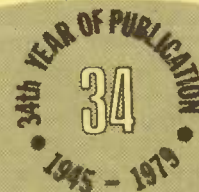


WEEKLY

Television Digest®

with
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NOVEMBER 5, 1979

VOL. 19, NO. 45

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Broadcast

NEXT-LOBBYING IN KID INQUIRY: FCC won't start rulemaking for 45 days, will hear informal comments until then. (P. 1)

CARTER DEMANDS AIR TIME: Campaign committee complains to FCC that networks won't sell half hour of prime time. Networks say campaign too early, others will want time. (P. 2)

OKLA. MEETING-LESS TV SEX: Morality, profanity, liberal programming, major complaints of Oklahomans at NAB town meeting. (P. 4)

ALIEN CABLE LIMIT ASKED: Midwest asks FCC to limit foreign cable ownership to 25%, same as broadcasting. Canadian-owned systems noted. (P. 4)

SAG STUDY FINDS 'SEXISM': Annenberg School study done for SAG finds men's roles outnumber women's 3-1 in prime time & Sat. a.m. (P. 4)

'HORRIBLE SOLUTION' ON KID TV would be to have govt. set program requirements, Inouye tells NAB in Denver. Warns if industry resists FCC plan, 'big brother' will act. New technology debated. (P. 5)

FCC ALLOWS 45 DAYS OF LOBBYING: Unusual compromise among FCC commissioners last week resulted in 45-day "truce" before children's TV rulemaking is proposed, giving industry representatives time to push for less potent proposals (Vol. 19:44 p1).

Compromise came after disagreement over request that Commission launch rulemaking immediately, precluding informal presentations to commissioners because of ex parte rules. Leading call for more "input" was Comr. Lee, while Comr. Brown pressed for immediate start for rulemaking.

Strongest recommendation in staff report—that stations be required to carry minimum amounts of children's programming—also brought out most discussion at Commission meeting as anticipated (Vol. 19:39 p1). (We incorrectly reported last week that staff also would recommend that PBS stations be allowed to carry commercials during children's programs).

During discussion on mandatory children's programming time, Comr. Brown, who with Ferris & Fogarty, is thought to favor proposal, seemed to waiver. Said Brown: "This gives me very, very serious pause." Comr. Washburn, who is thought to be on fence, had reservations also: "You're going down some avenues here the Commission has never gone before... There has been some distinct improvement [in network programming] in quality, perhaps not in quantity." Comr. Quello wondered if proposal would mean FCC "will be charged with being the Federal Censorship Commission."

Commission instructed staff to include all recommendations in rulemaking and to leave open

Consumer Electronics

OCT. COLOR SALES to dealers down only 3.3% from 1978. Home VCR sales 8.6% ahead of Oct. 1978. B&w level with last year. (P. 7)

15% PRICE INCREASE in color tubes submitted to set makers as O-I joins Corning in 20% glass hike. Cost pressures in Japan seen negating advantages of imports. Retail price of 19" sets seen rising \$30, with 25" going up \$40. (P. 7)

TV DUMPING PROTEST rulings from Customs clear way for cuts in \$46 million levied on imports from Japan in March 1978. Importers withhold comment pending reappraisal. (P. 8)

V-DISC JUKEBOX developed by General of Japan used TED capacitance disc, for installation in 200 U.S. locations by mid-1980 at 25¢ a play. (P. 10)

HIGH-SPEED VIDEO duplicator 'beyond development stage' at Recortec, could be available in 6-12 months. Matsushita's version still in R&D. (P. 10)

WELLS-GARDNER & ADVENT in black for quarter. Matsushita & Coleco post improved results. (P. 11)

possibility of other proposals not included by staff. Broadcast representatives and others are expected to use 45 days to meet with commissioners to get other proposals included in rule-making. FCC staffer said inquiry staff could add other proposals itself, or commissioners could have them included. Whatever, significant amounts of jawboning will be in order. "When the networks come in to talk," said one commissioner's aide, "they better be ready to tell us what they plan to do in programming."

FCC Chmn. Ferris and others are said to favor minimum programming requirement, but as a "processing guideline," not a set standard. Processing guidelines (which now set minimums for public affairs programs) are viewed as means of side-stepping Constitutional question. Ferris, speaking on "Good Morning, America" segment last week, said govt. not only should be "reluctant to dictate anything to do with programming" but should never involve itself with specific content.

Reaction was harsh from broadcasters. ABC TV Network Pres. James Duffy said proposal was "unnecessary" and Commission can't "legislate quality by mandating weekly quotas." Speaking at dinner for former Boston Bcstrs. Pres. Leo Beranek, Duffy said issue raises Constitutional questions. NAB Asst. Gen. Counsel Brenda Fox said in statement that task force report is misleading because it doesn't take into account large amount of children's programming on PTV and doesn't acknowledge "substantial improvements in programming." ACT Pres. Peggy Charren said she favors concept of mandatory programming but opposes staff proposal to allow advertising in HEW programming—not now permitted. "That idea is outrageous," she said.

CARTER DEMANDS AD TIME: In an opening shot of 1980 political TV season, President Carter's campaign committee has complained to FCC that networks won't sell prime-time half hour in early Dec. Complaint goes before Democratic-dominated Commission which has 3 Carter appointees, and observers are wondering how large a part politics will play.

It's old Washington game to speculate endlessly, and often idly, as to role of politics on such FCC decisions. Fact is, historically, Commission seldom votes on such issues in purely political terms. It usually is happy to follow staff recommendations, and staff tries to look to court decisions & precedent. But here are some factors being bandied about: (1) Ferris, Jones & Brown are Carter appointees. (2) First two are New England Catholics—both from Kennedy's home town Boston. (3) Would Republicans on Commission like to help Carter or Kennedy—and how would vote affect either? (4) And aren't some of these factors self-cancelling?

Complaint stems from early Oct. requests for time from Presidential media advisor Gerald Rafshoon. It states refusal for Carter and other candidates shows "what is rapidly becoming a common pattern of abuse of power." Complaint cites variety of reasons for refusal given by networks, including view that campaign has begun too early, too many other candidates would want time, disruptions of schedule would occur. Replied Carter committee: Network news programs don't indicate campaign is too early; limited number of candidates will seek such time; disruption will be minor.

CBS offered to sell campaign 5 min. at 10:55 p.m. on Sat. and same amount in day part. States complaint: "[10:55 p.m.] is generally regarded as the lowest rated portion of the weekly prime-time schedule. More importantly, it is totally insufficient in amount to be of use to the candidate under the circumstances."

Carter campaign complaint says real reason for refusal is this: "They just don't wish to disturb any... sales—even though they have complete flexibility to do so under their contracts with advertisers... What the networks have not disclosed is that they have pre-sold virtually all their prime-time commercial positions to national advertisers between now and the end of the year."

Campaign committee said time was sought 2 months in advance to ease scheduling problems and noted time isn't during sweep period "which is so important to network sales."

Filing was made last week, and FCC reacted unusually swiftly by calling for network response within 5 working days, fact which left some network lawyers grumbling.

NBC spokesman said Carter complaint has no merit "because of the problems inherent in the equal time law. Presidential candidates in past elections have confined their early TV buys to local stations in the states where primaries were being held." ABC had no comment but to say it won't sell time until Jan. 1.

CBS, which last week aired first campaign ad (5-min. for Connally), said half-hour is too much. "We believe that our decision is consistent with our public interest responsibilities and is supported by FCC interpretations of the law." CBS also planned to air documentary on Kennedy this weekend, moving it up to avoid equal-time problems caused because Kennedy plans to announce candidacy this week.

Meanwhile, Metromedia officials wrote letter to Rafshoon, offering half hour of prime time on its stations. Also, Ronald Reagan forces have cleared 47 markets for purchase of half hour Nov. 13. Sen. Goldwater (R-Ariz.) said in Congressional Record that if FCC & networks don't resolve problem "it will be incumbent on the Congress to attempt to solve the access question once and for all."

Attacking radio de-regulation proposal, 8 groups have filed motion with FCC through UCLA Law Prof. Charles Firestone, seeking procedure changes, extensive data. Among requests of Commission: (1) Rescind notice. (2) Indicate preferred option & priorities. (3) Supply supporting data for everything in notice, make it available in federal libraries around country and in Federal Register. (4) Disclose results of small-market ascertainment experiment. (5) Provide details of study methodology and give opportunity to cross-examine its authors. (6) Apply ex parte rules to staff. (7) Arrange en banc hearings around country. (8) Issue tentative decision, take comments on it, and provide oral argument. Groups filing: ACLA, Black Citizens for Fair Media, Consumer Federation of America, Ecumedia, NCCB, NCCL, NOW, Public Media Center, WNCN Listeners Guild.

Hub Bcstg. has filed petition to intervene in WNAC-TV Boston renewal case, asking that it be allowed to apply along with current applicants, Community Bcstg. of Boston and Dudley Station Corp. Hub says it would "produce new programs for children and captioned programs for the hearing-impaired, reduce commercials on children's TV below the national average, avoid ads for snack foods, and function as a superstation from 1:00 a.m. to 5:00 a.m.—transmitting programming designed specifically for children and the hearing-impaired."

Attacking de-regulation, United Church of Christ bought Variety ad, warning radio industry workers that: "The FCC is thinking about replacing you." Ad says de-regulation is "open invitation to stations to automate" meaning "as the tapes start rolling in, local announcers, interviewers, djs, women's specialists, news staffs and program and production personnel will start rolling out."

NAB expects \$2-\$4 million in cable copyright royalties for broadcasters in first distribution next year, proposes that association obtain first fees from Copyright Royalty Commission, distribute checks to recipients designated by Commission. NAB's copyright committee has retained as legal counsel Carl Eldridge, Coudert Bros., N.Y.

Friends of FCC Comr. Quello—now that he has decided to seek reappointment to membership ending next June 30—say he's gaining strong political support. They also say they're surprised that networks have been slow to lend hand—and that Chmn. Ferris's friends have been lobbying White House vigorously in opposition.

Operation Prime Time plans 9 specials next year, including three 4-hour mini-series. OPT consortium has grown to more than 100 stations (75% network affiliates, 25% independents). Some upcoming specials: "Dream Merchants," "Condominium" & "Gossip Columnist."

NAB has paid \$90,000 in legal fees to Howrey & Simon in Justice Dept. suit against Code. Additional \$13,000 is expected for legal audit of whole Code.

MAIL DELIVERY PROBLEMS

In recent weeks, mail delivery service in N.Y. has deteriorated to point where some subscribers are receiving Television Digest up to one week late, even more. Television Digest is sent by first-class mail every Sat. noon at main post office in Washington, D.C. For subscribers experiencing consistent delays, we have following suggestions for more prompt delivery: (1) Our Guaranteed Hand Delivery Service, special messenger delivery to your office before 9 a.m. each Monday at \$5 per week per address—all subscriptions to any address in N.Y.C. included under this single charge. (2) Special delivery—not guaranteed, but usually faster than regular first class— you pay post office's additional charge of \$2 per envelope. (3) Have your copy picked up at our N.Y. office every Mon. morning. (4) Arrange your own courier pickup at our printer in Washington each Sat. or our Washington office on Mon. Any of these methods may be arranged by calling our Washington or N.Y. offices. We're also open to any other suggestions; we'd be particularly happy to find a practical electronic delivery method. We're eager to work with you to assure better delivery service.

OKLA. TV SEX COMPLAINT: Programming featuring sex & profanity and with a liberal bent was far and away chief concern of some 100 Oklahomans at NAB town meeting in Oklahoma City Oct. 30. Same issues dominated similar session in Orlando 2 weeks ago (Vol. 19:44 p4).

Of 29 people who made speeches, asked questions or expressed opinions in Oklahoma, nearly half criticized networks for featuring sex. Actually, many barbs were aimed at syndicated shows, but with networks' top program-standards execs. on panel—Alfred Schneider, ABC; Donn O'Brien, CBS; Ralph Daniels, NBC—they took most of heat from sparse audience.

A preacher echoed sentiments of others with question: "How can I most effectively fight the filth on TV?...I threw [my TV set] out personally 8 years ago." He charged TV with "a great influence" in destroying families. In response, network officials told audience to be specific in complaints, cite exact episodes, promised mail would be answered.

Questioner wanted to know how average viewer can help finance public TV as "an alternative to sex on the networks." Others complained about stereotyping women and about commercials for feminine products. "If we want them [feminine products], we know where to get them," black woman said. "We don't need anyone to tell us." She also asked about profits of TV networks. "We're in the black," Schneider said.

Another woman complained because she can't be home all the time to protect her 20-year-old son from "filth" on TV. She said she wrote CBS Chmn. William Paley and "I didn't even receive an answer."

A part time preacher-teacher hit "liberal" slant of TV programming (as related to sexual matters), including news. "You can't keep bombarding children with this sort of thing...or you're going to have a liberal society." He told us later that he objects to use of "hell" & "damn" on TV in any context. Statements about sex were applauded repeatedly by audience.

Taking opposite viewpoint of most, a "homemaker" said she's tired of being preached to and resents "social messages" in entertainment programming. She attacked feminist movement, said "perhaps I've been mistaken in the belief that TV is to entertain" and not to advocate social causes.

Claiming he was speaking for "the Democratic Party of Oklahoma," questioner objected to use of Okla. U. Pres. William Banowsky by KTVY Oklahoma City for political commentary which, he alleged, is all on conservative side and is building Banowsky for political race as Republican. He asked why can't liberal and Democratic viewpoint get equal time.

Other questions dealt with WARC, retransmission right, children's TV ads & programming (no mention was made to FTC or FCC inquiries), more news & public affairs programming, news about homosexuals, Disney-MCA VCR copyright infringement suit.

Halfway through meeting, young man said: "This

is the most beautiful job of a whitewash I've ever heard." He wasn't challenged by panel or asked what he meant. Meeting started with about 65 present; total attendance was about 100. Crowd obviously was held down by tornado warning, high winds & rain. Meeting lasted 2 hours & 45 min. (compared with more than 4 hours in Orlando where meeting was attended by more than 350).

Critical of alien cable ownership, Midwest Cable TV asked for FCC rulemaking to limit such ownership to 25%, same as limit in broadcasting. Midwest said alien cable ownership has been increasing, with recent awards to Canadian-controlled companies in Syracuse, Minneapolis & Atlanta. "Many foreign countries like Canada prohibit American companies from controlling cable systems within their borders, and other countries have govt.-owned telecommunications systems," Midwest said. "Since alien ownership restrictions are deemed by the Commission and Congress to be appropriate for broadcasting in order to prevent alien interests from controlling what is viewed in homes throughout the U.S., similar restrictions should be applicable to ownership of cable."

Study of woman & minority roles in TV programming done for Screen Actors Guild by George Gerbner, dean of Annenberg School of Communications, concludes that "TV viewing seems to cultivate a certain level of sexist orientation." "Women and Minorities in TV Drama, 1969-78" examined characters in 1,365 prime-time & Sat. morning programs, found that men outnumbered women 3-1 (study didn't look at daytime programs). Kathleen Nolan, SAG pres., said Guild had supported study because "our actors are notoriously underemployed, the women and minorities worse than is the norm." Separate Mich. State U. study found that of 3,549 characters shown during sample week of fictional series in 1975 through 1978, 53 (1.5%) were Hispanics.

FCC Comr. Brown told Senate Subcommittee on Federal Spending Practices a & Open Govt. that proposed Office of Federal Information Management Policy would have power to interfere with necessary FCC information collection: "It is generally conceded that the daily logkeeping requirement is the only practical way the Commission can monitor compliance with its substantive rules relating to commercialization on radio...However, the [OFIMP] could determine—'for any reason'—that our logkeeping requirement is unnecessary, thus undermining our determination on the substantive issues and frustrating court review on the merits."

"TF—Information For Your Future" is new quarterly issued by NAB's TV office. First issue includes articles on satellites by W. L. Morgan & J. V. Harrington, Comsat, and Jack Kelly, Scientific-Atlanta; interactive system, by G. A. Johnson & N. F. Leduc, Bell Canada; interview with Arch Madsen, Bonneville.

Scientific-Atlanta plans 3-meter earth station for radio market, complete package priced under \$10,000, available next year.

'HORRIBLE SOLUTION' ON KID TV: Answering question at NAB conference in Denver Nov. 2, Sen. Inouye (D-Hawaii) warned TV broadcasters to improve their children's programming output or they'll face the "horrible solution" of having govt. take over.

"You're dealing with something [children] that can make or break this country... If you resist the FCC proposals [see p. 1], then believe me 'big brother' will force you to do it and I'd hate to see that happen."

Calling idea "a drastic solution," he suggested that networks should reach "understanding" to program for children during same hours each day, said independent stations & cable systems—including pay cable—should be held to same requirement during same periods. "Why not compete in just a children's hour?" he asked.

Inouye also said that broadcast newsmen should be required to file public financial statements because "Walter Cronkite has more influence than all 100 senators combined" and public should know where Cronkite's money—and how much—is coming from. Senator noted that Cronkite once introduced him—and received honorarium 3 times as large as Inouye's.

