. Non-U.S. sources report WARC Ambassador Glen Robinson threatened U.S. walkout—hotly denied by State Dept.

Serious difficulties in allocations—still to be ratified by WARC plenary—include apparent failure of several key U.S. proposals, including: (1) Suggestion that services in 27.5-960 MHz be deemed co-equal for sharing—change from current plan in which various services enjoy priority in different segments. (2) Idea for re-organizing 12-GHz—hotly opposed by Canadians, others in western hemisphere. (3) Committee decision to allocate 3.7-4 GHz for shared fixed & broadcast—opposed by U.S., desiring to retain band for military services. (4) U.S. proposal to allocate EHF space for solar-power-generating satellite—virtually without support.

"We're not going to comment on anything until it gets up to the plenary," said State Dept. spokesman Wilson Dizard. "Clearly, all of these subjects have been discussed. I don't want to characterize it one way or the other. We're in a lot of discussions on a lot of subjects." On question of alleged walkout threat by Robinson, Dizard was adamant: "Believe me we're not talking about walking out of this conference. It's irritating that I even have to discuss it."

Home Box Office says Nielsen pay TV audience survey during Feb. sweep doesn't tell whole story, could affect negotiations with program suppliers who go strictly by the numbers. Nielsen results gave high ratings and shares to HBO features such as "Valentino" & "Swarm," but didn't measure factor HBO calls "total subscriber satisfaction," which ranks programs as excellent, good, fair, poor. Both movies were below acceptable TSS score of 60%, probably won't be shown again. HBO won't buy similar movies, or will offer lower fees, thus affecting "negotiating environment," says Programming Operations Vp Frank Biondi. TSS measurements are derived from monthly surveys of 2,500 HBO subscribers, 50% of whom usually respond. Biondi claims Nielsen can measure only "gross viewership," not HBO's more important net viewership, although sampling technique could be modified if Nielsen plans regular pay TV coverage. Nielsen will release May sweep results soon, hasn't decided whether to extract pay numbers for Aug., Nov. It charges up to \$6,000 for report. Possible step for HBO could be hookups with 2-way CATV systems to provide overnight ratings. HBO expects to meter viewing habits of subscribers of affiliates Coaxial Communications in Columbus, O. & Tocom in Woodland, Tex., both 2-way.

Grant of immunity for testimony of John Holmes in TV license renewal applications case was granted by FCC. Case involves charges of anticompetitive practices against KODE-TV Joplin, Mo. (Gilmore Bcstg.), KOAM-TV Pittsburg, Kan. (Mid-Continent Telecasting) & KTVJ Joplin, Mo. (Mid-America Bcstg.). Holmes, former KODE-TV sales mgr., said he would take Fifth Amendment unless granted immunity.

RELIGION & FCC (Cont.): Somewhat to its surprise, FCC has found out that undetermined number of more than 10 million letters it received on religious broadcasting were forged. Furthermore, many of same signatures were forged to more than one letter.

More than 10 million letters—and hundreds still are coming in daily—have been directed against false report that FCC planned to ban religious broadcasts. After debate within FCC, agency decided to respond to 180,000 letters written in June-July (Vol. 19:32 p5). Commission has received 3 dozen letters, dozen phone calls, in response—and all said they never wrote FCC in first place. Most of those who wrote back had received 2 form letters from FCC Chmn. Ferris.

"I don't know where you got my name...but if you do decide to attempt to get these hypocritical hirelings off the air, I am all for it," man wrote. Another gave clue as to how his name was used: "I did once many months ago send \$10 to Dr. McBirnie. He is carried on a station that carries religious programs almost exclusively...I can only surmise that a list of names was compiled and used from that source...I don't know why I bother to write you this. Nobody gives a damn anymore as to what laws are broken."

Other comments: From Ga. Baptist minister—"Enforce the guidelines or regulations...involving so much sex & violence...How can we ever hope to correct and/or improve the morality of our nation when it gets fed a daily diet of immorality." "Too many unsuspecting people are 'ripped off' [by] the type of religious broadcasting which is on radio & TV." "The mail you receive, you should put in your heating system to keep warm...You spend too damn much taxpayers' money." "If the FCC has no opinion on this issue, why are you wasting so much money?"

In his letter, Ferris asked recipients to "spread the word among your friends and neighbors that there is no petition to ban religious programming." He plans similar appeal to 30,000 ministers in next couple of weeks.

Matter of forged signatures hasn't reached commissioners yet, and staff obviously doesn't know what to do about it. Commission, however, is expected to seek wide publicity of forgeries in effort to help stem flow of mail. Erika Jones, acting chief of Consumer Assistance Office who is in charge of letter-writing project, said there's no way of knowing how many letters were forged. She said that people who actually wrote FCC among sample probably won't bother to respond and that while 4 dozen "is only a miniscule percentage...it does raise a serious question."

Rep. Staggers (D-W.Va.), 72-year-old chmn. of House Commerce Committee and 30-year veteran of Congress, apparently will seek re-election. First-ever Washington fund raiser was held on his behalf last week with lobbyists charged \$250 for cocktail party. Similar party (at \$1,000 per person) was held for Senate Appropriations Committee Chmn. Magnuson (D-Wash.). Long-time chmn. of Commerce Committee, Magnuson gave up that post to accept Appropriations; he has longest tenure (35 years) of current senators, is 74.

ORLANDO MEETING & 'MORALITY': Writing about NAB's town meeting in Orlando last week, Orlando Sentinel Star TV Editor Noel Holston said "there are times when I almost feel sorry for broadcasters." He cited "the impossibility of their being able to please all of the people all of the time"—and the dominance of questions about alleged lack of morality in TV programming.

Many questioners identified themselves with National Federation of Decency, Tupelo, Miss., and generally expressed anti-TV opinions rather than asking questions. Meeting was attended by about 350, most over age of 50. One woman complained about excessive sex & violence, asked why there couldn't be more shows like "Roots"—which contained much sex & violence.

Only legal-type questions were asked by students and there was no mention of children's TV—programming or advertising. Couple of homosexuals—man & female—complained before Bible-belt audience about stereotypes on TV. Nobody asked about portrayal of women or blacks on TV.

NAB road show—featuring Pres. Wasilewski, TV Code Chmn. Michael Kievman and network reps on Code board—will be in Oklahoma City Oct. 30.

EEO guidelines for network headquarters should be imposed by FCC, according to Chmn. Ferris, who noted that Commission now applies them only to network-owned stations. "It is time to require performance at the place where those program decisions really happen, the network headquarters," he told meeting of Black Citizens for Fair Media in Harlem. He gave these figures for network HQ employment: (1) 15.9% of employees are minorities, 31.3% women. (2) Of top 4 categories, 7.4% are minorities, 11.4% women. For broadcasters in general, he said, FCC guidelines now provide that minorities and women in top 4 categories should equal 25% of their percentage of available work force—but this should be doubled to 50%. He said there's "increasing pool of minority talent ready and anxious to take their place in our broadcasting industries." NBC responded by stating that its percentages, for TV & radio networks as well as owned stations, exceed guidelines and: "NBC is working toward further improvement of these percentages, is proud of its progress to date and believes the FCC has demonstrated no need for regulation of network employment practices."

FCC has rejected fairness doctrine proposals: (1) By NTIA Chief Henry Geller requiring stations to list annually 10 community & national issues of importance to which they devoted most coverage and to report representative programming on each issue. (2) By Committee for Open Media to require stations to set aside hour weekly for discussion of controversial issues. Comr. Fogarty dissented (joined by Comr. Jones) to rejection of "10 issue" proposal, although he wouldn't have required that they be filed with FCC, merely retained in public file.

Scientific-Atlanta sold \$5 million of Homesat earth stations to cable operator Tele-Communications for sale & lease to residents unreachable by cable in western states.

FERNSEH'S U.S. PLANT: Newest U.S. broadcast equipment manufacturer is Fernseh Inc. (FI), formed as result of Bell & Howell's sale of 50% of its subsidiary Telemation Inc. (TMI) to Robert Bosch Group of West Germany. Move gives Bosch access to U.S. manufacturing facility as well as Bell & Howell products for sale in Europe.

B&H Pres. Donald Frey said FI would introduce new products to U.S. market in addition to continuing TMI's existing line. Robert Pfannkuch, pres. of B&H Video, was named chmn. of Fernseh Inc., TMI Pres. Paul Warnock continuing as FI pres. Now celebrating 50th anniversary in Germany, Fernseh has been in U.S. broadcast equipment market for 10 years with some disappointing results. Some broadcasters have criticized it for problems in providing customer service, which new U.S. base should help to remedy as it establishes centralized U.S. service & repair depot and distribution system.

Bosch/Fernseh was first on market with 1" teleproduction VTR, its segmented helical-scan BCS unit, now standardized as Type B. Although widely adopted in Europe, this standard was eclipsed in U.S. by Ampex-Sony unsegmented Type C. There are some indications that Bosch/Fernseh hopes to become first manufacturer to market digital VTR. New Fernseh would give it ideal launching pad for U.S. market.

Security of satellites for distribution of Emergency Broadcast System is concern of FCC staff, starting study to determine how to protect integrity of EBS in wartime. Earth station de-regulation decision by FCC (Vol. 19:43 p2) means radio stations will switch to satellite newswire service sooner than anticipated, making decision on EBS standby system acute. "It's a tough problem," said AP communications chief David Bowen. "Satellites are vulnerable and exceedingly difficult to protect... Clearly, we must have some kind of fallback that's not as vulnerable." FCC EBS chief Raymond Seddon said satellite problem will be given to National Industry Advisory Committee for study. Sen. Pressler (R-S.D.) has written President Carter on issue, intends to write FCC, expressing "deep alarm" about security. He told us he may introduce amendment to SALT II treaty seeking Soviet assurances that anti-satellite weapons won't be used to neutralize domestic satellites.

NAB Pres. Wasilewski, in speech at Colo. U. urging broadcasters to defend First Amendment: "The Supreme Court has acted at times as though the prohibition against abridging the freedom of the press is intended for Congress alone." He also criticized new evidence-tampering laws which could allow reporter to be jailed for throwing away his notes and Federal Election Commission for suggesting campaign regulations which would prevent media sponsorship of candidate debates (Vol. 19:39 p3).

Richard Eaton finally won one at FCC. Agency permitted Bcst. Bureau to withdraw its objections, reinstated initial decision permitting Eaton to sell WMUR-TV Manchester, N.H.

GOVT. FINANCES N.J. UHF: First major govt. financing of TV station is \$5.4 million package for minority-owned Renaissance Bcstg. planned WRBV (Ch. 65) Vineland, N.J.

FHA plans to guarantee \$3.7 million loan for equipment and working capital while HUD is making \$1.7 million grant to town, which will lend that to station for land & building. In addition, some station employees will be paid through govt. program. Deal is part of initiative of President Carter for rural development and minority broadcast ownership.

USDA spokesman said financing is first and others will follow, although he didn't know which proposals were in pipeline. Station received CP in Feb., is seeking FCC approval for STV. Pres. is Donald McMeans, who owns 65%.

NEW SENATE GOP BILL: Senate Communications Subcommittee minority members are putting final touches on rewritten version of S-622, Goldwater-Schmitt bill, and following changes in broadcast side of bill are expected:

(1) Federal candidates for office are exempted from equal time during debates set up by others than broadcasters. (2) Broadcasters wouldn't be required to air controversial programming. (3) In comparative renewal proceedings, Commission must approve license if no problems are found. (4) No regulation of commercial time on radio.

N. J. VHF advocates are furious at FCC and intend to challenge Commission denial of reassignment of VHF channels to state (Vol. 19:43 p1). Sen. Williams (D-N. J.), one of 4 co-chmn. of N. J. Coalition for Fair Bcstg., called FCC move "very disappointing," termed allocations "a sacred cow the Commission is unwilling to touch." N. J. congressional aide had harsher words, saying of FCC: "Their timidity is appalling." Williams said Coalition will participate in FCC's forthcoming rulemaking to allocate additional UHF channels for state, opposing on ground that "we've already got a number of UHF's, which can't compete with VHF's emanating from out-of-state." Williams said if FCC fails to act legal action may be tried.