Inouye praised industry efforts at self regulation, said Justice Dept. suit against time standards in NAB TV Code is "wrong" because it will lead to many more commercials on TV. "When that happens, I'll switch to cable," he said.

Member of Communications Subcommittee, Inouye predicted that amendments to Communications Act will be on Senate floor by spring and that "I wish I could say the same for the House." He predicted Senate bill will be combination of S-611 (introduced by Subcommittee Chmn. Hollings [D-S.C.]) and S-622, backed by Sen. Goldwater (R-Ariz.), ranking Subcommittee minority member. He said 5-year licenses and "stability" are "certainty" in bill "as long as the licensee does his job."

On FTC proposed restrictions of children's advertising, Inouye said: "I expect the Commission to keep in mind that its mandate is to prevent false and deceptive advertising and not to change the economic system of the broadcasting industry." He also urged TV executives and NAB to reconsider their drive for continued protection from CATV because "protection is regulation." He saw major "inconsistency" in TV's drive for de-regulation while striving to maintain clamps on cable.

In opening session of TV-only conference, Taft Programming Dir. Lucie Salhany disputed contention of consultant Paul Bortz that new technology will have very little adverse impact on local TV stations (Vol. 19:43 p4). She said that Taft is very concerned and that losing 1-2% of audience "becomes a very real problem and certainly affects our pocketbook." Bortz agreed that independents in major markets "obviously are going to be the most severely hurt" by new technology and removal of FCC's exclusivity and distant signal requirements. He also said there are many untapped sources of ad revenue for TV which can more than make up for small audience fractionalization caused by cable and home video systems.

RTNDA spokesman Roger Ogden, KBTB Denver, saw rapid growth in news helicopters (125 by end of year, 200 by Dec. 1980), then rapid dropoff to 50-75 by end of 1981 because "they are extremely dangerous to fly... There are so many things that can go wrong." He estimated 72 stations operate helicopters, said they were "the hottest thing" at Sept. RTNDA convention.

Ogden also said there's "a great deal of skepticism" within RTNDA about possible success of Ted Turner's plan to start 24-hour cable news service next year. "It'll take a great deal of money and the question is whether they want to put that much into it," Ogden said.

With 1980 elections coming up, TARPAC-TAR-PEC Chmn. William Turner made strong pitch for contributions to broadcasters' political action & education funds. He disclosed that CBS has contributed \$25,000 to education fund, that ABC has pledged \$25,000 to match contributions of ABC-TV affiliates and that NBC is expected to give \$10,000-\$15,000. He urged heads of TV stations to contribute \$250 each, seek contributions from others at their stations.

TvB Vp Arthur Trudeau predicted TV will pass newspapers in ad billings in 1980—"they know it, they're gearing up for it." He said local TV will increase by 17% annually through 1985, national spot by 1.5%, network by 10%.

Future of TV broadcasters, outlined by Rep. Van Deerlin (D-Cal.) to AAAA in Detroit Nov. 2: "Although Fred Silverman... may disagree, more and more observers believe that TV, as we know it today, is about to go 'down the tube.' Commercial broadcasters will survive—no doubt about that. But in the 1980s, the networks and their affiliates will, for the first time, no longer compete exclusively with one another. To maintain its competitive edge, commercial broadcasting will probably offer even more of what even its severest critics concede it does very well: Coverage of real-time events. News, sports and national pageants will probably fill larger chunks of a network's schedule."

Scientific-Atlanta's Homesat marketing will no longer focus on direct sales to consumer, Chmn. & Pres. Sidney Topol saying he wants to sign cable operators as middlemen—to assure that appropriate programming fees are paid. At Atlanta session for potential customers, Topol warned that earth station manufacturers should be careful to avoid charges that they enable piracy of programming.

HBO marketing in San Francisco area will be undertaken by Premier Cablevision Nederland, subsidiary of Premier Cablevision, Vancouver, using MDS stations at Volmer Peak and Palo Alto.

Two new transportable earth stations for broadcast use will be available next year, from Compact Video, Burbank; Southern Satellite Systems, Tulsa.

Broadcasters Club, Washington, holds reception for NTIA chief Henry Geller Nov. 8, will schedule one for FCC Comr. Anne Jones soon.

Personals

Bill Michaels advanced to chmn. & chief financial policy officer, Storer Bcstg.; **Peter Storer** to vice chmn. & chief exec. officer; **Terry Lee** to pres. & chief operating officer; **Arno Mueller** to pres., Cable Communications Div.; **Ken Bagwell** to pres., TV Stations Div.

John Kennedy, former operations & engineering vp, becomes senior vp, technical services, NBC; **Lucille Chazanoff**, advanced from accounting & financial operations dir. to vp-controller; **Carl Meyer** appointed special program sales vp, NBC-TV; **Karl Kuechenmeister** promoted to western sales vp; **Phyllis Tucker**, west coast mgr., variety programs, named west coast children's programs dir for NBC Entertainment.

Jacqueline Babbitt named ABC Entertainment vp, novels for TV & mini-series... **Robert Berglund** promoted to L. A. office mgr., CBS TV National Sales.

Michael Rosenberg, ex-WXYZ-TV Detroit, named national sales mgr., WLS-TV Chicago... **Robert Peretik** promoted to gen. sales mgr., WPTT-TV Pittsburgh; **Alvin Silbert**, ex-WBFF Baltimore, named sales mgr... **Samuel Johnston**, formerly West Coast operations exec. vp, becomes Taft Bcstg. senior vp in charge of new ventures, including program sales to cable, pay TV, STV, home video.

Gene Wright promoted to dir. of engineering, WTBS Atlanta & CNN; **Jack Ormond** CNN chief engineer; **Jack Verner** WTBS chief Engineer; **Joe Everett**, ex-National Entertainment Corp., WTBS asst. dir. of TV operations; **John Withers** WTBS regional sales mgr... **Rob Friedman**, ex-Westinghouse Bcstg., re-joins WLVI-TV Boston as sales mgr.

N. C. Assn. of Bcstrs. elects: **Dan Griffin**, WBIG(AM) Greensboro, pres.; **James Goodman**, WRAL-TV Raleigh, pres.-elect; **Wally Ausley**, WPTF(AM) Raleigh, radio vp; **Jack Callaghan**, WSOC-TV Charlotte, TV vp; **Jack Starnes**, WBAG (AM) Burlington, secy.-treas.

Peter Martin, news & public affairs vp, WCAX-TV Burlington, Vt., re-elected AP Bcstrs. TV vp; **Bob Wells**, Harris Enterprises vp, radio vp... **John Shenefield**, Asst. Atty. Gen., Antitrust Div., nominated for Assoc. Atty. Gen... **Stuart Feldstein**, ex-Wilner & Scheiner, becomes member of Washington law firm of Fleischman & Walsh.

Meryl Enerson promoted to Columbia Pictures Pay TV operations mgr.; **Phil Cuppett** promoted from Columbia Pictures TV administration dir. to financial administration vp... **Michael Lambert** rejoins Viacom as vp-domestic syndication after year as Petry TV vp & programming dir.

Jody Daly promoted to HBO mid-Atlantic region coordinator; **Jan Pearce**, formerly NBC TV program research mgr., appointed southwest regional mgr.; **Janice Stocks** named southwest affiliate relations coordinator... **Edward Gilbert**, ITC gen. counsel, adds duties of secy.

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Julian Soltys, ex-Solid State Scientific, appointed Magnavox CATV Systems market planning dir., new post... **Ed Gottman** & **Glenn Kummerow** advanced to Katz Radio divisional vps... **Richard Golden** advanced at Viacom Enterprises from SW sales rep to NE Div. domestic sales mgr., assuming former responsibilities of **Don Towe**, promoted to sales development dir., new post... **John Ball**, ex-PBS engineering vp, named pres., new National Captioning Institute.

Obituary

Robert Benjamin, 70, former CPB board chmn. and an original director of board, died Oct. 22 after short illness at North Shore Hospital, Manhasset, N. Y. He was first appointed to board in 1968 by President Johnson, reappointed by President Ford. He served as chmn. emeritus since retiring several years ago. Wife, son & daughter survive.

Herbert Evans, 78, former pres. & gen. mgr. of Nationwide Insurance broadcast subsidiary (now Nationwide Communications) and one-time NAB delegate to Inter-American Assn. of Bcstrs., died in Columbus, O. Oct. 25.

New NBC affiliate is WTOV-TV Steubenville. Station was CBS affiliate with secondary ABC affiliation. NBC had lost WRTF-TV which switched to CBS (Vol. 19:38 p5).

Independent Bcstg. Authority of Britain has ordered 30 TV transmitters worth \$33.5 million from Pye & Marconi. Transmitters are for 4th national British TV channel, to start Nov. 1982.

"60 Minutes" won Nielsen top 10 in week ending Nov. 26—first newsmagazine to do so.

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STATE OF THE INDUSTRY

Sales to dealers (total market), from EIA, for week ended Oct. 19 (42nd week of 1979):

	Oct. 13-19	1978 week	% change	Oct. 6-12	1979 to date	1978 to date	% change
Total TV	364,144	323,966	+12.4	323,886	12,388,549	12,423,875	-0.3
color	229,563	215,425	+6.6	199,115	7,682,469	7,878,070	-2.5
monochrome	134,581	108,541	+24.0	124,771	4,706,080	4,545,805	+3.5
Home VCR	13,886*	12,458	+11.5	13,834	335,301*	281,474	+19.1
Total radio	692,843	825,377	-16.1	595,389	32,758,804	37,259,426	-12.1
home, portable	451,886	544,440	-17.0	359,175	22,467,220	27,027,687	-16.9
AM-only	84,820	184,371	-54.0	75,028	4,481,135	6,253,559	-28.3
FM & FM-AM	367,066	360,069	+1.9	284,147	17,986,085	20,774,128	-13.4
auto	240,957	280,937	-14.2	236,214	10,291,584	10,231,739	+0.6

Color TV 5-week moving average: 1979—225,226; 1978—243,659 (down 7.6%).

Home VCR 5-week moving average: 1979—13,704; 1978—13,715 (down 0.1%).

*Record for period.

OCT. COLOR SALES DIP 3%, VCR UP: Color TV sales to dealers in Oct. ran at annual rate of just under 9.2 million, leaving 10-month total at rate of 9.98 million. For month, sales worked out to nearly 883,000, down some 3.3% from 913,348 sold in 1978. In home VCR, final-week surge of 17.1% over same 1978 week brought month's sales to more than 61,000, up 8.6% from 56,545 one year earlier. For year's first 10 months, VCR sales totaled just under 397,000 units.

Monochrome TV closed Oct. on positive note, up 5.7% from same 1978 week, with full month at 560,000 trailing year earlier by just 0.2%. In color, month's 4% deficit was lowest since downturn began in Aug. Last 2 weeks of month saw heavy catch-up production by Sanyo Mfg. following strike. Zenith & GTE both reported Oct. sales above 1978 level.

COLOR TUBE MAKERS PUSH 15% PRICE HIKE: All 4 U.S. color tube manufacturers have revised their proposed price increases upwards to include glass makers' 20% boost (Vol. 19:41 p6) and are notifying TV set makers that color tubes will go up about 15% Jan. 1. If increase goes through and set industry follows normal pass-along, it would increase retail price of 19" set by \$30, 25" set by \$40. Smaller sizes would be affected proportionately.

RCA was last to come along, said this week it "is advising its OEM customers of a price increase on color picture tubes for 1980 in the range of 14.5-16%," adding rise "is necessitated by substantial inflationary costs, including a 20% increase in glass prices previously announced by Corning." RCA has own glass plant but buys substantial amounts of glass from others. Previously, other 3 tube makers—GE, Sylvania & Zenith—informed their customers of similar increases.

Second major glass maker, Owens-Illinois, has followed Corning with proposed 20% glass increase. Tube makers are convinced glass hike will stick this time. Said one: "There's been no movement at all by Corning. I checked all their numbers and I haven't any doubt it's warranted." From another: "Corning won't negotiate. It's going to stick—if not at 20%, certainly no lower than 18%." Unusual aspect of Corning's increase is that it's effective "as of any consumption starting Dec. 21" to prevent any stockpile buying at current price.

Tube makers seem equally determined to make their increases hold. One major said: "It's either up or out—it's that kind of problem. We're all in a survival mode. It should be 35% for us to get completely well. We'd ask for more than 20%, but obviously the [TV set] industry can't stand that."

Some tube makers are worried about Japanese. At what point will it be more economical to import than to buy domestic tubes? However, consensus is that Japanese are facing cost increments at least as great as American manufacturers, plus rises in transportation costs. One Japanese tube maker is said to be dragging its feet on fair-sized order placed several years ago at fixed price by U.S. set maker. Glass companies are quoted as saying that Japanese glass makers need increases at least as high as Corning's to recover cost boosts.

"We've looked at purchasing picture tubes from Japan for years," says Matsushita Industrial Co. (MIC) Pres. Richard Kraft, "and in fact we have been importing some smaller sizes." Importing larger tubes hasn't been economical, he says, "but with the price increase and the declining value of the yen, it's beginning to look more attractive." He points out that MIC negotiates with Matsushita's tube div. at arm's length, pays same as any other customer.

Robert Trager, vp-gen. mgr. of Toshiba's color TV plant in Lebanon, Tenn. says his company hasn't seriously looked at possibility of importing larger-sized tubes recently, but expects to meet with representative of parent's tube plant in next few weeks to discuss situation. But he added: "I assume that the same factors that caused Corning to announce its price increase are affecting costs in Japan in a similar manner" and that relative prices of Japanese & U.S. tubes won't change much.

JAPANESE UNSURE ON PROTEST RULING IMPACT: Japanese TV importers won major concessions on dumping-duty appraisalment procedures. That's indicated in last week's Customs announcement that it has at last ruled on protests importers filed in attempt to get reductions on \$46-million assessment it levied in March 1978 on sets imported before July 1973. But whether victory is real or Pyrrhic hinges on how agency applies its rulings company-by-company & set-by-set.

Japanese lost on biggest single issue—Customs' use of complex commodity-tax formula to derive home-market value against which to compare export price. It's brand new way to come up with value, and Japanese, hit with assessments up to 10 times higher than expected, say it's inaccurate & unfair. Customs says it's sticking with it, except in case of Sony, which essentially has been cleared of dumping.

Where Japanese came out ahead is in Customs' reversal of position not to consider demands for dumping-duty reductions to reflect high home-market selling costs. Last year, agency gave Japanese one more chance to come up with verifiable data to support cost differential claims, and generalized rulings stem from review of that material. As matter of policy, Customs said, it will allow adjustments for:

(1) General & administrative expenses in Japan up to amount same expenses are incurred in U.S., but only when importer is related to manufacturer. (2) Amount of discounts & rebates granted all wholesale purchasers in Japan. (3) Difference for high direct selling expenses in Japan, including ad, warranty, service & sales promotion costs. (4) Any higher production & patent royalty costs on sets made for sale in Japan.

Customs emphasized that not all manufacturers made same adjustment claims, that not all claims are being granted for each of 10 companies involved, and that individual manufacturer claims vary from model to model. As result, agency said, effect on amount of duty owed won't be known until new computations are made. Spokesman told us first revised appraisements should be out in couple of weeks. But because rulings on protests are being issued immediately, individual importers should be able to approximate effect on them.

How much rulings could mean to importers was shown last May when several independents accepted Treasury offer to accept cash payment covering amount of dumping duty that would be owed if all protests were granted, along with demand note for rest. Cash payments amounted

to just 9-28% of total potential liability.

Importers adopted pleased but cautious attitude toward rulings. Typical comments: "It looks good on the surface." "Treasury seems to have taken a reasonable approach." All said they'd withhold formal comment until they saw bottom line. Even if this set of rulings results in what Japanese believe is acceptable solution, case may not be resolved yet. As one importer pointed out: "This only covers imports for one period of time. We don't yet know how the rulings will apply to later entries."

Color TV records were set by GTE's Sylvania & Philco brands in Sept. & Oct., company reports. GTE said Sylvania sales to dealers in year's first 42 weeks were 21% above 1978, with Sept. the largest single sales month in its history. Philco's sales were up 27% in first 42 weeks, with sales records set in 9 out of 10 months. Philco's all-time sales record, set in Sept., was beaten in Oct. Meanwhile, GTE Chmn. Theodore Brophy told N. Y. Security Analysts company's U. S. color TV market share "has improved somewhat," but "earnings from sets & components continue to be marginal." Panasonic Exec. Vp Ray Gates said Oct. sales set record for any month in history. However, he didn't interpret this as signs of general retail pickup. Hitachi Senior Vp Ron Friedlander said Sept. was biggest month in company's history and Oct. showed signs of being better.

GE picked up its 4th major private-label TV customer—Western Auto, parent of importer Midland International, which will switch from Wells-Gardner for 1981-model 19" & 25" sets, we've learned. W-G confirmed probable loss of account, but said it was continuing discussions with Western in effort to maintain relationship "shared for over 50 years." W-G data indicate sales to Western totaled just over \$5 million last year, up from about \$4.6 million in 1977, indicated sales would approximate \$5.3 million this year. W-G said it has firm orders for delivery of about \$3.5 million in TVs to Western for rest of 1979-80. GE's other private-label color customers include Hitachi, J.C. Penney, Montgomery Ward.