Shamrock Bcstg., owned by Roy Disney family, has offered to buy San Juan Racing's 10 radio stations for \$62 million and assumption of \$5 million debt. In other sales actions: (1) FCC approved purchase of WTAP-TV Parkersburg, W. Va. by Benedek Bcstg. from group headed by Richard Richardson, for \$2.33 million. (2) WOL(AM) Washington is being sold to Almic Bcstg., headed by producer Dewey Hughes, for undisclosed amount. (3) KTVN-TV Reno has been sold by Washoe Empire Corp. to Sarkes Tarzian for \$10-\$15 million. Lee Hirschland, pres. & selling stockholder, remains gen. mgr. (4) WZZD(AM) Philadelphia has been sold by Fairbanks Bcstg. to Kenneth Palmer group of Denver for \$4.5 million. Ted Hepburn & Co. handled last 2.

Correction: Warner Cable has no plans to make Star Channel a 24-hour pay-TV service (Vol. 19:43 p3).

Personals

Leslie Midgley, 25-year CBS News veteran currently exec. producer of special programs, joins NBC News in Jan. as special programs vp, replacing **Nigel Ryan**, named programming dir., **Thomas River Productions**; **Geoff Mason** moves up from NBC Sports European production vp to exec. vp; **Richard Auerbach** promoted to NBC Sports programming & planning vp; **Joseph Walsh**, ex-CBS attorney for legal affairs in Europe, named NBC Entertainment talent & program contracts vp; **Barbara Meltzer** promoted to NBC Entertainment senior talent coordinator... **Comr. Anne Jones** speaks at NCTA meeting of state & regional officers in Washington Oct. 28-31.

Robert Wells, **Harris Enterprises** and ex-FCC member, elected BMI chmn., succeeding **E.R. Vadeboncoeur**, **Newhouse Bcstg.**... **John Dimling**, ex-Arbitron and longtime NAB research vp, joins CPB as dir. of planning analysis... **John Loftus**, ex-CBS N.Y. vp-corp. information, former **Television Digest** assoc. editor, joins Washington PR firm **Fraser Assoc.** as vp... **Newton Minow**, PBS chmn., speaks at TV Academy Forum, Century Plaza Hotel, L.A., Nov. 9.

Darrell Davis named gen. mgr., **KLMN Ft. Smith, Ark.**; **Joe Dempsey** appointed dir. of station development; **Lorelei Welch**, gen. sales mgr... **Lemuel Schofield**, ex-WRCB-TV Chattanooga, named station mgr., **WROC-TV Rochester**... **George Willoughby** promoted to King Bcstg. corporate & legal vp; **Steve Clifford** to finance vp.

Ed Turner, ex-KWTV Oklahoma City, appointed news dir., **WDVM-TV Washington**... **Ronald Winders** promoted to gen. sales mgr., **WTOC-TV Savannah**... **Ben Roth**, ex-Petry TV, named regional sales mgr., **WFAA-TV Dallas-Ft. Worth**... **Bruce Feldman** appointed **Metromedia** dir. of labor relations, **West Coast**.

John Frysiak, ex-Labor Dept., named FCC administrative law judge... **James Sneed** advanced to asst. to FTC Chmn. **Michael Pertschuk**; **Albert Foer** named FTC Bureau of Competition acting deputy dir... **Joel Winnik**, ex-FCC, and **William Coston**, ex-Justice Dept., named associates, **Peabody, Rivlin, Lambert & Meyers**.

Sen. Harrison Schmitt (R-N.M.) keynotes NAEB convention, Nov. 11-15, Chicago; FCC Educational Comr. **James Quello** is a featured speaker... **Maurice Mitchell**, ex-CBS, NBC & ABC, currently pres. of Center for Study of Democratic Institutions, elected NPR chmn., succeeding **Edward Elson** of Atlanta... **David MacDonald**, ex-Sony Video, joins **Teleprompter** as vp-southeast cable operations.

Timothy Goodbrake, ex-RCA, named **Continental Cablevision** of O. regional mgr... **Loreen Arbus** appointed mgr. of new **Showtime** L.A. office... **Gregory Cascante** moves up to HBO programming co-production dept. dir., new post... **David Van Valkenberg** named dir. of newly-formed **ATC Plant & Facilities Div.**, succeeded by **James Cottingham** as **ATC** western operations vp.

Thomas Schaeffer, formerly **Courier Cable**, **Buffalo** vp & gen. mgr., appointed **Warner Cable**

Boston complex gen. mgr.; **John Fletcher** promoted to vp & **New England** regional mgr... **Sid Gurkin** advanced to **MMT L.A.** office mgr.; **Sandi Boesch** promoted to **San Francisco** sales mgr.; **Nan Diley** joins **MMT** as **Minneapolis** sales mgr.

RECORD QUARTERS—ABC ET AL.: Record earnings continued among most major broadcasting entities in 3rd quarter, including:

(1) **ABC**, with earnings up 29% to \$31.9 million on revenue rise of 19% to \$468.6 million. For 9 months, earnings were up 31% to \$114.4 million as revenues rose 13% to \$1.4 billion. Radio results were profit decrease, slight revenue increase, and publishing increased both profits and revenues.

(2) **Storer's** record 3rd quarter included 17% increase to \$8,726,000 in profits from operations on revenue increase of 20% to \$42,425,000. For 9 months, operational profits were up 24% to \$29,839,000 on revenue increase of 20% to \$126,227,000. For quarter, broadcast station revenues were \$30,737,000, cable \$10,425,000, other broadcast-related \$1,263,000. Of quarter's profits, \$8,007,000 came from broadcasting, \$1,822,000 cable.

(3) **Taft's** net earnings for quarter rose 21.6% to \$12,149,000 on revenues of \$73,851,000, up 36%. Broadcasting operating profit rose 16% as TV revenues increased 19% to \$17 million, radio revenues 33% to \$6.4 million. Various TV acquisitions, including **WDCA-TV** Washington, added \$9.5 million to revenues, \$1 million to operating profit, for quarter.

(4) **Multimedia** 1979 earnings will run 19-20% above 1978, N.Y. security analysts hear.

(5) **Cox Bcstg.** net income for quarter was \$10,421,000, a per-share increase of 20%, as revenues rose 17% to \$68,095,000. Of total, broadcast revenues rose 17%, cable 36%. Auto auction revenues were flat, profits down, and publishing revenues & profits were off slightly. A 1979 net of \$6.55-\$6.65 per share, vs. \$5.07 last year, was predicted.

Rep. Martin Russo (D-Il.) has moved from Communications Subcommittee and parent Commerce Committee to Ways & Means Committee, creating vacancy on Commerce being sought by Rep. **Bob Matsui (D-Cal.)**. Matsui hadn't been approved by late last week. Interested in getting vacant Communications spot are Reps. **Leland (D-Tex.)** & **Mikulski (D-Md.)**.

FCC Comr. Jones, speaking to Ohio Assn. of Bcstrs. Oct. 24: "What I do argue, and strongly believe, is that the present standard of broadcast programming is neither satisfactory nor inevitable. This does not mean that I believe the Commission should censor 'bad' programs or promote 'good' ones. I am not particularly concerned with the goodness or badness of broadcast programming."

Britain's commercial networks resumed broadcasting last week following settlement of 10-week strike. Settlement gives technicians 45% pay hikes over 2 years.

Consumer Electronics®

A Section of Television Digest with Consumer Electronics

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

STATE OF THE INDUSTRY

Sales to dealers (total market), from EIA, for week ended Oct. 12 (41st week of 1979):

	Oct. 8-12	1978 week	% change	Sept. 29- Oct. 5	1979 to date	1978 to date	% change
Total TV.	323,886	359,617	-9.9	326,890	12,024,405	12,099,909	-0.6
color	199,115	215,786	-7.7	197,317	7,452,906	7,662,645	-2.7
monochrome	124,771	143,831	-13.3	129,573	4,571,499	4,437,264	+3.0
Home VCR	13,834	13,950	-0.8	12,938	321,415*	269,016	+19.5
Total radio	595,389	751,913	-20.8	514,799	32,065,961	36,434,049	-12.0
home, portable	359,175	507,065	-29.2	279,399	22,015,334	26,483,247	-16.9
AM-only	75,028	143,923	-47.9	77,306	4,396,315	6,069,188	-27.6
FM & FM-AM	284,147	363,142	-21.8	202,093	17,619,019	20,414,059	-13.7
auto	236,214	244,848	-3.5	235,400	10,050,627	9,950,802	+1.0

Color TV 5-week moving average: 1979-219,679; 1978-241,656 (down 9.1%).

Home VCR 5-week moving average: 1979-12,976; 1978-13,238 (down 2.0%).

*Record for period.

HARD FACTS ABOUT HOME VIDEO AT ITA: Euphoria about VCR & software sales—industry's stock-in-trade response to "how's business"—gave way to more realistic view of marketplace at ITA home video programming seminar in N. Y. C. last week.

Abandoning past bullish predictions, speakers acknowledged that consumer purchases of VCRs were "substantially below" estimates, to quote RCA Sales Corp.'s Arnold Valencia (p. 9). His 500,000-unit estimate for 1979 was no surprise to those who've followed steady decline in earlier gains over 1978. Actually, ceiling very likely could be 450,000, 16% ahead of last year vs. about 20% at present. Valencia's comments about dissatisfaction among dealers and his warning not to get "swept up in our own rhetoric" were first such from manufacturer at any ITA forum.

Finger-pointing ranged from Gallup's Andrew Kohut, who said "small group" of pioneers which usually leads way in consumer electronics purchases hasn't materialized with VCRs, to Fotomat's Steve Wilson, who called it "disappointing, frankly," that manufacturers concentrate on new & expensive features rather than developing \$500 machine. Long-range predictions of growth are still bullish. Magnavox Vp James Egan saw videodisc & tape hardware & software sales reaching \$4.2 billion by 1985 (p. 9), and Magnetic Video's Andre Blay stuck with earlier forecast of 30 million VCRs in 1990.

Recorded programming drew its share of complaints, even as Paramount announced disc licensing agreement with RCA and plans to jump from one-month videocassette test to national distribution of 36 feature films (p. 10). Addition of titles imposes burden on retailers already carrying hefty inventories, but there's more on way. Esselte Video's Rosita Sarnoff estimated 80 distributors were offering total of 3,500 programs, thought number would double in year. Vast majority were movies—50% dating from 1930s to early 1970s. Sarnoff said Esselte survey showed relatively little demand for sports & specialty programs and no financial support for original productions.

"VCR is not going to be a major factor in mass marketing of pre-recorded entertainment," said CBS Records' Stephen Reed, explaining company's decision to enter video market (Vol.

19:41 p10). "Videodisc will be the successful delivery system," he added, because of low cost, capability of quality control and good audio. He said market will be "enormous" in next 5-10 years, and although first popular products will be feature films, within next decade 50% of all discs bought will be musical—"dual-use programs...records with video capability."

Software's bete noire is pay TV, which gets best & most current movies for fraction of cassette retail price. Kohut described pay as "thorn in side" of home video, said his analysis of earlier Arbitron VCR study indicated owners were "unfavorably disposed" toward pre-recorded tape ownership. "Unsatisfactory" prices, said Wilson, were one reason for popularity of Fotomat's rental plan in L.A. & San Francisco, where 30-50% of customers subscribe to pay TV.

Rentals are preferred solution of Fotomat, Video Corp. of America—and Walt Disney Productions. Although actual marketing is year off, Disney's James Jimirro envisioned home video "only as a rental business," claimed it was best way for Disney to retain control over movies re-released theatrically every 7-8 years. Jimirro estimated financial return from 100,000 home video customers was equal to that of 600,000-800,000 pay TV subscribers. He characterized licensing of several Disney features to MCA Discovision as "short-term" experiment, wanted "very, very badly for videodisc to succeed" and would offer other titles once MCA releases all it now has.

Other major impact of pay TV is ready access to current films offered pirates. IVS Enterprises Ltd.'s Peter Funk, who licenses programs for sale in Middle East, said 50% of bootlegged titles are taped from cable, appear in Saudi Arabia "within month" of telecast. "Right to copy is copyright" throughout region, which has 250,000 VCRs, now spends \$120 million a year on cassettes. Best example of profit potential, Funk said, was \$4 million-a-year pirate who paid \$500 for 3/4-in. copy of "Deerhunter," sold \$30,000 worth of 1/2-in. cassettes to Saudis in 4 months.

* * * *

Although Sony demonstrated optical disc system at ITA, it contradicted the conclusion-jumpers by confirming our report that it would be mistake to include Sony in optical camp for consumer players (Vol. 19:42 p8), although company leans toward optical for non-consumer use. In position paper, Sony said it was "also developing a player & discs for a capacitance system [and] is conducting an extensive videodisc market survey" (see p. 10).