MCA & Disney have until Nov. 8 to appeal Betamax decision, which held Sony wasn't infringing copy-right (Vol. 19:41 p7). Plaintiffs took preliminary step last week, requesting expedited hearing by 9th Appeals Court in effort to move up trial date. Sony objected, says there's nothing in decision to warrant taking case "out of turn." Appeals Court moves slowly; one attorney familiar with its calendar thinks Betamax case won't be heard for 2 years, "maybe more." Countdown doesn't start until both sides file briefs, about 3 months from date of appeal.

Powerful new recruit to LVR ranks? SMPTE conference in L. A. heard paper on longitudinal video recording by Matsushita's Koishi Sadashige, read by U.S. representative of company. With more than 2 million Beta & VHS helical recorders entering world market in 1979, Sadashige saw large potential home market for lower-priced consumer LVR.

National Radio Systems Committee (NRSC) was organized by NAB & EIA last week at N. Y. meeting "to investigate & recommend methods of improving the overall transmission & reception of the AM & FM broadcasting services." It's outgrowth of NAB's original proposal to establish radio receiver labeling & grading system, which met with unanimous manufacturer disapproval (Vol. 19:24 p14). About 35 attended organizational meeting, including representatives of 10 radio & component makers, 5 broadcast groups, FCC, NAB, EIA. Asked to report on status of AM stereo proceeding, FCC's John Reiser said it was on "back burner," as is FM quad, because staff is preoccupied with high-priority work on proposal for 9-kHz spacing in AM band. He said work on AM stereo should start in Dec. He told us he expects approval of AM stereo broadcasting to come in considerably less than 2 years.

Electrochromic display developed by Bell Labs is being touted as challenger to liquid crystals which dominate market for watches, calculators and other portable products with digital & alphanumeric readouts. Bell says new display, using iridium oxide, has same on-off speed as LCD—slow response time has been problem with other ECDs—and it may get faster, making it possible alternative to picture tube for TV & data displays. Main advantage of ECDs is that, unlike LCDs, displays stay on after current is removed, so battery life can be significantly extended in many applications.

TELEVISION DIGEST ON VIDEOCASSETTE

Second issue of Television Digest's Video Edition, a color videocassette devoted to the highlights of last month's Japan Electronics Show, is now available. The 43-minute cassette is priced at \$250 per copy (including permission to make up to 10 duplicates for company use). Still available is our first Video Edition, Highlights of the 1979 Internationale Funkausstellung in Berlin, at same price. Purchasers of first cassette are entitled to \$100 discount on the second. Both cassettes may be ordered at same time for \$400. They're available in Beta-1, Beta-2, VHS-2 & U-Matic formats. (PAL & SECAM versions available at extra charge for standards conversion.) For further information, call our Washington (202-872-9200) or N. Y. (212-355-5611) office. Because of strong interest in Philips Video 2000 and BASF LVR home systems, we are including with the Berlin tape transcripts of the descriptions of both systems. All previous purchasers will receive these transcripts by mail.

HIGH-SPEED DUPLICATION: Cost of pre-recorded cassettes revived speculation at ITA home video seminar (Vol. 19:44 p7) about potential of high-speed duplication. It can't be done now, but not for lack of trying in past few years by Matsushita, 3M & others.

Effort underway at Recortec in Sunnyvale, Cal. is "beyond development stage," could lead to commercial product in 6-12 months, says Pres. Lester Lee. Reportedly, Recortec has been in touch with Bell & Howell, major tape duplicator on lookout for high-speed breakthrough in U.S. & Japan. Lee won't say how fast his prototypes run, claims "we can do better than" 5-fold increase attributed to system. Matsushita duplicator exhibited at Jan. CES operates at speeds of 25- and 50-to-1, but is "still some time away" from marketplace, says Vp Irwin Tarr.

Obstacle at Recortec is production time devoted to studio & portable versions of company's high-band 3/4" VCR, which Lee claims are much in demand. Tougher problem could be attitude of duplicators who have bought scores of "slave" VCRs that copy cassettes in real time. Temporary loss of a few slave units is minor inconvenience, but difficulties with \$20,000 high-speed machine might "put us out of business," says one. Lee argues that cost of slave maintenance threatens to become "horrendous."

Alternative for duplicators might be delivery of bulk quantities of blank tape in pancake form, similar to audio tape shipments. Tape manufacturers now ship tape in cassettes only. Industry executive claims pancakes could knock \$5 off retail prices. Manufacturers, though, have trouble enough meeting cassette demand, and duplicators would have to invest in packaging equipment.

Home entertainment catalog from Inovision, Electronic Data Systems subsidiary conducting direct-mail campaign (Vol. 19:36 p10), includes variety of VCRs, pre-recorded programs, blank tapes, home computers, etc. There are no bargains except to Inovision Club members who pay first-year dues of \$57.50 to get 22.5% discounts. Current models of RCA, Panasonic & Sony VCRs carry manufacturers' suggested list prices, as do Atari video games, TI home computer, calculators, hi-fi gear. Category exempt from discounts is "special value closeouts," older equipment "already greatly reduced in price," says catalog. Inovision sells non-programmable 2-hour JVC HR-3600 for \$799, 4-hour Panasonic PV-1100 for \$899.

Home video is drawing attention of Taft Bestg. which sees videocassettes & discs as outlet for broadcast programming produced or syndicated by subsidiaries Hanna-Barbera, Worldvision & QM Productions. New ventures Senior Vp Samuel Johnston says Taft has total of 5,000 hours available, would like to store it on discs for selective distribution. RCA & MCA have been licensed to chose 3 hours each of Hanna-Barbera cartoons for inclusion in disc catalogs. Bulk of Taft programs wouldn't generate much retail interest, presumably could be sold to cable, pay TV & STV. Johnston, formerly in charge of west coast operations, moves to Taft hq in Cincinnati Jan. 1.

V-DISC JUKEBOX: TED capacitance videodisc, considered dead in West Germany where it originated, will make belated appearance next summer in U.S. as basis of "jukebox" designed for bars, restaurants and other retail establishments.

Four-year-old Showtime Systems International (SSI), Sandusky, O., is distributing for General Corp. of Japan, says it already has orders to install 200 by Aug.-Sept. Price is somewhat higher than top-of-line conventional jukeboxes, now about \$3,000. General developed system under TED license from Teldec, Telefunken-Decca joint venture. Entire unit including 25" Teknika monitor will come from Japan at first, but Wells-Gardner may supply TV sets eventually.

Premise of video jukebox, which SSI will display at Amusement Machine Operators Assn. meeting in Chicago, Nov. 11-13, takes advantage of major TED limitation—10-min. playing time, more than ample for most pop music selections. User inserts 25¢, chooses from among 50 discs (each of which carries single performance), watches on one of several monitors.

Bulk of first 35 programs now available were taken from record company promotional tapes, made for broadcast TV. SSI, however, says 6 were commissioned for jukebox by software affiliate MV Productions, L.A. Discs are mastered from 2" tapes by Japan Video Systems for replication by General.

Home color video camera production in Japan should reach 300,000 at about \$222 million this year, as compared with 125,000 units last year, according to Japan Economic Journal. Output for this year's first 8 months totaled 160,500, of which 84,1000 were exported. Sales are expected to increase next year, with manufacturers planning to market cameras retailing in Japan for under \$600 (130,000 yen). JVC is cited as leader in home camera production, turning out 10,000 monthly and planning to increase to 20,000-30,000.

CB duty rollback request from Dynascan Pres. Carl Korn is being rejected by Special Trade Representative (Vol. 19:38 p10). Duty rate was boosted temporarily from 6% to 21% by President Carter last year to protect U.S. industry from excessive import competition. Rate was dropped to 18% this year, falls to 15% next year, returns to 6% April 11, 1981. Spokesman for STR told us agency found no change in market conditions to justify immediate return to 6% level.

National Home Entertainment Show, sponsored by Home Video magazine (Vol. 19:44 p10) is scheduled for Nov. 21-23, 1980. Last week, we inadvertently omitted the year.

World time watch from Seiko introduced in Japan at \$124 has dual LCD display. One, in black, shows local time, miniature world map. Other, in green, shows time in any of 19 zones.

WELLS-GARDNER IN BLACK: Wells-Gardner reported 2nd consecutive profitable quarter in period ending Sept. 30, and gain was enough to put company in black for full 9 months (see Vol. 19:44 p12). W-G said sales rose 82% in quarter, 57.7% for full period, reported sales backlog of \$12.7 million as of Oct. 1, up from \$9.1 million last year. Private label producer said Honeywell has become customer for home intrusion systems. In continuation of diversification, W-G said it will start offering b&w display monitors to computer equipment marketers in 4th quarter, and new, unspecified product is in works for mid-1980 introduction.

Matsushita said VCRs, color TV, appliances & communications equipment contributed to improved consolidated results in 3rd quarter & 9 months to Aug. 20. Company said export sales rose 16.9% to \$775.7 million, but were off 1.1% for 9 months to \$1.95 billion. Sales by product line for quarter, with 9-month results in parentheses: Consumer electronics & components \$1.13 billion, up 10.4% (\$3.32 billion, up 4.8%); communications, test & special equipment \$159.9 million, up 23.1% (\$461.1 million, up 18.6%); batteries \$108.8 million, up 13% (\$316.3 million, up 12%).

Advent returned to black in 2nd quarter to Sept. 29, although sales were down 24.7%. For half, firm had 25.8% sales decline, increased loss. Full-period deficit for 1978 was after \$159,000 gain from litigation settlement with founder Henry Kloss.

Coleco reported sharply improved sales & net for 3rd-quarter and 9 months, said electronic game sales for full period totaled \$47.4 million, against \$14.9 million last year. Coleco said it has experienced delays in shipments from IC suppliers but believes supplies will be adequate for 4th quarter.

Mitsubishi Electric said sales rose 22% in half to Sept. 30 to \$2.2 billion, after tax net jumped 90.6% to \$51.6 million. It reported consumer product sales jumped 27.3%, while electronic products & systems rose 24.9%. Exports provided 29.3% of volume.

Craig suffered 48% profit decline on 2% sales decrease in opening fiscal quarter. Company attributed results to stiff competition in audio industry. Discussing situation in annual report, Craig said it lost money in consumer electronics in closing quarter, and market share in car stereo slipped. Indicated audio sales for year show car stereo at \$60.2 million, down 13.1%; compacts & components \$15.1 million, down 15.7%; tape recorders \$7 million, up 67.2%; CBs & monitors \$1 million, down 68.1%. Major bright spot was \$5 million in first-year sales of pocket translators.

Next year, Craig says, it expects to introduce more advanced handheld computer systems with additional software packages, expanded memories, voice synthesizers, programmability and adaptors for interface with other computers. As for audio next year, Craig says it will continue to face stiff competition, mainly from "large Japanese firms" which strive to "maximize exports to this country." As result, "optimistic predictions simply are not indi-

cated."

Atari has sold out all programmable video game units, Warner Communications said in 3rd quarter financial report. Sales of electronic game and toy segment in quarter rose 44.7% to \$73.7 million, with operating net up 47.8% to \$5.6 million; 9-month sales rose 50.7% to \$155.4 million, and deficit was \$455,000, compared with year-earlier \$3.85 million loss. High operating costs and returns resulted in lower earnings from record business, but improvement is expected in 4th quarter, WC said. Company also announced construction start of 240,000-sq.-ft. audio record pressing & tape duplication plant in Olyphant, Pa. Due for completion in mid-1981, plant was designed for expansion for videodiscs.

Mergers & acquisitions: Polygram, joint worldwide music venture of Dutch Philips & Germany's Siemens, will acquire bulk of Decca's music & record business, terms undisclosed. It's understood Decca will be selling its domestic U.K. and most of its international operations, including those in U.S. . . **Memorex** rejected stock-swap acquisition offer from Storage Technology, and ST said it plans no further takeover attempt. Memorex said it's continuing merger talks with Amdahl. . . **Vernitron** acquired magnetic parts & transformer maker Aladdin Electronics for undisclosed cash sum, said it's negotiating for another take-over in same field. . . **Bunker Ramo** rejected bid by Fairchild Industries to increase its interest in BR from 18.4% to 45% through tender offer. Move follows turnaround of FI plan for complete acquisition. . . **North American Philips** appears to have lost in bid to acquire 45% of Pertec despite earlier agreement on \$15-per-share offer. Pertec has accepted \$119-million, \$16.50-per-share complete takeover proposal by Germany's Triumph Adler.

Ad notes: Fuji offers free C-90 audio cassette with videocassette purchase. Purchasers of C-90 audio cassette twin-pack get free 8-cassette storage case plus recorder use-&-care book. . . **Sony** is running 3-for-2 promotion on cobalt audio cassettes, offering 10-cassette case with purchase of 3 premium ferric oxide cassettes. . . **Alpine** will add 60% to any co-op money returned by dealers, use funds to buy time for custom ads on local FM stations specified by retailers. . . **Dialight** appoints Greenstone & Rabasca, replacing Michel-Cather on \$25,-800 account. . . **Sharp** launches regional campaign for new 2-6-hour programmable VHS VCR under theme "You Were Smart To Wait." Sharp plans to have \$1,295 VCR, \$1,095 color camera, in 18 markets by end of month.

Value of imported consumer video & audio equipment & subassemblies in first half totaled just over \$2 billion, down 2.4% from \$2.06 billion in same 1978 period, but up 13.8% from \$1.76 billion in Jan.-June 1977, Commerce Dept. reports. Showing significant gains were imports of video & audio recorders, enclosed speakers, incomplete color TV. Complete color TV, home & auto radios, phonos & transceivers all were down sharply.

Financial Reports of TV-Electronics Companies

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

Company & Period	Revenues	Net Earnings	Per Share
Advance Ross			
1979-9 mo. to Sept. 30	23,932,139	442,988	.12
1978-9 mo. to Sept. 30 ^a	18,241,207	(135,435)	--
1979-qtr. to Sept. 30	8,910,255	219,717	.06
1978-qtr. to Sept. 30 ^a	7,650,620	234,911	.06
Advent			
1979-26 wk. to Sept. 29	14,463,000	(727,000)	--
1978-27 wk. to Sept. 30	19,489,000	562,000 ^b	.22
1979-13 wk. to Sept. 29	8,347,000	75,000	.03
1978-14 wk. to Sept. 30	11,087,000	210,000	.08
Avnet			
1979-qtr. to Sept. 28	288,142,000	16,074,000	1.03
1978-qtr. to Sept. 29	224,009,000	10,254,000	.66
Coleco Industries			
1979-9 mo. to Sept. 30	103,708,000	6,095,000 ^b	.88
1978-9 mo. to Sept. 30	77,901,000	(11,694,000)	--
1979-qtr. to Sept. 30	38,386,000	2,572,000 ^b	.37
1978-qtr. to Sept. 30	30,351,000	(7,772,000)	--
Electro Audio Dynamics			
1979-year to July 28	68,321,000	212,000	.07
1978-year to July 29	67,886,000	2,522,000	1.21
Esquire Radio & Electronics			
1979-9 mo. to Sept. 30	24,058,176	646,518	1.34
1978-9 mo. to Sept. 30	30,904,064	1,011,183	1.68
1979-qtr. to Sept. 30	11,839,270	342,937	.71
1978-qtr. to Sept. 30	13,511,573	477,569	.80
Johnson Controls			
1979-year to Sept. 30 ^c	1,024,448,000	49,920,000	3.58
1979-qtr. to Sept. 30 ^c	270,260,000	13,574,000	.97
Matsushita Electric			
1979-9 mo. to Aug. 20	7,200,000,000	295,700,000	2.53 ^e
1978-9 mo. to Aug. 20	6,600,000,000	273,800,000	2.36 ^e
1979-qtr. to Aug. 20	2,550,000,000	110,400,000	.94 ^e
1978-qtr. to Aug. 20	2,300,000,000	95,800,000	.82 ^e
MGM			
1979-year to Aug. 31	491,270,000	61,601,000	2.02 ^f
1978-year to Aug. 31	401,406,000	49,341,000	1.61
1979-qtr. to Aug. 31	118,765,000	15,250,000	.50 ^f
1978-qtr. to Aug. 31	127,360,000	18,445,000	.60 ^f
A. C. Nielsen			
1979-year to Aug. 31	398,106,000	26,131,000	2.38
1978-year to Aug. 31	323,831,000	24,297,000	2.21
1979-qtr. to Aug. 31	108,384,000	7,357,000	.67
1978-qtr. to Aug. 31 ^a	86,257,000	6,790,000	.62
Ogilvy & Mather			
1979-9 mo. to Sept. 30	153,973,000	7,708,000	1.89 ^f
1978-9 mo. to Sept. 30	127,790,000	7,776,000	1.97 ^f
1979-qtr. to Sept. 30	53,756,000	2,423,000	.59 ^f
1978-qtr. to Sept. 30	44,218,000	2,723,000	.68 ^f
Sonderling Bcstg.			
1979-9 mo. to Sept. 30	31,402,000	2,610,000	2.33
1978-9 mo. to Sept. 30	30,032,000	2,560,000	2.29
1979-qtr. to Sept. 30	11,333,000	1,124,000	1.00
1978-qtr. to Sept. 30	11,182,000	1,138,000	1.02
Texas Instruments			
1979-9 mo. to Sept. 30	2,318,043,000	126,368,000	5.55
1978-9 mo. to Sept. 30	1,816,638,000	100,470,000	4.41
1979-qtr. to Sept. 30	813,022,000	43,584,000	1.92
1978-qtr. to Sept. 30	644,533,000	35,503,000	1.56
Times Mirror			
1979-40 wk. to Oct. 7	1,203,313,000	109,358,000	3.22
1978-40 wk. to Oct. 8	1,064,978,000	94,598,000	2.73
1979-12 wk. to Oct. 7	410,788,000	42,543,000	1.25
1978-12 wk. to Oct. 8	352,015,000	31,312,000	.91
20th Century-Fox			
1979-39 wk. to Sept. 29	496,254,000	46,535,000	5.64
1978-39 wk. to Sept. 30	469,130,000	51,402,000	6.43
1979-13 wk. to Sept. 29	189,556,000	19,671,000	2.39
1978-13 wk. to Sept. 30	161,001,000	18,440,000	2.26

Walt Disney Productions			
1979-year to Sept. 30	796,773,000	113,788,000	3.51
1978-year to Sept. 30	741,143,000	98,385,000	3.04
1979-qtr. to Sept. 30	243,567,000	39,937,000	1.23
1978-qtr. to Sept. 30	241,759,000	37,470,000	1.16

Notes: ^aRestated. ^bIncludes special credit. ^cNo comparable figures available. ^dAt yen's current rate. ^ePer ADR. ^fAdjusted.