Corridor talk among hardware manufacturers included widespread speculation on future formats, with emphasis on new Philips-Grundig Video 2000 and specifically Philips' offer to sell key component of 8-hour system to other manufacturers (Vol. 19:36 p7). Philips, meanwhile, entered enemy camp, showing Video 2000 at Japan Audio Fair and announcing it would sell it in Japan next year through its new marketing subsidiary there (Vol. 19:41 p10).

RCA plans to announce videodisc system marketing plans Dec. 6 in talk by Pres. Edgar Griffiths at San Diego distributor meeting—not at big N.Y. press fanfare, as some have speculated. Another introduction announcement has been postponed. We've learned that BASF has canceled plans to show LVR and hold press conference at Jan. CES, putting off U.S. introductory announcement to spring or summer.

JAPAN VCR EXPORTS HIT NEW HIGH: In face of softening market here, Japanese VCR exporters hit new all-time monthly shipment-to-U.S. high in Sept., according to Finance Ministry figures, which also show b&w high for year, continued slump in color.

Japan's VCR exports to U.S. in Sept. totaled 74,700, topping same month last year by 19.1%, and shattering previous monthly record of 65,400 set in Aug. Total brings 9-month shipments to 437,400, up 7.7%. Japanese went on VCR export rampage in 3rd quarter with shipments of 192,000, high for any 3-month period, up 29.4% from same quarter last year. Because of declining value of yen—215 to dollar against 190 in Sept. 1978—value of Japanese shipments in dollars was off 1.9% to \$251.6 million, although yen income was up 11.1%. Average VCR export value in yen was up 2.3%, but translated to dollars it dropped 8.9% to \$575.19 from

\$631.36.

In TV, total exports for month were down 61.6% to 158,100, with color off 74.5% to 54,800, while b&w, hitting 6 figures for first time this year, was off 47.4% to 103,200. For 9 months, total TV exports were down 60.9% to 1.02 million, as color dropped 57.9% to 533,400, b&w sank 63.7% to 489,300. Color totals include 40,700 complete sets for month (down 68%), 426,800 for 9 months (down 61.8%), plus 14,100 chassis & kits for month (down 19.2%), 106,500 over full period (down 28.3%).

Falling combination of unit exports & yen value has hit hard at Japan's dollar earnings. Total TV export value fell 56.9% to \$180.5 million, with color earnings down 56.3% to \$133.4 million, b&w off 58.1% to \$47.2 million. Situation is essentially same, though not as severe, in terms of yen. Average value of exports of complete color set rose 13.7% to \$282.07 from \$248.13, and b&w average rose 15.4% to \$96.42 from \$83.56, while color chassis & kit average declined 35.8% from \$189.95 to \$121.81.

Treasury Gen. Counsel Robert Mundheim last week sent expected letter declining to provide House Trade Subcommittee Chmn. Vanik (D-O.) with advance look at how agency plans to handle dumping-duty protests filed by Japanese TV importers (Vol. 19:43 p10). Letter said requested preview could complicate Treasury's legal position if Japanese challenge rulings in court, promises requested documents will be turned over after decisions are finalized, something that should take "only a week or so."

Also on trade front, President Carter proposed granting China most-favored-nation trading status. If cleared by Congress, duty rates on imports from China would be same as those levied on products from other friendly countries. In consumer electronics that currently runs 5-12.5%, against statutory level of about 35%.

VIDEO OUTLOOK: Latest RCA survey projects that some 12 million consumers plan to buy VCR within next 3 years, RCA Sales Corp. Vp Arnold Valencia said at last week's ITA seminar in N. Y. (see p. 7). Consumer awareness of VCRs has risen to 80%, he noted. He added that while 57% of VCR sales have been made by traditional TV-appliance dealers, volume has "been clustered in a relatively few high volume outlets" in major markets. Valencia said this is sign that smaller dealers "without a major commitment to VCR [could] lose their customers to the growing retail presence of video specialists."

Optimistic outlook for home video was offered by Magnavox Sales Vp James Egan, who said his company's experience shows VCRs & videodisc players can coexist in market. Significant number of disc player buyers in Atlanta & Seattle already owned VCRs, he said. He predicted that by 1985 there would be 7 million home disc players, an equal number of home-type VCRs in use in households & institutions. That year, he said, industry is expected to sell 2 million players, 80 million videodiscs, with combined market value of \$2.9 billion, plus one million VCRs, 56 million videocassettes, including 10.5 million pre-recorded, with total value of \$1.3 billion.

To support theory of tape-disc coexistence, Egan cited Magnavox video system home usage study, which shows 60% of system usage is for entertainment playback, 10% for how-to or educational program playback, functions suitable for either product. Some 20% of usage is for time-shift of broadcast programming, remaining 10% for home movies, both jobs only VCRs can handle.

Standards for videodiscs, VCRs & VTRs are being attempted by International Electrotechnical Commission (IEC), world standards body, which has just completed its first U.S. meeting in Palo Alto. Dividing videodisc systems into consumer, semi-professional & professional categories, it's understood group defined 11 different formats. It also worked on standards for Beta & VHS VCR formats and 1" type B & C teleproduction recorders. IEC's function is to assure interchangeability among all products of same format. Nearly 100 delegates representing 14 countries attended meeting. Walter Bruch, ex-Telefunken, inventor of PAL color system, retired from IEC chairmanship for family reasons; he's succeeded by Werner Habermann, Institut fur Rundfunktechnik (German national TV research foundation).

EIA-IHF merger was approved last week by all EIA divs. & EIA board, has been ratified by IHF membership, but some details "remain to be ironed out," according to EIA/CEG representative, and actual merger has been delayed for week or so. EIA presented its Distinguished Service Award to RCA Vp William Boss. EIA staff changes may be in works—CEG Senior Vp Charles Hoffman is expected to move to staff of parent EIA. EIA & CEG sources couldn't be reached for comment on subject.

Sharp's Memphis color TV plant went on stream last week, essentially right on schedule. Plant has been running on shakedown basis for several weeks. Facility currently has single line, with 10,000 monthly capacity, turning out 19" models.

Sampo's long-delayed 3-screen TV set (one color, 2 b&w) now is scheduled for delivery in Feb. or March. Quoted price of \$900 so far is unchanged.

RCA-PARAMOUNT DEAL: RCA has acquired non-exclusive videodisc rights to 75 features from Paramount and 20 from Rank Film Distributors, will include some of them in catalog of about 300 titles scheduled for release during first year of Selectavision marketing.

Some Paramount movies already are on videocassettes and MCA discs. Paramount TV Distribution Pres. Richard Frank told us MCA hasn't yet produced every available title, echoing Disney complaint (p. 7), says "we're impressed with RCA system." Presumably other disc manufacturers will have opportunity to negotiate similar contract.

Under terms of agreement, RCA has access to future Paramount films released to home video, and both companies will explore programming designed to premiere on disc. Only damper on Paramount's enthusiasm are unions which "could squash market [with] unreasonable demands," says Frank.

Meanwhile, Paramount is going ahead with national distribution of pre-recorded cassettes after just one-month trial in Phoenix & Denver (Vol. 19:34 p10). Goal is to have 36 titles in 1,500 retail outlets by Christmas, according to Paramount Non-Theatrical & Educational Distribution Div. Pres. Robert Peters. Distributors will supply 2/3, Paramount remainder. Suggested retail prices are \$59.95 & \$79.95. Skeptics doubt there's sufficient cassette duplication capacity to handle assignment of this size this quickly. But Magnetic Video, which has Paramount contract, says it can produce 92,000 cassettes monthly, more than enough for present consumer and industrial business.

SONY'S VIDEODISC STAND: Demonstrating optical videodisc system compatible with Philips/MCA standard at ITA seminar last week, Sony clearly outlined its views on disc in position paper and in presentation by Sony Video's David MacDonald: It leans toward optical system for institutional market, but thinks lower-cost "linear" approach might be best for consumers. It doesn't feel that disc is direct competitor to tape in either market.

Position paper specifically mentions that Sony is "not solely committed" to optical system, is developing capacitance player & discs, has no marketing plans but is conducting "extensive videodisc market survey." Directing new survey are Sony Video New-Mkt. Development Mgr. Dan Harris (market planning), Product Support Planning Mgr. John O'Donnell (non-consumer software) & National Mkt. Development Mgr. Robert Mueller (institutional network planning).

MacDonald also emphasized Sony's non-commitment "for any market segment," but indicated "optical reflective approach which we are showing today holds the greater promise for the institutional market." It's not surprising that Sony is eyeing optical system for institutional use; company has dominated this video market with its U-Matic & industrial Beta-max VCRs, obviously was severely jolted when General Motors chose MCA optical disc as backbone of its huge dealer communications network.

Consumer Electronics Personals

Phil Callihan, ex-Craig, joins Quasar as information processing mktg. mgr., new post, with responsibility for planned entry into hand-held computer business under license parent Matsushita acquired from Friends/Amis last May (Vol. 19:22 p13); **Curt Westra**, ex-Sherwood, joins Quasar as audio engineering mgr.; **John McCready**, ex-Superscope/Marantz, appointed audio mktg. specialist. (Quasar is expected to introduce first audio line next year)... **N. Sakoda**, ex-JVC Japan Export Administrative Div. gen. mgr., named U.S. JVC pres., succeeding **S. Hori**, who returns to parent for reassignment... **Seth Willenson**, RCA Selectavision program dir.; named staff vp.

Thomas Vanderslice, ex-GE exec. vp, named GTE pres. & chief operating officer, effective Dec. 1, post vacant since promotion of Theodore Brophy to chmn. in June 1976; **William Rauch** advanced from Products Group east region mktg. vp to Telecommunications Systems mktg. vp, succeeding **Dennis Casey**, resigned; **Armen Der Marderosian** promoted from Sylvania Technical Systems vp-gen. mgr. to GTE Iran vp-gen. mgr., replacing **Richard Couch**, now Communications Products mktg. & planning vp; **Stanley Mackay** appointed Precision Materials strategic planning mgr.

Anthony Saratora advanced at BASF from field engineering mgr. to quality assurance mgr... **Robert Hatcher**, ex-Bose, named dbx east region mgr.; **Scott Berdell** named for central region, **Scott Sylvester** for west... **Lona Lyons** promoted at Linear Power from sales administrator to national sales mgr... **Edwin Marx** promoted to GM Delco Electronics Div. to mktg. communications mgr.; **George Flora** succeeds Marx as ad mgr.

Henry Brief, ex-RIAA, joins ITA as exec. dir., succeeding founder **Larry Finley**, who continues as vp-consultant active in membership & meetings; **Irwin (Skip) Tarr**, Matsushita Electric of America, elected chmn., succeeding **Richard O'Brion**, JVC, who continues as a dir.; **Ed Khoury**, ex-Capitol Magnetics, succeeds Tarr as pres.; **Sam Burger**, CBS Records, named exec. vp; new vps: **John Povolny**, 3M, planning; **George Zladeh**, Ampex, finance; **Ted Cutler**, Memorex, west coast; **Tony Mirabelli**, Quasar, midwest; **Morton Fink**, Warner, east coast; **Dick Kelly**, VCA, consumer relations... **Tarra Thomas**, ex-Superscope, & **Bruce Weber**, ex-Audio Magnetics, form new west coast PR-ad firm Words Etc., 17100 Ventura Blvd., Encino, Cal.

National Home Entertainment Show is scheduled for Nov. 21-23 at N.Y. Coliseum. Sponsored by Home Video magazine (United Business Publications), it will feature "video recording, production & projection equipment, video programs, audio systems, video games." Consumer & trade event will feature "video dealer conference" and "video producer conference."

Aiwa will produce stereo systems in U.K. starting next summer. Aiwa says plant, to be located in southern Wales, will buy 50% of parts.

ZENITH ON TARGET—WRIGHT: Zenith is headed in proper direction, and no major changes are contemplated, Joseph Wright told us last week after resuming post of chmn.-chief exec. officer following resignation of John Nevin (Vol. 19:43 p8). "I'm extremely pleased with what I've found," he said. "Sales are going well, our share of market is up. It's been a great month for Zenith." He specifically said he sees no change in direction for Zenith, with no alterations in reporting order or responsibilities.

Wright added he expects to occupy chairmanship "no more than a year." Will top-level post be filled by someone from outside Zenith? "I hope not. We're certainly not looking right now." As to Nevin: "John has found another position outside the industry, and the board asked me to come inside and act as chairman. Perhaps it's because I've been so closely involved in this foreign-trade activity, which is now building up to the climax."