Consumer Electronics Personals

George Hrbek, former head of videodisc engineering at Zenith Research Lab, more recently with Motorola, joins Atlantic-Richfield Development as mgr. of Palo Alto videodisc R&D unit; **Leonard De Benedictus**, ex-Xerox Electro-Optical optical video-disc program mgr., named program development mgr. . . **Yoshihiro Nagatake** promoted at Toshiba (Japan) as international operations-consumer products gen. mgr., assuming some former responsibilities of **Shunichi Murao**, who becomes gen. mgr. of new international operations-electronics products unit, retaining responsibility for components & business equipment, adding electronics systems & medical equipment. . . **Robert Limbocker**, former vp of Zenith distributor Sea Pac, Seattle, appointed Zenith Distributing of Northern Cal. vp. . . **Susan Segal** named Warner Communications Home Video Div. operations mgr.

Richard Tyrrell, ex-RCA Service Co., shifts to RCA Distributor & Special Products as autosound sales dir.; **Thomas Hermida** promoted at Picture Tube Div. to mkt. research, news & information mgr., succeeding **Robert Dunn**, reassigned to international mktg., European region. . . **William Boss**, RCA, receives EIA 1979 Distinguished Service Award.

Fred Chanoki, Murata (U.S.) pres., adds duties as gen. mgr. of new Consumer Products Div. in re-organization; **Martin Yumoto**, gen. mgr. of JFD parts plant in N. Y., named to head JFD Div. . . **Sadakyō China**, ex-Intel, appointed Mostek Japan pres. . . **Wilfred Larson**, Switchcraft chmn., and **Fred Dumke**, secy.-treas., slated to retire Dec. 31. **Larson**, **Dumke** & **William Dumke**, who retired earlier this year, founded Switchcraft in 1946. . . **Walter Clements** advanced at Littelfuse from exec. vp to pres. Jan. 1, succeeding **Jack Hughes**, moving to new post of chmn.

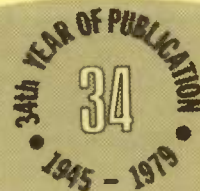
Bernie Lerner, ex-Allied Stores, appointed Sansui dept. store sales mgr. . . **Dan McGrath**, ex-Motorola, named Acoustic Research special mkts. rep responsible for military accounts. . . **Jeffrey Marks** advanced at Sony to Magnetic Tape Div. ad mgr. . . **William McGrane**, ex-Tech Hi Fi, appointed dbx international sales mgr. . . **William Berwanger**, ex-Procter & Gamble, named Electra east region sales mgr.

Semiconductor lasers for videodisc players will be sampled worldwide by Mitsubishi in Dec., with Melco Sales as U.S. source. First samples of aluminum gallium arsenide laser diodes are \$217-\$435. Initial production will be about 1,000 monthly, but Mitsubishi says prices can be about \$21.75 at 5,000-10,000 monthly. Volume production is still about 2 years off.

WEEKLY

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SUMMARY-INDEX OF WEEK'S NEWS

Broadcast

CONGRESS & KID TV: Communications leaders on Capitol Hill unhappy with mandatory programming requirement in FCC kid TV proposal. (P. 1)

NAB DILEMMA ON 'PERCENTAGES' to be faced at Dec. 12 special board meeting as directors are split on radio deregulation issue. Staff pushing hard for immediate guidance. (P. 2)

SHIBEN PUTS HIS BRAND on Best. Bureau in major reorganization to help anticipate, evaluate and put resources where needed. Quello, Washburn dissent to dissolution of Educational Branch. (P. 3)

CAMPAIGN HAS STARTED: In blunt filing at FCC, Carter committee asserts networks have no excuse to avoid time sales. (P. 4)

WARC'S MIXED BAG: U.S. faces tough going on HF broadcast expansion; reaches compromise on broadcasting satellites. (P. 5)

NEW SENATE BILL: Revised S-622 includes anti-pay-TV sports siphoning provision; limits alien cable ownership. (P. 6)

CONGRESS BALKS ON FCC KID TV PROCEEDING: Congressional communications leaders are unhappy with proposal in FCC's proposed rulemaking requiring specific amount of time for children's TV (Vol. 19:45 p1), and Sen. Goldwater (R-Ariz.) has threatened legislative action.

Goldwater, ranking Republican on Communications Subcommittee, told Chmn. Ferris in letter last week that if necessary: "I am going to recommend to the [Subcommittee] chairman that we meet, write legislation prohibiting this in-depth regulation, and just see where the ball bounces."

Explained Goldwater: "Now I'll be perfectly honest with you, Charlie, it is this kind of stringent action by Commission members that is causing the Congress to turn more and more against bureaucracies, commissions, etc."

Rep. Van Deerlin (D-Cal.), Communications Subcommittee chmn., told us he prefers that Commission encourage "additional programming sources for children." He said by pushing for quantitative standards "you may not be doing very much for kids."

Ranking Republican on his Subcommittee, Rep. Collins (Tex.), said FCC "can't solve the problem of delinquent parents by getting a 24 hour per day programming log out of the FCC." He said he favors oversight as a means of showing the FCC that he is unhappy, but he would move on specific legislation "if we have to." Collins said FCC "has got more to do right now than this." Sen. Hollings (D-S.C.), Senate Communications Subcommittee chmn., couldn't be reached for comment.

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Consumer Electronics

VCR SALES RECORD set in Oct., when dealers bought 61,389 units. Color TV manufacturers cut inventories far more than decline in sales. (P. 8)

AOC PLANS U.S. PLANT for color TV assembly. Former Admiral Taiwan unit to assemble sets in underground quarry outside Kansas City. (P. 9)

VCR, B&W IMPORTS up in Sept., color off, though chassis shipments continued strong. Japanese TV makers unsatisfied with Customs TV dumping protest verdicts; court challenge expected. (P. 10)

EMI ACQUISITION by Thorn approved. Wakefield cleared to buy Capehart. Murata expanding. (P. 11)

INTELLIVISION INTRODUCTION delayed again. Sylvania pushes video game market test back 2 weeks. Mattel may not be out this year. Playcable experiment postponed. (P. 11)

ABC VIDEO RELEASES videocassette documentary of Pope's visit, to be marketed by Magnetic Video. Paramount shipping up to 100,000 cassettes Nov. 15 to MV and other distributors. (P. 12)

Meanwhile, Comr. Washburn, speaking to American Council for Better Broadcasts in Chicago, reiterated his concerns about proceeding, saying there are "serious questions as to our statutory authority to require such quotas and our constitutional authority to mandate such programming in the form of specific rules." NBC TV Network Pres. Robert Mulholland, speaking before same group, called FCC proposal a "misguided initiative." He said Commission seeks "extraordinary intervention without really showing the need for it," reached its conclusions "by analysis that is sometimes plain wrong."

NAB DILEMMA ON 'PERCENTAGES': Still wrestling with final position to take on radio deregulation rulemaking at FCC (Vol. 19:43 p3), NAB Exec. Committee is calling its parent board back to Washington Dec. 12 for 2nd special meeting on subject in 2 months. Committee is putting forth 3 options to board as worthy of "serious consideration":

"(1) A standard based on a good faith effort to meet community needs, interests and problems and a record unblemished by serious deficiencies in complying with FCC rules and policies. (2) A standard of solid, substantial service. (3) A standard based on a percentage of local service/informational programming."

It's 3rd option that is controversial. Many believe that advocacy of minimum percentages for nonentertainment programming for renewal purposes would set bad precedent in light of FCC's proposal to require minimum amounts of educational & instructional programming directed toward children (see p. 1).

Not so, because there's "a clear legal distinction," according to Senior Vp-Gen. Counsel Erwin Krasnow, Radio Chmn. Arnold Lerner and immediate past NAB Chmn. Donald Thurston. Lerner said percentages "offer the best solution to the jeopardy question" in license renewals; Thurston added "no one likes to advocate percentages but they don't offer any alternatives."

Percentage requirement was put forth 11 months ago by Comr. Brown as condition for his support of deregulation (Vol. 18:50 p5), was endorsed in separate form by NTIA. Several on NAB board would like to avoid taking a position now, but staff argues this isn't possible. At Oct. 16 board meeting, Exec. Vp-Gen. Mgr. John Summers said it's important to reach position "as soon as possible" and that any reversal later "could be detrimental in getting the deregulation the industry really wants."

In explanation of options sent to board last week, Krasnow stressed: "It is essential that NAB adopt a firm and reasoned position at the earliest practicable date. The needs for expedient and definitive action are many... It was the NAB which... provided the initial impetus for the Commission's radio deregulation proceeding. Naturally, our participation... should be vigorous, with NAB taking on the central role as spokesman for the industry... The staff needs firm 'marching orders' now in order to orchestrate a successful campaign in terms of support organization, lobbying and the preparation of FCC comments." He said "reluctance of the board [to adopt position on non-entertainment programming] reflects the basic quandary here—how to establish a renewal standard which (1) will demonstrate a licensee's operation in the public interest yet (2) will not result in untoward government involvement in broadcasters' program decisions."

Lerner stressed that any percentage standards endorsed by NAB would be "content neutral" and prohibit Commission from specifying what kinds & types of nonentertainment must be carried. Other radio dirs. who support percentages take same view.

Several individual radio dirs. are opposed to acceptance of any kind of program percentage standards but opposition to date has been led by CBS, which sees definite precedent for Commission to use in future kid TV rules. Also, "CBS has a long history of opposing mandatory quotas or program percentages," network official told us.

In other actions at Washington meeting last week, NAB Exec. Committee: (1) Appropriated \$25,000 for Jan. First Amendment Congress in Philadelphia. (2) Approved \$10,000 study on economics of STV. (3) Discussed tentative conclusions of Futures Committee, headed by TV Chmn. Robert King (Vol. 19:41 p4). Final report will be presented to Jan. board meeting in Palm Springs.

Another controversy awaiting Palm Springs meeting is whether to authorize up to \$60,000 to determine public attitude toward broadcast ads for contraceptive products—as recommended by NAB TV Code Board. NAB Chmn. Thomas Bolger & Pres. Vincent Wasilewski oppose study on budgetary grounds.

SHIBEN'S BRAND ON BCST. BUREAU: In effort to cure what he sees as 3 major functions Bcst. Bureau is unable to perform satisfactorily, Chief Richard Shiben has successfully put through FCC a major reorganization of his Bureau. "The reorganization is especially important now [and] will enable us to improve the management of the Bureau and to increase our service and responsiveness to the public and the industry," he said.

Shiben told us Bureau will be much more able to: (1) Anticipate impact of new technology. (2) Put resources where they're most effective. (3) Engage in program reevaluation—study success & continued need of old rules & regulations, such as ascertainment. He also said new organization will provide much greater flexibility, permitting reassignment of personnel from branch to branch and div. to div. as needed.

Essentially, here's how reorganized Bureau will look: (1) New Program Planning & Evaluation Staff directly under Shiben, headed by Charles Goldfarb. (2) New Technical & Informational Branch within Policy & Rules Div. It will include engineering, technical & allocations from Bcst. Facilities Div. and all personnel handling international matters. (3) New EEO Branch—with 5 new professionals to be added—within Renewal & Transfer Div. (4) Abolish Office of Network Study and reassign its functions to Legal Branch of Policy & Rules Div. (5) "Extensive streamlining" of Bcst. Facilities Div. to include:

Combining functions of Aural New & Changed Facilities Branch with Aural Existing Facilities Branch and establishing separate AM and FM Branches; transferring personnel now in TV Branch who don't work on TV matters into new Auxiliary Services Branch handling all translator and auxiliary services applications; abolishing Technical & Allocations Branch, transferring its functions to new Technical & International Branch in Policy & Rules Div.; abolishing Educational Bcstg. Branch, reassigning functions to Policy Analysis Branch of Policy & Rules Div.

Changes will be implemented by Dec. 21, Shiben said, and "we'll turn the corner within a year with concrete and recognizable results." He told us major remaining problem area is Bcst. License Div.—citing backlog, morale, heavy workload and crowded working conditions—expressed confidence problems will be overcome. He also expressed hope all of Bureau will be housed in hq building at 1919 M St. within year. Policy & Rules now is at 2025 M St.; other Bureau personnel are in annex behind 1919 M St.

Educational Comr. Quello (joined by Washburn) dissented to doing away with Educational Bcstg. Branch, comprising only Robert Hilliard and secy. Quello charged this represents "downgrading" of educational broadcasting, said "there will no longer

be any recognizable entity" for non-commercial broadcasting within Commission.

In reorganization of Common Carrier Bureau accomplished earlier, FCC split functions between 2 deputy bureau chiefs: William Ginsburg will head policy, accounts & audits, consumer affairs, economics, planning; Thomas Casey in charge of operations, enforcement, facilities, hearing, mobile, tariff.

TOP SATELLITE SERVICES: Christian Bcstg. Network's free-to-cable service has emerged as leading satellite programmer, narrowly edging WTBS Atlanta for biggest share of cable audience. Survey of satellite-distributed programming by our sister publication Satellite Week shows Home Box Office leading pay service, with more than 3 times count of nearest competitor. Herewith are top 10 satellite services (for top 20, other details, see Satellite Week Vol. 1:15 p2):

Rank	Service	Homes served (millions)
1	CBN	6.2
2	WTBS Atlanta	6.1
3	C-SPAN	5.0
4	Madison Sq. Garden	4.5
5	ESPN	4.2
6	HBO	3.0
7	Trinity	2.5
8	Modern Talking Pictures	2.1
9	Thursday Baseball	2.0
10	PTL	1.5

Challenging United Way access to \$18 million worth of PSAs on telecast NFL games, National Committee for Responsive Philanthropy will file fairness doctrine complaint with FCC, charging that spots "present only one side of what has become a very controversial issue." Robert Bothwell, exec. dir. of NCRP, said spots mislead viewers into believing United Way is all-inclusive fund-raising organization when it doesn't support "organizations concerned with the environment, consumer issues, the arts, education, the rights of minorities, women and the elderly and many other areas of concern."

FCC denied FOIA appeal filed by D.C. law firm McKenna, Wilkinson & Kittner for documents concerning FCC proposals on cable deregulation. Firm filed request on behalf of unnamed TV station; Commission upheld staff denial of interagency memoranda on cable economic inquiry, calling firm's argument that Commission prejudged issue "frivolous."

President Carter will debate Sen. Kennedy (D-Mass.) in Des Moines in early Jan., hosted by Des Moines Register. TV coverage is expected, newspaper Exec. Editor James Gannon saying he thinks networks will find event irresistible.

FCC OVERSIGHT: Fairness doctrine and FCC operations go under congressional scrutiny this week as House Communications Subcommittee holds 3-day oversight hearing, calling on more than 20 witnesses.

Fairness doctrine & media access constitute first day's business Nov. 12, with unsuccessful attempts by Kaiser Aluminum and others to buy time for editorial messages being key focus. Witnesses: Andrew Schwartzman, Media Access Project; James Gallant, WMAL(AM) Washington; Arthur Ginsburg, FCC; Corydon Dunham, NBC; Cornell Maier, Kaiser; Everett Erlick, ABC; Gene Mater, CBS; Ed Devaughn & Jerry Klepner, National Treasury Employees Union.