In press interviews, Nevin insisted "the initiative was mine" in resigning from Zenith. "No director of Zenith suggested that I resign... I simply reached the conclusion that the time had come to do something else." He is quoted as saying Zenith probably should have moved some operations outside U.S. a year earlier to remain competitive—"knowing what I do now." He forecast TV assembly would probably move back to U.S. in next decade as automated equipment becomes cheaper and assembly costs rise. "If the dumping is stopped, this company will continue to be the most profitable of U.S. domestic companies and will have a bright future in consumer electronics."

Wright told us he was "excited" about Zenith's future in computers. "We're enthusiastic about products that will fill a hole in the market at the low end." Asked about recent acquisition of Heath Co., he said: "Heath owns the kit business, and that's a fine business. We're not going to make many changes in something which is already so successful."

In answer to our question, 68-year-old Wright said he had never built a Heathkit and added: "The last time I built anything electronic, it was from a Mother's Oats box, a galena crystal and a hunk of wire... and that was a million years ago."

Wright's comments on Zenith's market-share health were underscored by results of national survey which showed it solidly No. 1 in color TV sales for 3rd quarter with 23% to RCA's 19.6%, bringing 9-month results to virtual tie—21.4% for RCA, 21% for Zenith. In monochrome, Zenith led 16.5% to 13.7% for quarter, 16.6% to 14.1% for 9 months.

Color LCD displays, for clock & product information readouts, are expected to be available from Japan next year at premium of about 20%. Hoshiden said it will produce LCDs in various colors, plus a white-on-black display, using technology developed in house. Chisso Corp. said it purchased patent rights to red-on-white LCD production technology from Volks Eigenerbetrieb of East Germany. Unlike color field effect LCDs Hoshiden plans to produce, Chisso's are positive display devices which don't require use of dyes. Chisso said it has developed own manufacturing method, but acquired patent rights to avoid conflict.

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HARMAN-KARDON SOLD: Japan's Shin-Shirasuna Electric (SSE) last week completed previously announced purchase of hi-fi marketer from Beatrice Food's Harman International (HI), terms undisclosed. Deal had been pending since June and completion ends speculation that snag had developed as result of Beatrice's agreement last month to sell rest of HI's U.S. operation back to founder Sidney Harman (Vol. 19:40 p10).

This will be first direct entry into U.S. market for SSE, which has been major supplier of audio equipment to private label customers, including H-K. Robert Furst, who helped H-K engineer first product line in mid-1950s, and rejoined HI as vp last year after stint with British Industries, has been named H-K pres.; Goro Tokoyama, SSE exec. vp, is H-K vp.

U.K. VCR sales to distributors totaled 116,000 in first 8 months this year, up 222.2% from same 1978 period, BREMA reports. It put color sales at 1.1 million, up 6.6%, with domestic-made at 794,000, down 4.7%, imports rising 54% to 308,000. In b&w, sales were up 20.9% to 859,000, domestics up 14.9% to 477,000, imports up 29.5% to 382,000. Domestic-made totals exclude U.K. color plants of Matsushita & Sony, which don't supply figures to trade group. Full-period results for other products: Portable radios 3.16 million, up 10.5%; AC-only receivers, tuners, radios & radio-recorders 244,000, up 31.9%; record players, turntables & changers 383,000, up 56.3%; radio-phonos 544,000, up 9.2%.

Ohm Acoustic received \$945,000 urban re-development grant from HUD to open speaker plant in Brooklyn. Sum will be added to \$2.6 million Ohm is putting up to acquire and equip former Schlitz brewery. New plant is expected to employ 135.

Financial Reports of TV-Electronics Companies

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

Company & Period	Revenues	Net Earnings	Per Share
American Bcstg. Cos.			
1979-9 mo. to Sept. 30 ^a	1,422,044,000 ^b	114,364,000	4.08
1978-9 mo. to Sept. 30 ^b	1,259,991,000 ^b	90,069,000	3.26
1979-qtr. to Sept. 30 ^a	468,618,000 ^b	31,941,000	1.14
1978-qtr. to Sept. 30	392,850,000 ^b	25,378,000	.91
Arvin Industries			
1979-9 mo. to Sept. 30	360,877,000	12,724,000	1.77
1978-9 mo. to Sept. 30 ^c	352,417,000	16,115,000	2.35
1979-qtr. to Sept. 30	119,761,000	2,447,000	.31
1978-qtr. to Sept. 30 ^c	120,419,000	4,980,000	.70
BBDO International			
1979-9 mo. to Sept. 30	99,300,000	7,004,000	2.79
1978-9 mo. to Sept. 30	84,400,000	7,320,000	2.91
1979-qtr. to Sept. 30	33,700,000	2,253,000	.90
1978-qtr. to Sept. 30	28,100,000	2,316,000	.92
John Blair			
1979-9 mo. to Sept. 30	141,591,000	8,867,000	2.39
1978-9 mo. to Sept. 30	124,472,000	7,443,000	2.03 ^d
1979-qtr. to Sept. 30	53,050,000	3,289,000	.89
1978-qtr. to Sept. 30	44,349,000	2,584,000	.70 ^d
Capital Cities Communications			
1979-9 mo. to Sept. 30	299,781,000	45,122,000	3.29
1978-9 mo. to Sept. 30	265,965,000	39,200,000	2.74
1979-qtr. to Sept. 30	101,539,000	14,800,000	1.09
1978-qtr. to Sept. 30	90,531,000	12,328,000	.86
Cohu			
1979-9 mo. to Sept. 30	16,865,693	912,290	.54
1978-9 mo. to Sept. 30	14,032,950	361,851	.21
1979-qtr. to Sept. 30	6,221,241	437,255	.26
1978-qtr. to Sept. 30	4,969,547	145,092	.08
Comsat			
1979-9 mo. to Sept. 30	193,168,000	32,647,000	4.08
1978-9 mo. to Sept. 30	152,720,000	24,454,000	3.06
1979-qtr. to Sept. 30	69,471,000	10,139,000	1.27
1978-qtr. to Sept. 30	53,125,000	8,959,000	1.12
Cox Bcstg.			
1979-9 mo. to Sept. 30	193,168,000	31,756,000 ^e	4.72
1978-9 mo. to Sept. 30	162,916,000	23,500,000	3.52
1979-qtr. to Sept. 30	68,095,000	10,421,000	1.55
1978-qtr. to Sept. 30	58,049,000	8,701,000	1.30
CTS			
1979-9 mo. to Sept. 30	143,283,000	8,954,000 ^e	1.95
1978-9 mo. to Sept. 30	125,613,000	8,558,000	1.89
1979-qtr. to Sept. 30	50,470,000 ^a	3,098,000 ^e	.67
1978-qtr. to Sept. 30	44,191,000	3,079,000	.68
Electronic Memories & Magnetics			
1979-9 mo. to Sept. 29 ⁱ	107,499,000	992,000 ^e	.04
1978-9 mo. to Sept. 30 ^c	95,794,000	5,530,000 ^e	.88
1979-qtr. to Sept. 29	34,396,000	582,000 ^e	.06
1978-qtr. to Sept. 30 ^c	33,140,000	3,456,000 ^e	.59
Fuqua Industries			
1979-9 mo. to Sept. 30	1,548,678,000	47,616,000	3.65
1978-9 mo. to Sept. 30 ^c	1,200,638,000	21,973,000	1.66
1979-qtr. to Sept. 30	537,937,000	19,082,000	1.47
1978-qtr. to Sept. 30 ^c	429,704,000	8,927,000	.68
Heritage Communications			
1979-9 mo. to Sept. 30	10,433,769	6,434,246 ^e	2.68
1978-9 mo. to Sept. 30	4,602,667	(94,403)	--
1979-qtr. to Sept. 30	3,942,225	1,194,611 ^e	.49
1978-qtr. to Sept. 30	1,673,794	3,724	--
International Rectifier			
1979-13 wk. to Sept. 30	35,279,000	1,903,000	.71
1978-13 wk. to Oct. 1	27,844,000	1,118,000	.42
Interpublic Group			
1979-9 mo. to Sept. 30	261,805,000	14,600,000	3.31
1978-9 mo. to Sept. 30	219,131,000	11,457,000	2.60 ^d
1979-qtr. to Sept. 30	90,631,000	4,638,000	1.05 ^d
1978-qtr. to Sept. 30	75,535,000	2,758,000	.63 ^d

Company & Period	Revenues	Net Earnings	Per Share
Kansas State Network			
1979-year to Aug. 31	20,455,000	2,226,000	1.22
1978-year to Aug. 31	17,396,000	1,910,000	1.10
Masco			
1979-9 mo. to Sept. 30	553,490,000	56,600,000	2.15
1978-9 mo. to Sept. 30	424,990,000	46,080,000	1.76
1979-qtr. to Sept. 30	186,970,000	18,750,000	.71
1978-qtr. to Sept. 30	144,970,000	15,170,000	.58
Meredith			
1979-qtr. to Sept. 30	82,379,000	4,517,000	1.45
1978-qtr. to Sept. 30 ^c	76,697,000	3,572,000	1.16
Oak Industries			
1979-9 mo. to Sept. 30	202,181,000	7,649,000	2.00 ^d
1978-9 mo. to Sept. 30	137,187,000	3,090,000	.96 ^d
1979-qtr. to Sept. 30	68,723,000	3,149,000	.82 ^d
1978-qtr. to Sept. 30	46,021,000	1,050,000	.29 ^d
Regency Electronics			
1979-qtr. to Sept. 30	12,605,165	905,898	.34
1978-qtr. to Sept. 30	9,435,147	1,039,627	.39
Rollins			
1979-qtr. to Sept. 30	91,801,690	6,463,797	.48
1978-qtr. to Sept. 30	81,283,396	5,620,075	.42
Storer Bcstg.			
1979-9 mo. to Sept. 30	126,227,000	19,077,000	3.70
1978-9 mo. to Sept. 30	105,177,000	11,824,000	2.42
1979-qtr. to Sept. 30	42,425,000	8,481,000	1.64
1978-qtr. to Sept. 30	35,380,000	3,968,000	.81
J. Walter Thompson			
1979-9 mo. to Sept. 30	172,719,000	7,278,000	2.41
1978-9 mo. to Sept. 30	154,080,000	7,745,000	2.58
1979-qtr. to Sept. 30	58,580,000	1,516,000	.50
1978-qtr. to Sept. 30	51,455,000	2,205,000	.73
TRW			
1979-9 mo. to Sept. 30	3,365,200,000	144,300,000	4.51
1978-9 mo. to Sept. 30	2,754,700,000	124,900,000	3.89
1979-qtr. to Sept. 30	1,111,600,000	46,300,000	1.44
1978-qtr. to Sept. 30	927,900,000	42,200,000	1.31
Washington Post			
1979-39 wk. to Sept. 30	420,027,000	31,992,000	2.03 ^d
1978-39 wk. to Oct. 1	371,054,000	33,751,000 ^e	2.07 ^d
1979-13 wk. to Sept. 30	137,456,000	7,944,000 ^e	.51 ^d
1978-13 wk. to Oct. 1	123,145,000	9,480,000 ^e	.59 ^d
Wells-Gardner Electronics			
1979-9 mo. to Sept. 30	13,476,000	103,000	.25
1978-9 mo. to Sept. 30	8,546,000	(1,071,000)	--
1979-qtr. to Sept. 30	5,199,000	192,000	.46
1978-qtr. to Sept. 30	2,856,000	(133,000)	--

Notes: ^aRecord. ^bFrom continuing operations. ^cRestated. ^dAdjusted. ^eIncludes special credit.

Interactive videodiscs for home are planned by Caravatt Communications. As described at ITA seminar by Paul Caravatt, first disc will be children's game, programmed in manner similar to board game, with spinner & dice, directing player to "chapter" & frame of disc. Final version should be available early next year, will cost \$50-\$100, he said. He said 12-18 more interactive discs are planned for 1980, some co-sponsored by publishers and by Pfizer pharmaceutical firm. One subject mentioned: Infant care.

Ad notes: Magnavox is inviting agencies to make presentations for \$7.5-\$8-million account. Current agency, William Esty, is participating... Pioneer appoints Altschiller, Reitzfeld & Jackson to handle 1980 launch of unspecified new product believed to be consumer videodisc player... **Acoustic Dynamics**, new Soundesign audio marketing subsidiary, is offering free 8-track or cassette portable players, \$20 in disco records, extra pair of speakers, as promotions on selected stereo models.