FCC operations, roundly criticized in GAO report earlier this year, will be examined Nov. 13 with Henry Eschwege of GAO sole witness concerning study. Also Wednesday, AT&T uniform system of accounts will be studied, using as background another GAO study showing FCC's efforts to establish such a system are flawed and behind schedule. Witnesses are from common carrier industry and several govt. agencies.

On Nov. 14, all FCC commissioners appear to discuss radio deregulation, children's TV rulemaking, network regulation and issues discussed in previous 2 days.

Said Van Deerlin on hearing: "If the FCC is wasting the taxpayer's money, we're going to find out. GAO suggested more congressional oversight to improve things."

CARTER CAMPAIGN HITS NETWORKS: "The simple fact is that the national Presidential campaign is well underway," said Carter-Mondale committee in stinging reply to networks' claim that it's premature to sell prime time for 1/2-hour political message. In case being watched with intense interest by all other candidates, campaign committee told FCC:

(1) Network news departments have started full campaign coverage—so it's not too early to sell time on "integrated, nationwide" basis. (2) Networks are incorrect in asserting that there's "multiplicity of candidates" when 11 Republicans and 3 Democrats "is not an inordinate number, particularly when the Presidency of the U. S. is the most important elective office in this country."

(3) The assertion of a "disrupted program schedule" is "most questionable" since committee "felt that it gave the networks considerable leeway in providing availabilities. Moreover, the networks admit that ultimately they must make scheduling changes and, in fact, now do so with regularity for their own commercial purposes."

Carter campaign concluded: "Of all the broadcasters in this country, the networks are in the weakest position to raise a 'multiplicity of candidates' defense to making time available. Unlike other licensees, the networks... have only one group of candidates to serve (Presidential candidates). And, from the practical standpoint, the networks have access to at least 2/3 of the available hours on affiliated stations. Therefore, they have more time under their control than does the typical station in

which to meet their one statutory obligation to candidates for this uniquely important office."

Networks, filing earlier in week, asserted that time sales to Carter campaign would open door to similar requests from other candidates. "At this stage of the campaign there are so many candidates... that such a result could be greatly disruptive of network program service," NBC said. "NBC also urges the Commission to seek congressional repeal or suspension of the equal opportunities provisions of the Communications Act, particularly as they apply to the nomination and election to the Presidency."

CBS said it hasn't refused to sell any time, only 1/2-hour segment requested—decision consistent with licensee discretion. "In ruling on this complaint, the Commission need go no further than deciding whether, as a matter of law, CBS' actions... amount to an abuse of its legitimate discretion. We think the Commission's prior cases make clear that no such abuse is here in issue."

Said ABC: "It should be recognized that the ABC network, unlike any individual TV station, is a national medium. The suggestion that a single state caucus is sufficient to trigger access to a national medium, as distinguished from individual stations in and serving that state, is misguided." ABC said it doesn't intend to sell time to national candidates until the first week of Jan. NAB, in amicus brief supporting networks, said broadcasters should have say in political time sales: "For the Commission to rule in favor [of Carter committee] would clearly require that it substitute its own judgment for that of the networks." NAB said upholding Carter campaign "will have an impact on all radio & TV stations" because state & local candidates are potentially capable of asserting similar equal opportunity claims.

Warner Cable is wasting little time putting to work the \$175 million it's getting from American Express for 50% of company (Vol. 19:38 p5). It has formed new Warner Amex Satellite Entertainment Corp., heading it with John (Jack) Schneider, one-time CBS Inc. exec. vp, and its "Star Channel" goes to 24-hour service Dec. 1, renamed "The Movie Channel." Warner has use of 3 transponders on Satcom; 2nd carries 13-16 hours daily of "Nickelodeon" children's shows; 3rd, bought from Holiday Inns, still has KTVU Oakland, but Schneider said that will be replaced as soon as Warner finds something better. On top of that, Warner has ordered "several" transponders on forthcoming Satcom III, said Schneider, and intends to make full use of them. Said he—veteran of inter-network competition: "It may be easier to program 10 channels than one. You put it all on." As for "Nickelodeon": "All the new builds have to have it. It's included in all the bids for new franchises."

NAB hit FCC's "continuing pattern of illegality" regarding returning fees to broadcasters, in reply comments to D.C. Court of Appeals. NAB said Commission has refunded only \$61,000 of \$45 million and is requiring licensees to sign waivers accepting sums returned as final. NAB called FCC procedure "cavalier," said waiver is illegal, discouraging broadcasters from seeking refunds.

WARC'S MIXED BAG: U.S. has apparently failed to win agreement of WARC for major expansion of HF broadcasting, but appears to be closer to resolving contentious issue of broadcasting satellite allocations in 12-GHz band. At end of 7th week, WARC entered plenary session to review progress. State Dept. review of situation shows:

(1) Unable to reach final agreements on HF, conference has consensus to schedule special meeting on band following 1982 CCIR plenary assembly. U.S. stressed that meeting would be meaningless if WARC failed to approve adequate increase in allocations, but agreement on where this expansion should occur hasn't been reached.

(2) U.S. & Canada reached "apparent compromise" on broadcasting satellites to satisfy Canadian requirement for broadcast use of lower portion of 11.7-12.7 GHz band. Again, final agreement at WARC seems unlikely, since majority of countries in Region 2 favor postponing decision until 1983 regional conference on broadcasting satellites.

(3) In other WARC activities, U.S. is battling to preserve primary allocations for radars; is failing in efforts to add certain amateur frequencies; supports proposal to put consideration of satellite sound broadcasting before CCIR. Question of access to geostationary orbit—important to less developed nations—has been assigned to ad hoc working group.

ABC expects to be "first network to break the \$2-billion mark in 1981, and we should double that in 1984," TV Network Pres. James Duffy told AAP western conference last week. Duffy said ABC became world's largest single advertising medium in 1977, now has 37% of 3-network market vs. 30% in early 1970s. Networks overall account for 40% of TV ad dollars, or 8-9% of total spent for all media. TV's impact is such that "advertiser who does not include national TV as part of his strategy is either uninterested in the national marketplace or somehow has managed to avoid the most cost-effective way of reaching it," he said.

"If future decisions are going to be as rigidly structured as this one, we won't need commissioners, just computers"—Comr. Lee in dissenting to FCC refusal to grant waivers in 5 newspaper-broadcast cross-ownership cases (Vol. 18:44 p2). "Each of these cases involves a community where the public is happy with its present service... We have no allegations that any... controls its community or dominates opinion formation."

NAB TV Code board has ruled that McDonald's hamburger claim "nobody can do it like Ronald can" violates comparative ad standards of Code, gave McDonald's 30 days to make change. Complaint was brought by J. Walter Thompson on behalf of client Burger King.

Composite week for TV stations' annual program report and those filing renewal or sales applications in 1980, as set by FCC (all dates 1979): Sun., March 4; Mon., April 2; Tues., Sept. 18; Wed., Aug. 22; Thurs., June 21; Fri., Feb. 9; Sat., May 19.

Cable service called "All Night at the Movies" is scheduled to run 1-7 a.m. beginning Jan. 1. Program supplier is syndicator Allworld Telefilm Sales in N. Y., which offers similar package to commercial broadcasters. Movies dating from 1930s to 1950s will be transmitted 7 nights a week on transponder 21 of RCA Satcom I, leased to Southern Satellite Systems. Allworld claims 1.45 million potential homes now, expects to reach 2 million by year's end. Cable systems pay \$1,000 a min. for up to 10 minutes of commercial time, sold to local advertisers. Allworld says it already has national commitments from Time-Life Books, North American Van Lines & others, accounting for 60% of commercial availability.

PBS Chmn. Newton Minow, speaking to ATAS in L.A.: "The next quarter century in mass communications is going to be marked by a radical upheaval. There will be many more messages competing for attention. In the 80s, the Message is going to overcome the importance of the Medium. In the early '60s, [the] scarcity of channels had much to do in causing the vast wasteland I talked about. The question now is whether the wasteland will be irrigated or further eroded by the new glut of channels crisscrossing the landscape."

Something new from FCC, in effort "to encourage greater public participation" in agency proceedings: Semiannual agenda of "significant" pending matters. In each case, name and phone number of FCC official to contact is listed. Among subjects included in first release (next is due April 21): Children's TV inquiry, low-power TV translators, VHF drop-ins, STV, clear channels, 2nd generation of domestic satellites, CATV impact on broadcasting, improvements to UHF reception.

U.S. Appeals Court has remanded to FCC the 1972 cable rules, telling Commission to reexamine them in light of copyright legislation passed since then. Impact is seen as minor since Commission is reexamining them anyway in cable inquiry, but cable lawyer said ruling "gives us some weight in trying to point out syndicated exclusivity is a substitute for copyright."

Issues of major concern to TV broadcasters, according to informal poll at NAB Denver conference (listed in descending order): New technology, EEO, children's TV, political broadcasting, tie among First Amendment, advertising content and program content.

Mobil spent \$300,000 on newspaper ads to charge that CBS News distorted Mobil's earnings report. CBS denied charge, said it hadn't been able to secure interview with Mobile official on day profit was announced.

NAB has asked FCC to allow oral argument in cable economic inquiry "to focus the Commission's attention on the most critical issues." States NAB: "To say the record is voluminous is the epitome of understatement."

Expanding earth station business, Gardiner Communications purchased satellite product lines of Scientific Communications, Garland, Tex.

CBS USING 1/2" VCR: Working with Sony, CBS has developed new off-line editing system using custom-built Betamax 1/2" VCRs and light pen, Engineering & Development Vp Joseph Flaherty told L.A. SMPTE in paper presented jointly with engineer William Nicholls. New machines are modified to produce viewable color pictures from stop motion to 5 times normal speed in forward & reverse, will stop within one frame of selected time-code number. Flaherty claimed this new system was optimized for rapid, low-cost re-editing, using 3 machines which synchronously display A-B-C program cassettes with extra material on each scene. He cautioned that equipment was made specially for CBS by Sony, isn't yet generally available. Advantages of new system are compact size, low cost, easy operation.

Digital TV was one of major preoccupations of conference, and SMPTE held organization meeting of group to study possibilities for development of digital VTR, attended by 50 users & design experts from all over world. New technical committee chaired by CBS's William Connolly was charged with providing "forum for the exchange of information on user needs and on technical capabilities of digital TV tape recorders." Experts from independent & group TV stations, production houses and industrial users were invited to participate on committee (information available at 212-975-3321).

High-definition TV was subject of report by Chmn. Donald Fink of special study group on subject. He said there was lack of psycho-physical data on which to base new systems, and described work in Japan & elsewhere on color TV systems using up to 1,500 lines. He proposed that aspect ratios for future systems be at 5:3 or 2:1. Fink predicted luminance bandwidth of about 25 MHz would be needed to provide true high-definition system, expressed hope that any future system would be compatible with all color standards now in use.

James Butterfield of Stereo Video Labs proposed 3D TV system using multiple projectors and special screen to achieve stereo video in normal viewing environment without special glasses.

Sept. network TV billings jumped 18.3% to \$405.9 million, according to TvB-BAR. ABC billed \$151.5 million, CBS \$139.7 million, NBC \$119.1 million. For Jan.-Sept., combined billings of \$3.2 billion were up 13.7%, with ABC getting \$1.16 billion, CBS \$1.05 billion, NBC \$9.78 million.

FCC has ruled out possibility of "sportcasting", using business radio service to transmit running account of game to spectators. After studying issue 4 years, Commission found no need for service, said extensive interference would be caused.

House Copyright Subcommittee holds first of 2-day hearing on cable copyright Nov. 15 (Vol. 19:43 p5), will hear Barbara Ringer, Library of Congress, and Henry Geller, NTIA. Second day is scheduled for Nov. 26, no witness list yet available.

Clay Communications' KJAC-TV Port Arthur-B Beaumont and KFDX-TV Wichita Falls appoint Katz TV rep., replacing PGW.

NEW SENATE BILL: With signs of life starting to reappear in congressional efforts to restructure communications law, Senate minority has produced revised version of S-622 including many new features concerning broadcast & cable. They include: (1) Authority for FCC to prohibit pay-TV siphoning of sports from commercial TV. (2) Requirement for renewal when broadcaster has "substantially met community needs." (3) FCC barred from regulating radio advertising.

(4) Elimination of fairness doctrine, exemption from equal-time rules for debates among candidates for federal office. (5) Sports blackouts prohibited where all seats are sold 48 hours before event.

In cable area, bill: (1) Permits phone companies serving fewer than 30 homes per route mile to offer cable services. (2) Limits alien ownership on same basis as broadcast restriction. (3) Limits franchise fees to 5% of gross annual revenues. (4) Puts burden on broadcaster to show why signal carriage restrictions are needed. (5) Requires access to cable channels for federal candidates. (6) Requires leasing of cable channels on nondiscriminatory basis when systems are outside Grade B contour of TV stations. (7) FCC EEO regulation mandated. (8) Provides that customers can use own terminal equipment when technically compatible.

Sonderling stations sale to Viacom was approved by FCC with exception of WOL(AM) Washington, embroiled in payola & plugola probe. Viacom will pay Sonderling holders convertible preferred stock or \$28 cash for each of 840,000 outstanding Sonderling shares, getting WAST Albany, plus 8 radio licensees. Sonderling is seeking sale of WOL(AM) to black investors, including ABC anchor Max Robinson, for \$950,000 under FCC distress sale policy. Proceeds from sale would be donated to NAB's minority investment fund.

Plans for Western Cable Show—Anaheim, Dec. 12-14—include sessions on satellite services, urban franchising, new revenues for saturated systems, govt. relations, Cal. de-regulation law. Details: Cal. Community TV Assn., 3636 Castro Valley Blvd., Castro Valley, Cal. 94546, 415-881-0211.

RCA asked FCC to build 5th Satcom satellite as ground spare.

DELIVERY PROBLEMS & SOLUTIONS

Continuing our efforts to offset deteriorating mail delivery, we are considering offering hand delivery of Television Digest and Satellite Week each Mon. a.m. in downtown Washington. Depending on number of participating subscribers, cost will run about \$3 per delivery. There would be no extra charge for more than one copy delivered at the same address. Service will start if response is sufficiently large. If interested, please call Barbara Pratt, circulation mgr., at 872-9200. Special delivery, of course, continues to be available at all times at \$2 per week.

Personals

Kevin O'Malley promoted to vp-program planning & development, CBS Sports; he's succeeded as vp-communications by **Thomas Baskind**, who moves from CBS Publishing Group; **James Harrington** named vp-CBS Sports program administration; **Kay Wight** moves from CBS News to vp-sports program compliance & administration; **Len DeLuca** joins CBS Sports as mgr.-information services... **Sid Davis**, NBC Washington news dir., promoted to bureau chief, succeeding **Donald Meaney**, who moves to managing dir. of affiliate & international liaison, NBC News; **Edward Planer** promoted from news gathering gen. mgr. to news coverage vp; **Michael Sherlock** appointed NBC Sports finance & administration vp in restructuring of NBC financial organization. Others in new finance & administration vp posts: **Donald Carswell**, NBC TV Network; **Kirk Dodd**, NBC Entertainment; **Henry Kanegsberg**, NBC News; **Edward Garrett**, Operations & Technical Services... **Norman Powell**, ex-Wrath Entertainment International, joins CBS Entertainment as motion pictures for TV dir.

Donald Martin promoted to ABC gen. attorney; **C. Z. Wick**, ex-1980 Productions, appointed dramatic development supervisor, ABC Entertainment; **Ray Villarreal** to coordinator-special projects; **Ann Daniel** promoted to mgr.-dramatic development; **James O'Grady** to dir.-TV financial controls; **Thomas Storrier** to mgr.-sales proposals, ABC TV Network central div... **Ben Hoberman**, ABC, elected to Broadcast Pioneers board; performer **Dick Clark** to be added soon; **Edward Cramer**, BMI, and **Don Kearney**, former Pioneers exec. secy., elected to Pioneers Foundation board.

Marilyn McDermett promoted to asst. chief for management & personnel, FCC Bcst. Bureau; **Stewart Bedell** to chief, Transfer Branch, and **Barbara Kriesman** to chief, Renewal Branch, Renewal & Transfer Div. of Bcst. Bureau... **NAB Research Dir. Lawrence Patrick** promoted to vp.

FCC Chmn. **Charles Ferris** speaks at FCBA luncheon, Capitol Hilton Hotel, Washington, Nov. 30... "Global Newsbeat" IRTS luncheon Nov. 20, Waldorf Astoria Hotel, N.Y., features NBC's **John Chancellor**, CBS's **Charles Collingwood**, ABC's **Av Westin**, moderated by **Richard Wald**, ABC News senior vp.

WCVB-TV Boston Program Dir. **Bruce Marson** & News Dir. **James Thistle** promoted to vps... **Steve Ridge**, ex-WAAY-TV Huntsville, appointed news dir., WKBW-TV Buffalo... **Ken Srpan**, ex-WCPO-TV Cincinnati, joins WBNG-TV Binghamton, N.Y. as news dir... **Neil Kuvin**, ex-WABC-TV N.Y., appointed program dir., WPTF-TV Raleigh-Durham... **Lynn McIntyre**, ex-Post-Newsweek Stations, named program dir., KFSN-TV Fresno... **John McCoy**, Storer Bcstg. vp-gen. counsel, retires in Jan., will continue as consultant on corporate pension plan.

FCC Comr. **Abbott Washburn** participates in Commission public participation workshop Dec. 7, Wheeling... **James Hamill**, ex-Competition Bureau, and **Rena Steinzer**, ex-Consumer Protection Bureau, named legal assts. to new FTC Comr. **Patricia**

Bailey; **Scott Morris**, ex-Consumer Protection Bureau, named legal asst. to Comr. **David Clanton**... N.Y. attorney **Sanford Litvack** is expected to be named chief of Justice Dept. Antitrust Div., succeeding **John Shenefield**, now assoc. attorney gen.

Robert Kalstd named program dir., KATU Portland, replacing **Charles Gingold**, to program dir., WABC-TV N.Y.; **Cliff Love** becomes WABC-TV editorial dir. from similar position at WABC-(AM)... **Linda Ebner** promoted to congressional relations dir., NCTA... **Joseph Hoffman**, ex-Adam Young, joins Arbitron as TV account exec.; **Richard Wallace**, ex-RKO sales dir., joins as Eastern TV sales mgr... **Bruce Ellis** promoted to computer services mgr., TvB... **Gerry Lepkanich** named station sales dir., Syndicast Services... **O. J. Hanas** promoted to engineering vp, Oak Industries CATV div.

Joseph Dunn, ex-Sloan-Kettering and N.Y. Times, named mgr., information services, Warner Cable.

When satellite broadcasting "comes about, we intend to be in the forefront as a carrier—not as a network." So said RCA Americom Pres. **Andrew Inglis** at N.Y. World TV Festival symposium last week. However, he warned that there are "enormous legal problems involved" and "serious question about how many satellites we can put up" under international treaties. If these questions are resolved, he said, there's still question of whether anybody wants it. He said it was probable that same result can be achieved "better or cheaper by other means"—specifically CATV, which he forecast would cover entire country within 10 years. For direct satellite broadcasting, "we're looking at least 10 years" in future.

Broadband Communications Pres. **Irving Kahn**, speaking to Ontario CATV Assn.: "The enemies of cable TV, both in the U.S. and Canada, are any persons or things that stand in the way of our attempts to bring modern cable technology to its ultimate fulfillment and then to offer this service to anyone... who wants it and is willing and able to pay for it. That's free enterprise."

AWRT has started 4-month search for "first women in broadcasting" in several categories. Entry deadline is March 31; up to 100 women will be honored June 6 at AWRT convention in San Antonio. Nominations: AWRT Pres. **Timatha Pierce**, 1321 Connecticut Ave. NW, Washington 20036.

TvB meets in Atlanta Nov. 13-14 for 25th anniversary session, will focus on sales, programming, co-op, political advertising at workshops, receive upbeat report from Pres. **Roger Rice**. Attendance at meeting is expected to exceed 650—15% more than last year's record.

Justice Dept. TV Code suit is scheduled for oral argument before D.C. Dist. Court Nov. 19, on NAB motion to dismiss.

Cable News Network claims 1.5 million cable homes signed to take service starting June 1980.

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. 26 (43rd week of 1979):

	Oct. 20-26	1978 week	% change	Oct. 13-19	10 mo. 1979	10 mo. 1978	% change
Total TV	428,211	429,660	-0.3	364,144	12,816,760	12,853,535	-0.3
color	256,763	267,569	-4.0	229,563	7,939,232	8,145,639	-2.5
monochrome . . .	171,448	162,091	+5.8	134,581	4,877,528	4,707,896	+3.6
Home VCR	20,731*	17,660	+17.4	13,886	356,032**	299,134	+19.0
Total radio	981,122	1,147,141	-14.5	692,843	33,739,926	38,406,567	-12.2
home, portable .	738,612	882,422	-16.3	451,886	23,205,832	27,910,109	-16.9
AM-only	98,699	173,054	-43.0	84,820	4,579,834	6,426,613	-28.7
FM & FM-AM .	639,913	709,368	-9.8	367,066	18,625,998	21,483,496	-13.3
auto	242,510	264,719	-8.4	240,957	10,534,094	10,496,458	+0.4

Color TV 5-week moving average: 1979—233,037; 1978—247,975 (down 6.0%).

Home VCR 5-week moving average: 1979—15,644*; 1978—14,703 (up 6.4%).

*Highest week in history. **Record for period.

VCR SALES SET RECORD IN OCT.: Transfusion of new models apparently pulled VCR out of Sept. slump, sales to dealers totaling 61,389 in Oct., record for any month. Meanwhile, in color TV, manufacturers continued tightening belts, cutting back inventories far more than decline in sales.

Oct. ended with all-time record week in VCR sales—20,731, besting previous record (set same week last year) by 17.4%. Month's VCR sales ran 6.4% ahead of Oct. 1978; previous record home VCR sales month was Sept. 1978 (56,759), a month which had 5 weeks as opposed to 4 weeks in Oct. Despite rising sales, Sony continues to report demand for new Betascan machines far beyond supply. Big supply of VCRs—exported in July-Sept.—is headed this way from Japan (Vol. 19:44 p8), but bulge hadn't yet arrived by Oct. 1. Ten-month home VCR sales totaled 356,032, up 19% from same 1978 period (our count of 10-month sales last week was in error due to mathematical mistake).

VCR inventories were up only 2.2% over year ago at factory plus distributor levels in face of 6.4% increase in 5-week going sales rate, but stocks are expected to rise rapidly when bulk of increased imports arrives. Inventories totaled 122,500 at end of Oct., but their ratio changed sharply—factory stocks at 88,900 up 34.1%, distributor at 36,300 down 35.4%, indicating large number of arrivals just off boat. During month of Oct., factory inventories swelled by 47.6%, while distributors reduced theirs by 9.3%.

Color TV sales for month were down only 0.2% to 882,758 from year earlier, but bear in mind that last year Oct. was poorest month of year in going sales rate. Annual sales rate for Oct. 1979, however, was 9.2 million, only 3rd-lowest of year, after Sept. (9.08 million) & Aug. (9.19 million). Both Aug. & Sept. were adversely affected by 9-week strike at Sanyo Mfg.; half of Oct. reflects catch-up sales by Sanyo. Color TV sales for first 10 months—7,939,232, down 2.5% from 1978—were at 9.9-million annual level.

Inventory figures are distorted by Sanyo strike. For 2nd consecutive month, inventories at factory plus distributor levels registered near-record declines, end-of-Oct. drop to 2,233,000 sets being biggest percentage dip from year-earlier (11.1%) since end of Feb. 1976. Of 384,000 decline in factory inventories from year earlier, perhaps 100,000 represent depletion of Sanyo products.

Nevertheless, inventory declines indicate manufacturers anticipate further crumbling of sales. Factory stocks dropped 25.4% from year earlier to 1,168,000 units, while distributor inventories rose 10.6% to 1,109,000. During Oct., inventories dropped at both levels—total 3.3%, factory 3.8%, distributor 2.8%.

First Nov. week was a downer for both color TV & home VCR—color at 258,900 down 7.4% from same 1978 week, VCR at about 12,300 down 13.1%. But b&w continued on seesaw it has ridden all year with sales of 174,000, up 3%. It was 3rd consecutive up week for b&w, which followed 2 down weeks. For year to date, monochrome sales are still ahead—up 3.7%. Here are EIA sales-to-dealers figures for Oct.:

Product	Oct. 1979	Oct. 1978	% change	Oct. 1977
Total TV	1,443,131	1,474,949	-2.2	1,537,741
color	882,758	913,348	-3.3	936,142
monochrome	560,373	561,601	-0.2	601,599
Home VCR	61,389	56,545	+8.6	—
Total radio	2,784,153	3,388,006	-17.8	4,846,248
home, portable	1,829,072	2,343,897	-22.0	3,742,473
AM-only	335,853	678,699	-50.5	1,139,015
FM & FM-AM	1,493,219	1,665,198	-10.3	2,603,458
auto.	955,081	1,044,109	-8.5	1,103,775

AOC TO ASSEMBLE COLOR IN U.S.: An underground Chinese color TV plant housed in a Missouri limestone quarry? As weird as that may sound, it's exactly what will exist next March when Admiral Overseas Corp. is slated to launch output just outside Kansas City. AOC was formed late last year by group of Far East investors who purchased Admiral's Taiwan TV plant after Rockwell pulled Admiral out of TV business (Vol. 18:49 p7).

AOC has leased 110,000-sq.-ft. site from Great Midwest, a mining company, which has turned former quarry into underground city, complete with streets & lights. Former mine is official free-trade zone, has 55 foreign companies operating there, although most are in warehousing & distribution rather than manufacturing.

U.S. operation is headed by John McCartin, holdover from Admiral Taiwan, now AOC exec. vp-gen. mgr., who told us that pending final clearance of arrangements by Customs, construction & equipment of plant should start Feb. 1. It's expected to employ 350-400, will have starting capacity to produce 600 19" and 500 25" color sets daily, or about 280,000 annually.

Operation will be similar to those run by Japanese here. AOC will import boards, sub-assemblies—not complete chassis covered by U.S. import limits—and purchase tubes, cabinets, some other parts here. All smaller-size color sets, some 19", plus chassis for sale to other OEMs—all covered by quota—will continue to be imported from parent.

Company has decided to shelve plans for own AOC brand, will stick with private-label for time being, McCartin said. AOC currently numbers Bohsei, Midland & K-Mart among customers, is looking for new ones, and recently named Larry Simpson, ex-Midland, as U.S. sales dir. (Contract-breach suit filed last June against AOC in Chicago by sales agency Centurian is still pending.)

AOC decided to start looking for U.S. plant site last Aug., picked it in Sept. McCartin said speed was possible because "I don't have the problem of large corporations, of having 10 different management approval levels to go through." He said sites in Cal., Ind., Ill., Ky. & Tenn. were considered. Unusual site selection was based on low construction, utility & energy costs, plus central location, McCartin said. Proximity to Midland wasn't consideration, he added, stressing that while Midland did bring site to AOC's attention, it has no financial interest in plant. He also pointed out that fact Midland & Western Auto are affiliates doesn't give AOC inside track on Western, which recently shifted private-label color supply contract from Wells-Gardner to GE (Vol. 19:45 p9).

First U.S.-made color from AOC will use new single-board chassis which will be featured in models coming first from Taiwan in Dec. Although AOC will stick to role as supplier of promotionally-priced color, it is broadening line, and by June will have models with electronic tuning, remote and other step-up features, McCartin said.

TV, VCR IMPORTS UP IN SEPT.: Bolstered by jump in b&w, TV imports posted 2nd monthly increase of year in Sept. and were joined in upsurge by VCRs & color cameras, Commerce figures show. In related area, Japanese TV manufacturers appear dissatisfied with Customs rulings on dumping duty assessment protests, and appeal to Customs Court seems certain.

In video equipment, VCR imports rose 32.4% in Sept. to 47,300, bringing 9-month total to 383,900, up 8.4%. Color cameras continued growth spurt, with month's imports of 10,300 tripling those of last Sept., for full-period total of 59,200, up 262.1%. B&w cameras continued slide started last March, with Sept. shipments down 57.1% to 4,800, for cumulative total of 53,200, down 35.6%.

Month's TV imports hit 7 figures for first time this year, with incoming complete & incomplete receivers totaling 1.04 million, up 8.7%. B&w's 22.3% jumped to 589,500, offsetting effect of 5.1% drop in color to 449,600. Through 9 months, TV imports totaled 7.26 million, down 8.4%, with color down 16.9% to 2.98 million, b&w off 1.4% to 4.29 million. Despite Sept. recovery, 3rd quarter was worse-than-average period for importers. Total July-Sept. shipments were down 13% to 2.68 million, with color at 1.07 million, off 20.6%, b&w at 1.61 million, down 7.1%.

Imports of incomplete chassis & kits, mainly from Mexico, are only thing helping color maintain respectable numbers, particularly in 3rd quarter where impact of quota on shipments from Korea started to show up. It wasn't until 3rd quarter 1978 that Koreans became major color factor here. Figures for complete color imports show Sept. off 66.3% to 99,400, 9 months down 46.1% to 1.08 million, and quarter down 58.9% to 323,700. Total incomplete color imports were up 95.4% in Sept. to 350,200, jumped 33% in quarter to 747,300, and for full period were up 19.9% to 1.9 million. Chassis imports from Mexico for 9 months totaled 1.1 million, up 43% from same year-earlier period, and 4.7% higher than 1.05 million total for all of 1978.

"It's not enough" is consensus view of Japanese TV manufacturers who spent last week trying to recalculate their dumping duty liabilities using Customs protest decisions as guide (Vol. 19:45 p8). We've obtained copies of decisions, sanitized to conceal company identities, and found that while agency made lots of concessions, it was rigid in rejecting adjustment requests Japanese couldn't back up with documentation.

While turning down all arguments relating to procedures, including use of Japan's commodity tax to calculate fair value of sets sold in Japan, Customs did accept verified claims relating to export- vs. domestic-model matching and allowances for high Japanese-market selling expenses directly connected to TV. Angering Japanese is Customs' refusal to permit allocations of indirect expenses to TV or to adjust for discounts & promotion assists given only to selected dealers & distributors or after TVs were sold by factories.

Within that basic policy framework, rulings varied greatly company-by-company, with some getting virtually all allowances claimed, others much less, and one, a small Osaka-based firm, getting total rejection on credibility grounds. No matter how it's calculated, Customs said, company turned out to be losing money on every set it made over 2-year period. Customs said company couldn't explain "why such a large number of models could be sold over a substantial period of time for less than it cost to produce them."

In general, net effect of rulings appears to be cut of about 30-50%, rather than requested 60-90%, in \$46 million assessment agency levied in March 1978 on imports prior to July 1973. Though unhappy with protest result, Japanese, it's understood, are giving Customs data needed to assess dumping duties on imports through 1977. Japanese willingness to help Customs clear up assessment backlog is pure self interest. Under changes in trade laws made last year, importers will be required to put up cash, rather than bonds, to cover estimated dumping duty assessments Customs makes after Jan. 1.

EMI OK'S THORN BID: Sweetened offer was enough to get EMI to reverse position, accept stock-swap acquisition bid from fellow U.K. entertainment company Thorn (Vol. 19:43 p12). Latest offer has value of about \$360 million, and merged company will be named Thorn EMI. Also in Europe, Thomson-Brandt says it's talking cooperation with Telefunken. Firms agreed to combine color tube production last Aug. (Vol. 19:35 p9). Moves are part of general consolidation of European electronics companies, which view it as best way to meet import competition.

In U.S., Capehart's sale to Wakefield Industries, a firm headed by Capehart Pres. Marvin Margolis, was approved in principle by N.Y. bankruptcy court (Vol. 19:43 p12). Clearance was over objection of general creditors, but had blessing of Manufacturers Hanover Trust, owed about \$13 million of Capehart's \$23.2 million in liabilities, and by Rep. Christopher Dodd (D-Conn.), who said sale would help protect 350 jobs in Capehart's Norwich plant. . . Japan's Murata has agreed to acquire controlling interest in Erie Technological Products, terms undisclosed. Erie makes radial ceramic capacitors & filters in U.S., Canada, Mexico & Germany, has marketing arms in Italy & France. Murata produces ceramic disc capacitors in U.S., Japan & Singapore, purchased Mallory's Taiwan capacitor plant earlier this year, owns JFD parts plant in N.Y. . . GTE has agreed to purchase semiconductor memory producer EMM Semi from Electronic Memories & Magnetics, terms undisclosed. Through Sylvania, GTE was in semiconductor business, but sold it in 1971 (Vol. 11:3 p11).

Ad notes: JS&A, mail-order marketer of advanced consumer electronics, is running ads in national print media seeking support in fight with FTC. Agency fined JS&A \$100,000 for failure to ship goods within 30 days last Jan. Pres. Joseph Sugarman says delay was caused by blizzards and computer failure, and while full explanation was given to FTC, agency is pressing case for publicity value. Calling FTC action "blackmail," Sugarman says JS&A won't settle, offers free booklet, "Blow Your Knee Caps Off," for those who want to learn how to help (JS&A, 1 JS&A Plaza, Northbrook, Ill. 60062). . . **Sony Consumer Products** (TV, VCR, mid-fi audio) appoints Ries & Geltzer for product publicity, replacing Roland Co. R&G already has Sony Industries & Sony Video Products PR accounts.

Pfizer will spend \$25 million to expand capacity for production of magnetic materials used to coat video & audio tape. Most of funds are earmarked for new facility being constructed on 17-acre site in Valparaiso, Ind. for output of Pferromet, newly developed metallic particle. Pfizer claims it provides 4 times recording density of iron oxide, is more stable than other metallic particles now available. Valparaiso complex also will produce iron oxides, and iron oxide plant in E. St. Louis is being expanded. . . **Potter Instrument** launches production of magnetic ceramic ferrites for sale to OEM, making heads for home & commercial VCRs.

MATTEL DELAY: Intellivision introduction has been postponed again. Sylvania said limited market test of programmable video game, which can be converted to home computer, is now set for mid-Nov., while Mattel may not get own-brand unit to market at all this year. Sylvania date represents 2-week delay from plan announced last month, is 6 weeks behind target set in Aug.

Problem is shortage of chips from General Instrument, developer of game which is being produced by Sylvania's Circuit Products Div. While officials of Mattel couldn't be reached for comment, company reportedly has put hold on planned pre-Christmas TV & print ad campaign for Intellivision and will hold up introduction drive until some time next year. Games are being manufactured & delivered, and Sylvania is able to go ahead with test "because our quantity requirements aren't very large at this stage," spokesman said. Sylvania says it will list game at \$280, or \$5 above Mattel price, tag cartridges at \$25, \$2 above Mattel. Original price targets were \$250 for game, \$22 for cartridges.

Chip & game shortage also has forced postponement of CATV game-programming experiment by Playcable, joint GI-Mattel venture. Test was to have begun last month (Vol. 19:21 p13), but it's been pushed back to mid-first-quarter 1980, according to Playcable Vp-Gen. Mgr. Gary Stein. Five cable systems, including one in Toronto, still are scheduled to participate, Stein told us.

Tenna is first major casualty of year in hotly competitive car stereo market. Company says it will drop most autosound equipment from line at end of fiscal year, Jan. 31, but will continue to produce speakers in Montgomery, Ala., stay in auto antenna & accessory business. Discontinued products, all imported from Far East, accounted for 35% of Tenna sales last year, or about \$14 million. . . **Alpine**, formerly Alps-Motorola, now totally owned by Japanese co-founder, will mark first full year of own-brand sales in U.S. by adding 14 new items, bringing total line to 36. All of Alpine's autosound equipment is priced in \$200-\$700 range which, firm estimates, accounted for 8% of total industry sales this year, will grow to 14% in 1980.

Pioneer is dropping high-end Series 20 line, putting emphasis on Phase Linear brand. Pioneer acquired PL last year (Vol. 18:44 p10). PL is Pioneer's 3rd audio brand—it uses Centrex for compacts—and is part of growing trend among audio companies to have different brands at different market or quality levels. Among others: Sanyo-Fisher, Panasonic-Technics, MGA-Mitsubishi, Sharp-Optonica, Superscope-Marantz, Sony-Audio Lab, Soundesign-Acoustic Dynamics.

Korea approved \$9-million increase in Corning's investment in Samsung-Corning to \$11.5 million. Funds are earmarked for new color tube glass plant, keep Corning's interest in tube-making venture at 50%. While new plant is slated to be operational in 1981, Corning said project will be held until Korea sets date for colorcasting.

POPE & PARAMOUNT: First consumer program from ABC Video Enterprises, "The Pope in America: A Journey for Understanding," will be rushed to market by Magnetic Video to capitalize on Christmas sales. Documentary, which runs 107 min., consists of footage not telecast. Meanwhile, ABC has acquired cassette & disc rights to 1984 Summer Olympics in L.A., with network & organizing committee sharing in proceeds.

Magnetic Video is active on other fronts. The 20th Century-Fox subsidiary plans release of 14 American Film Theatre titles, already seen in movie houses, on pay TV and now in commercial TV syndication, in 2nd quarter and expects sales of about 60,000 Terrytoon cassettes when special offer expires this month. Deal required participating MV retailers to buy cartoons, offer one of 20 cassettes free to customers who purchased feature film.

Major MV distributors with notable exception of B & S Sales in N. Y. are key to success of Paramount home video blitz (Vol. 19:44 p10). Up to 100,000 copies of 36 Paramount titles are being shipped Nov. 15 from MV's duplication center in Farmington Hills, Mich. to middlemen who will supply retail outlets in at least 2/3 of U.S. Only key markets not covered are Atlanta & northern Cal., says Paramount Non-Theatrical & Education Distribution Div. Pres. Robert Peters, although popularity of titles such as "Saturday Night Fever" & "Godfather" should have distributors waiting in line.

Those handling Paramount catalog now include A&H Video Sales, metropolitan N. Y.; Video Library, Pa., southern N. J. & Del.; ZBS, D. C., Md., O. & upstate N. Y.; Video World, Fla.; Sound Unlimited, metropolitan Chicago; Video Trend, Mich.; Western Video, Tex. & Colo.; Pickwick International, Minn., S. D. & N. D.; Video One Stop, southern Cal.; Video One, Wash., Ore., Ia. & Alaska.

Video Library says 75 active accounts, of 200 it supplies, already have ordered 500-600 cassettes. Response in N. Y. was "underestimated," claims A&H, recently established by retailer Video Shack. Pickwick is using package to test video among record stores (Vol. 19:39 p8), will unveil VideoWorks effort at Billboard seminar in L.A. this week.

Paramount delivery date has to upset Fotomat, which plans national rollout of Drive-Thru Movies rental & sales effort on Nov. 19. Its catalog will carry large number of Paramount titles. Drive-Thru concept has customers calling 800 number for shipment of desired cassette to nearest Fotomat store. In separate test, Fotomat will stock available titles at 300 of its 4,000 outlets.

JVC is quietly demonstrating new version of its VHD AHD grooveless capacitance videodisc system to carefully limited industry leaders in U.S., we've learned. U.S. JVC had no comment on matter. Meanwhile, we've also learned that Eastman Kodak has developed laser-diode optical disc system, presumably designed for office data-storage use. It's said to be 2-3 years from production, if there's decision to produce it at all. One observer said he was told by Kodak that it could be put on market in 18 months if given top priority.

Consumer Electronics Personals

Acy Lehman shifts at RCA from Records Div. art dir. to creative services dir. for Selectavision videodiscs. . . **Ron Fone** promoted at Acoustic Research from overseas operations vp to pres., succeeding **David Mutchler**, who continues as group exec. for parent Teledyne. . . **Jim Robinson** advanced at Amperex from Ferroxcube Div. vp-gen. mgr. to pres., succeeding **Norman Neumann**, promoted to vp and senior staff officer for operational & technical activities of parent North American Philips. . . **Thomas Roberts**, Schlumberger vp, advanced to exec. vp and named pres. of new subsidiary Fairchild Camera, succeeding **Wilfred Corrigan**, resigned; **Arthur Lindenauer**, ex-Price Waterhouse, joins Schlumberger Jan. 1 as exec. vp & chief financial officer, assuming Roberts' former duties.

John Gennaro resigns as Audio Dynamics national sales mgr. to enter distribution field. . . **Clyde Moore** promoted at Crown International from mktg. vp to planning vp, new post. . . **Rick Plushner** joins Sony Digital Audio Div. as western dist. mgr. . . **Carl Lindquist** advanced at BSR from Customer Service Div. mgr. to mktg. services & communications mgr., succeeding **Vince Wheeler**, resigned.

Malcolm Northrup promoted at Rockwell Electronic Devices Div. from vp to exec. vp. . . **Richard Skinner**, ex-Motorola, named Lansdale Transistor pres., succeeding **Edward Pincus**, appointed chmn. . . **Marcian Hoff**, Intel, awarded Franklin Institute's Stuart Ballantine Medal for development of micro-processor.

Leonard Ditch, Zenith, appointed EIA Consumer Electronics Group Engineering Committee chmn., succeeding **George Schupp**, also Zenith; **Eugene Holloway**, GTE Entertainment Products, named Govt. & Consumer Affairs chmn., replacing **Thomas Collins**, RCA; **Ed Galden**, Quasar, now Service Committee chmn., succeeding **George Camp**, Panasonic. CEG appreciation awards were presented to **Walter Fisher**, Zenith exec. vp; **Nathan Aram**, retired Zenith vp, Schupp & Collins.

Home video "merchandising manual" advertised in Nov. 7 Wall St. Journal indicates perfunctory research that could give industry bad name. "Video Store" report from American Entrepreneurs' Assn., in Santa Monica, Cal. says consumers are buying 50,000 VCRs a month, but figure was based on little more than talks with several retailers & various published estimates, including Journal articles dated Dec. 29, 1978. We were unable to locate trade group called Associated Video Dealers of America, which AEA claimed was information source. Average monthly VCR sales are closer to 30,000. Ad calls video stores "attractive investment for absentee owners," touches on do's & don'ts of retail strategy, mentions 6-store chain (Video Center in L.A.) with over \$10 million annual sales. Manual, first printed in AEA's "Entrepreneur" magazine, circulated to 73,000 members, is one of 24 published each year. It's \$35, can be purchased from AEA Research, 631 Wilshire Blvd., Suite A-293, Santa Monica, Cal. 90401.

GE: TAPE STILL BOOMING: Portable audio tape recorders & players will represent \$400-million business this year and outperform the economy next year with 2-3% sales increase, but CB's "adjustment" has been "deeper & longer than expected." Those are views of John Kese, GE's tape, CB & walkie-talkie product mgr.

For such portable products, Kese sees "underlying positive strength" as postwar "baby boom" results in "spending boom," with population bulge reaching big-spending age for such products. Portable tape industry is "stronger than expected" and "we will maintain or slightly improve our position" in 1979 over 1978. Major current trends are miniaturization and higher quality sound, said Kese.

Trends for 1980 in tape products will be "small is good if it's better," said Kese. In product categories, one-third of portable audio tape products include radio tuners, 8-track declining to under 20% of market. Micro-cassettes represent 10-20% of market, or at least \$40 million this year. GE, which currently has only rim-drive micros in line, will expand to higher-priced capstan units. Although Kese says competitive market position isn't major preoccupation at GE, he thinks company is at least tied for No. 1 in portable tape products.

"CB may take substantially longer to settle down" than might be expected under normal business cycle, Kese said. From high of 13 million units sold in 1976, sales declined to 7.7 million in 1977, 4.5 million in 1978, with GE forecasting under 3 million this year, dropping to 2.8 million in 1980. Kese believes turnaround will start in 1982, with sales of 3.4 million.

"We conclude there is a fundamental need for communication outside the home," said Kese. "Now CB is the only way and will continue to meet that need." As to proposed new personal radio services, he expects FCC decision in 1980 or 1982, with first products on market in 1982-83. "We must be thinking about it now." GE introduced new CB products this year, will add to line again in Jan. In CB today, there are only 4-5 companies with major market share, says Kese, and GE is among them.

Walkie-talkie business continues to enjoy "surprisingly large unit volume—not as large as 1976-77, but larger than 1973-75. It's extremely seasonal, with 60% of the business in the last quarter."

GOLD STAR GROWS: Getting ready to end first full year of direct marketing in U.S., Korea's Gold Star is on target for hitting 1979 own-brand sales goal of \$80 million, according to Vp Nam Kyun Woo, who told us original and substantially higher goal was trimmed after Korea agreed to limit color exports to U.S. for 18 months ending next July 1.

Not that color hasn't contributed to GS's sales growth. While GS shipped about 200,000 color sets to U.S. last year, much of that was stockpiling in anticipation of quota, Woo says. Though GS's share of Korean quota this year is only about 91,000, its U.S. sales in 1979 will approach 150,000. Of course there has been no inventory buildup this year, and GS has had hard time meeting demand from

dealers. Quota also forced cancellation of agreement to supply private-brand color to Midland International.

GS color outlook for 1980 is cloudy. Woo says he believes that even if quota is extended beyond current deadline, Korea will get increased allocations. He believes U.S. trade officials will go along with increase because Japan's quota is under-utilized and Korea is running deficit in trade with U.S. In any event, GS color assembly plant in U.S. isn't in cards for present at least. Lack of vertical integration, which forces GS to rely on Japanese companies for many key components, makes U.S. plant uneconomical, Woo says. As for decision by much smaller Korean company, Taihan, to seek U.S. color plant site, he says "they don't have a big enough quota, and they must have more sets," if they want to maintain presence in U.S. market. Taihan's share of Korean quota is only about 23,300 annually.

Woo hopes to add about \$20 million to GS sales here next year, despite severe limits on consumer electronics expansion. Counted on for most of growth are b&w TVs, including combos; small hi-fi component line; portable radio-cassette recorders; upgraded color line, including programmable 19" at about \$600. Quantity demands of private-label compact stereo supply contract with Zenith will force GS to keep low profile in that segment. Major contributor to planned sales increase will be appliances, including microwave ovens and small refrigerators, that GS expects to introduce next Jan.

Globe-Union enters consumer battery business with rechargeable pack aimed at TV and other portable-product OEMs. Batteries are \$7 each.

MAIL DELIVERY PROBLEMS

In recent weeks, mail delivery service in N. Y. has deteriorated to point where some subscribers are receiving Television Digest up to one week late, even more. Television Digest is sent by first-class mail every Sat. noon at main post office in Washington, D.C. For subscribers experiencing consistent delays, we have following suggestions for more prompt delivery: (1) Our Guaranteed Hand Delivery Service, special messenger delivery to your office before 9 a.m. each Monday at \$5 per week per address—all subscriptions to any address in N.Y.C. included under this single charge. (2) Special delivery—not guaranteed, but usually faster than regular first class— you pay post office's additional charge of \$2 per envelope. (3) Have your copy picked up at our N.Y. office every Mon. morning. (4) Arrange your own courier pickup at our printer in Washington each Sat. or our Washington office on Mon. Any of these methods may be arranged by calling our Washington or N.Y. offices. We're also open to any other suggestions; we'd be particularly happy to find a practical electronic delivery method. We're eager to work with you to assure better delivery service.

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
Acton			
1979-9 mo. to Sept. 30	101,208,000	3,544,000	1.34
1978-9 mo. to Sept. 30	78,309,000	3,140,000 ^a	1.18
1979-qtr. to Sept. 30	47,528,000	1,419,000	.53
1978-qtr. to Sept. 30	27,279,000	926,000	.35
Chyron			
1979-qtr. to Sept. 30	1,509,163	156,660	.17 ^b
1978-qtr. to Sept. 30	758,312	97,464 ^a	.11
Columbia Pictures Industries			
1979-qtr. to Sept. 30	132,687,000	8,967,000	.91
1978-qtr. to Sept. 30	119,622,000	11,195,000	1.16
Cowles Communications			
1979-9 mo. to Sept. 30	11,532,000	3,916,000	.99
1978-9 mo. to Sept. 30	10,361,000	3,452,000	.87
1979-qtr. to Sept. 30	3,996,000	1,335,000	.34
1978-qtr. to Sept. 30	3,486,000	1,212,000	.31
Doyle Dane Bernbach			
1979-9 mo. to Sept. 30	70,764,000	5,063,000	1.90
1978-9 mo. to Sept. 30	59,543,000	3,935,000	1.48
1979-qtr. to Sept. 30	21,451,000	465,000	.17
1978-qtr. to Sept. 30	18,109,000	230,000	.09
Dynascan			
1979-9 mo. to Sept. 30	42,917,000	520,000	.17 ^b
1978-9 mo. to Sept. 30	50,037,000	2,413,000	.77 ^b
1979-qtr. to Sept. 30	14,890,000	169,000	.05 ^b
1978-qtr. to Sept. 30	17,462,000	875,000	.28 ^b
Emerson Radio			
1979-6 mo. to Sept. 30	38,353,000	1,217,000	.62 ^b
1978-6 mo. to Sept. 30	32,888,000	1,501,000	.78 ^b
1979-qtr. to Sept. 30	26,247,000	1,072,000	.54 ^b
1978-qtr. to Sept. 30	22,941,000	1,205,000	.62 ^b
Foote, Cone & Belding			
1979-9 mo. to Sept. 30	96,507,000	6,675,000 ^a	2.56
1978-9 mo. to Sept. 30	79,526,000	6,075,000 ^a	2.37
1979-qtr. to Sept. 30	32,952,000	2,906,000 ^a	1.11
1978-qtr. to Sept. 30	28,673,000	2,010,000 ^a	.77
Grey Advertising			
1979-9 mo. to Sept. 30	63,206,000	3,973,000	6.39
1978-9 mo. to Sept. 30	53,382,000	3,168,000	5.07
1979-qtr. to Sept. 30	21,722,000	1,393,000	2.24
1978-qtr. to Sept. 30	18,281,000	947,000	1.51
MCA			
1979-9 mo. to Sept. 30	878,393,000	134,257,000 ^a	5.75
1978-9 mo. to Sept. 30	787,858,000	95,362,000	4.10
1979-qtr. to Sept. 30	322,459,000	40,975,000	1.75
1978-qtr. to Sept. 30	326,444,000	46,390,000	2.00
Soundesign			
1979-9 mo. to Sept. 30	118,617,000	1,100,000	.44
1978-9 mo. to Sept. 30	101,440,000	2,245,000	.85
1979-qtr. to Sept. 30	50,460,000	1,011,000	.42
1978-qtr. to Sept. 30	48,378,000	1,096,000	.42
Tocom			
1979-qtr. to Sept. 30	1,964,709	7,986	.01 ^b
1978-qtr. to Sept. 30	1,540,472	64,117	.04 ^b
Trans-Lux			
1979-9 mo. to Sept. 30	13,119,599	1,515,822 ^a	.82
1978-9 mo. to Sept. 30	11,670,069	1,111,617	.58
1979-qtr. to Sept. 30	4,772,061	495,470	.27
1978-qtr. to Sept. 30	4,208,480	404,360	.22

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

Canada rules U.S.-made console stereos are being dumped in market there. National Revenue, Customs & Excise Dept., sent case to Antidumping Tribunal for probe into whether undervalued sales are injuring domestic producers. Complaint was filed by Morse Canada (Vol. 19:29 p11).

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with
Consumer Electronics ...

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Lower-priced VCRs definitely appear to be on way. Although industry to date has been in race for step-up features, Fotomat's Steve Wilson struck responsive chord at ITA seminar when he called for stripped-down machine which could sell at around \$500 (Vol. 19:44 p7). Our informal sounding of VCR manufacturers & importers found sentiment—but no unanimity—for expanding market with cheaper low-end units. That new lower-priced models will come seems indicated by activities in Japan, where trend is already under way. Newest such model was introduced on Japanese market Nov. 1 by Sharp at under \$670 (158,000 yen), with timer, electronic tuner, front loading. Sharp's first VCR on U.S. market is feature-laden high-end programmable which lists at \$1,295 (down \$100 from original price forecast at June CES introduction). Sharp plans to introduce full VCR line at Jan. CES.

While **LVR** might provide way to design "future generation of digital VTRs... we firmly believe that the rotary-head VTRs will continue to dominate both the high-quality & price-conscious consumer marketplace." This is actual statement of Matsushita's Koishi Sadashige at SMPTE conference in L.A. Last week, we carried paraphrase which might indicate company endorsed LVR principle for near future, which is not the case.

RCA marked output of 100 millionth picture tube Nov. 9. Total includes its worldwide production since 1946. RCA estimates world's producers will turn out 32 million color tubes this year, 37 million annually by 1984.

Outboarded surcharge covering cost of gold & silver used to plate contacts has been adopted by Honeywell's Micro Switch Div. Div. also raised prices 7-10%, said surcharge would be adjusted weekly.

WEEKLY

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NOVEMBER 19, 1979

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Broadcast

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CHILDREN'S TV-AD INFINITUM: Bortz study finds FCC staff economic conclusions 'inadequate,' lacking in 'refinement and substance.' (P. 1)

FAMILY VIEWING BACK TO FCC as Appeals Court hits Ferguson decision on procedural grounds, says Commission has 'primary jurisdiction.' (P. 3)

CABLE COPYRIGHT HEARING: Geller plumps for retransmission. Ringer disagrees. (P. 3)

OLD SUBJECTS AT NEW OVERSIGHT: Little new ground broken as House Communications Subcommittee quizzes FCC 4-1/2 hours. (P. 4)

TVB'S RECORD 25TH YEAR proclaimed as 'only the beginning' at Atlanta convention. Shapiro, Burns warn about challenges; Masini hits cable. (P. 5)

HILL ACTION AGAINST FTC: Children's ad rule-making threatened in amendment proposed by Sen. Ford. Eizenstat, ACT, support FTC. (P. 6)

ANNENBERG GRANT FOR 'TELECOMMUNICATIONS U.: Massive grant of \$150 million, over 15-year period, has been offered by Walter Annenberg, through Annenberg School at U. of Pa., to start a national university-of-the-air, Television Digest has learned. It awaits only IRS approval for project to go forward.

Money would go to CPB as funding agent, and CPB would help establish courses to be provided by variety of colleges & universities now offering radio & TV coursework. Student would be able to gain substantial number of credits, and degrees would be granted by participating colleges. Precise details will be formulated as soon as IRS approves donation, but it's under-stood variety of telecommunications media would be used.

Purpose of donation is to help reduce cost of college education. Walter Annenberg, former ambassador to U. K., former broadcaster, publisher of TV Guide and other periodicals, has long expressed concern over such costs—particularly to middle-income families. Annenberg, public broadcasting officials and others have been discussing donation for months.

Donation would be spread over 15 years, would be single largest contribution to public broadcasting, exceeded only by Ford Foundation, which served for many years as PTV's economic base but is phasing out such funding.

CHILDREN'S TV-AD INFINITUM: "We were reluctant to be so critical, but the FCC staff analysis simply is inadequate." That's conclusion of NAB consultant Paul Bortz, ex-deputy dir. of NTIA, on FCC staff-prepared "economic analysis of advertiser supported TV markets," re-

Consumer Electronics

DALLAS NEXT MARKET for Magnavision player. Fotomat to sell & rent discs there. MCA to enter videocassette program market, with Fotomat possibly handling rental. (P. 9)

RCA VIDEODISC SALES at retail expected to start nationwide early in 1981, with shipments to distributors beginning late in 1980. (P. 9)

VANIK, COMPACT call on Treasury to halt dumping assessment on Japanese TV imports, say job should be left to Commerce. (P. 10)

RCA'S NEW PRES. is Maurice Valente, now ITT exec. vp, to become chief operating officer. Griffith becomes chmn., retains chief exec. responsibilities. Nevin heads Firestone. (P. 11)

FOTOMAT MOVIE rental & sale operation goes nationwide. Pilot project to test 'video center' concept in N. Y. with audio tape, VCR accessories & computer software. (P. 12)

GARRARD BEING SOLD to Brazilian audio manufacturer by Plessey for \$2.1 million. (P. 13)

leased as part of children's TV inquiry (Vol. 19:45 p1). Bortz finds it lacking in both "refinement and substance."

Bortz found nothing good about analysis, prepared by Office of Plans & Policy economist Jerry Duvall, except that it's identified as interim report which "might explain a lack of refinement of the material." OPP Chief Nina Cornell told us Duvall paper is only first segment of continuing study of basic economics of TV programming. Data supporting Duvall's conclusions is expected to be provided in future.

Concluded Bortz: "In spite of all the economic terms and concepts used in the paper, the policy proposals seem to be derived from normative policy considerations unrelated to the accompanying economic analysis. . . Without knowing the elasticity of demand for children's advertising, without knowing the results of audience choice in other day parts. . . there can be no conclusions drawn from the analysis as to the desirability of any of the proposed policies of advertising restrictions, commercial clustering and the tax proposal."

NAB immediately began using Bortz's findings—compiled on crash basis—in lobbying at FCC and on Hill against proposals on children's TV, charging recommendations & conclusions focus on number of children's programs rather than addressing what happened last 10 years. "Networks, stations and program producers have turned increasingly to educators, sociologists and child psychologists for input on how to improve the quality of programming," NAB & networks claim, citing examples. Also, NAB said FCC staff "feigns an analysis of the marketplace and concludes there has been a failure by broadcasters to provide adequate children's programs. A real look at the marketplace shows a different picture."

Opponents of FCC proposal—including several members of Congress (Vol. 19:46 p1)—also are arguing that First Amendment prohibits Commission from setting minimum standards for children's programming. Agency has proposed 5 hours weekly between 8 a.m. & 8 p.m. for pre-schoolers, 2-1/2 hours for school-age children.

Children's TV inquiry also played major role last week at FCC oversight hearing before House Communications Subcommittee (see p. 4). FCC Chmn. Ferris contended staff study shows that commercial TV "failed totally" to carry out mandates of 1979 policy statement on children's TV, said Commission should "start somewhere with something," and courts "will not be reluctant to tell us" if FCC oversteps constitutional bounds.

Comr. Quello disputed Ferris statement that TV has "failed totally." Comr. Washburn said action proposed would be "unprecedented" and a "questionable legal action." Rep. Collins (R-Tex.) said real solution must come from parental supervision because "the FCC can't solve it"; Ferris agreed.

Karl Eller resigned from 5-member Gannett office of chief executive, citing differences in "management style & philosophy" with other company officers. Eller was pres. of Combined Communications before its purchase by Gannett last year. He says he'll continue to act as pres. of Combined Communications subsidiary through Dec. 31 to "assure orderly management transition."

"No. 1 priority" of NBC Sports after summer Olympics in Moscow will be regularly scheduled sports show in prime time, according to Pres. Arthur Watson. In Variety interview, he said appeal will be extended to attract women, wouldn't include "trumped-up" events.

Newspaper ad revenues could jump \$1.2 billion within 2 years if national ads were delivered to papers by satellite, ANPA task force reported. Study said publishers could use satellite-delivered news to organize viewdata services (using telephone to interface with TV sets).

Carnegie Commission II is preparing legislative version of its report on public broadcasting, will present it to Rep. Van Deerlin (D-Cal.), Communications Subcommittee chmn., after beginning of year. Van Deerlin asked for legislative version in letter, saying public broadcasting legislation will come up again next year.

Fuqua Industries plans to sell all 5 TV & radio stations, estimates value at \$60 million. Tentative \$20 million agreement with undisclosed buyer has already been reached for WTVG Chattanooga, Tenn.; other stations (WTVW Evansville; WTVM Columbus, Ga.; WTAC(AM) Flint; WROZ(AM) Evansville) are to be sold by Dec. 1.

NBC news crew in Tehran was seized at gunpoint by Iranian students occupying U.S. embassy, released after several hours. Students claimed crew was filming placing of sandbags around embassy. Three-man crew is British.

FAMILY VIEWING RETURNS TO FCC: Family viewing (FV) case is back in FCC's lap, and industry self-regulation got a boost—as 9th Circuit Appeals Court "vacated & remanded" 3-year-old decision of U. S. Dist. Court Judge Warren Ferguson (Vol. 16:45 p3). Last week's decision rested on procedural grounds, didn't get to merits, so too much shouldn't be read into it. What Court said, basically, is that FCC has "primary jurisdiction" in case, and Judge Ferguson should have let Commission decide first whether it had handled case properly.

Case involves then-Chmn. Wiley's many discussions with network & NAB chiefs, culminating in industry agreement to program 7-9 p.m. with material intended for "family viewing." NAB then put it in Code. Tandem Productions (Norman Lear) & Writers Guild appealed. Ferguson's decision ripped into Wiley (and Commission), saying: "Censorship by government or privately created review boards cannot be tolerated."

Last week's decision—by Judges Sneed, Hug & Enright—first notes that Supreme Court, in *CBS vs. DNC*, said there has been "delicate balance" between licensees and FCC as they walk "tightrope" to preserve First Amendment values. Then, said Appeals Court: "Invocation of the primary jurisdiction doctrine provides a needed opportunity to obtain an explicit and well articulated determination by the FCC of whether its actions under Chmn. Wiley properly walked the 'tightrope.'" Court went on:

"It is not known... what the position of the FCC would have been, or in the future will be, when confronted by the plaintiffs' claims in a proper administrative proceeding. Such a proceeding will make possible a range of responses by the FCC that are either foreclosed or made tactically difficult in the setting of this lawsuit as it developed in the trial court..."

"The FCC and its chairman engaged in 'serious misconduct' only if the law is as the district court found it. Weaken that foundation and what appeared as 'serious misconduct' looks more like, at worst, jawboning of the type often praised as effective leadership by those satisfied with its results and condemned as unprincipled administration by those who disapprove of those results..."

"While we agree that the use of these techniques by the FCC presents serious issues involving the Constitution, the Communications Act, and the APA, we nevertheless believe that the district court should not have thrust itself so hastily in the delicately balanced system of broadcast regulation... The development of standards governing the agency's use of informal methods to influence broadcast industry policy is an issue 'that should be dealt with in the first instance by those especially familiar with the customs and practices of the industry'... Hence, primary jurisdiction over plaintiffs' challenges to the official agency action complained of in this case as a violation of the APA rests with the FCC."

If Lear and Writers Guild choose to pursue case, it could mean several more years of FCC and court litigation. It's most unlikely FCC will conclude that it and Wiley violated Administrative Procedures Act.

Among networks, only NBC had immediate reaction: "We are pleased that the Court appears to have recognized the value of industry self regulation and the important role it plays in alleviating the need for govt. regulation of broadcaster activities."

NAB Gen. Counsel Erwin Krasnow's quick reaction: "We welcome what it said about self regulation. But it's not definitive. It's not on the merits. We had hoped the Court would resolve the case. It will take several years now." Wiley was traveling, couldn't be reached, nor could other parties be contacted. It's worth noting that Ferguson was recently nominated to Court which just rapped his knuckles a bit.

CABLE COPYRIGHT HEARING: NTIA chief Henry Geller told House Subcommittee on Administration of Justice that, whenever possible, marketplace solution for cable TV copyright problems should be sought, instead of govt. regulation. He also repeated pitch for retransmission consent. Barbara Ringer, asst. Librarian of Congress for Copyright Services, told Subcommittee that beefing up Copyright Tribunal powers should be first step in resolving cable copyright questions.

Chmn. Kastenmeier (D-Wis.) said Subcommittee isn't considering specific legislation on cable copyright but only investigating whether legislation is needed. Growth of technology in cable industry—satellite programming, superstations—plus strong possibility that FCC will drop exclusivity and distant-signal rules have suggested need for new copyright legislation, he added.

Ringer said that \$12.7 million had been collected from cable in 1978, almost 46% more than estimates. "There is very nearly complete statutory compliance by the CATV industry," she said. She disagreed with Geller on need for retransmission consent, asked for broadened subpoena powers for Tribunal. On witness list for Nov. 26, final day of hearing: Russell Karp, Teleprompter; Thomas Wheeler, NCTA. Performers' royalty legislation—requiring stations to pay royalty for every airing of licensed material—will be considered at same hearing.

Press freedom vs. licensing is issue which must be resolved and "time to find solution, the time to fight for liberty is now, while we still have it," NBC Vice Chmn. Richard Salant said in delivering first in Chet Huntley Memorial Lecture Series in N. Y. U. Describing battle which started in 1969 when Nixon Administration threatened licenses of dissenting broadcasters, Salant said industry survived by "miracle," but "none of us knows whether it will happen again." Next time, he warned, "a different administration may be more subtle, less overt, less inept than were Agnew & Nixon and their associates." That time, industry escaped "almost by chance," he said. Should new attack be launched, "all those accidents which I have reviewed may not happen again to save us," Salant warned.

Roman Catholic publication "TV and Movie Facts for Parents" criticized ABC's "Mork & Mindy" for letting "sex slip into program" after praising same show last year as one of 10 best.

OLD SUBJECTS AT NEW OVERSIGHT: Little new ground was broken or questions asked on unexplored subjects during last week's FCC oversight hearing before House Communications Subcommittee. Major exception was brief reference by Chmn. Van Deerlin (D-Cal.) to preliminary conclusion of Congressional Research Service that FCC doesn't have authority to require cable systems to obtain retransmission rights.

During questioning on GAO report critical of FCC, Chmn. Ferris said Commission doesn't need management dir.—as recommended by GAO—to assist chairman's office because "I don't feel overworked." He said communications gap within FCC has been cured but "it was incredible, the lack of communications," when Ferris became chmn. He said 3 bureau chiefs wouldn't even speak to head of a support bureau at that time, but that "tunnel vision" of bureaus has been cured and as result decisions are "of much better quality."

Rep. Collins (R-Tex.) said he was "very much concerned" about the quality & accuracy of TV news, because 70% of Americans get their news from TV, and 50% of public doesn't believe there's a real energy crisis. "What can the public expect in the fairness of news if you [FCC] will not intervene?" he asked. Supported by other commissioners who spoke on issue, Ferris said Commission can't and shouldn't get involved, that "cure" of govt. involvement would be worst than illness. Generally speaking, he said, networks have done "a remarkable job" in news, and accuracy & fairness solution will come through opening more "pathways" via diversity, and no govt. agency ever should have power to "second guess" journalistic judgments. No other member of Subcommittee supported Collins' contention that network news is unfair and/or inaccurate.

Comr. Lee suggested that FCC should be cut to 5 commissioners, limited to one 15-year term; Ferris, Washburn & Brown disagreed. Other questions dealt with familiar subjects—children's TV (see p. 1), radio station deregulation, political broadcasting & fairness doctrine, making station financial reports public, syndicated exclusivity & cable copyright, EEO (Collins attacked requirements for small stations), foreign ownership of cable, TV service in N. J. & Del., etc.

All 7 commissioners were present, on stand 4-1/2 hours without lunch break. Ferris opened with 41-page statement extolling accomplishments of agency. Washburn—who, along with Ferris, did most of talking—had 21-paragraph pitch calling for restrictions on multiple ownership of cable, didn't suggest whether restrictions should be placed on number of systems owned or subscribers served. At close of hearing, he asked Subcommittee to help prod commissioners into taking action.

In opening statement, Van Deerlin praised Commission "for beginning to dismantle the regulatory barriers that have delayed the development of telecommunications... for at least a decade... Because it is so unusual for a regulatory agency to deregulate anything, I am especially appreciative of your efforts." At same time, he pointed out that Commis-

sion can go only so far without "the kinds of reforms proposed in HR-3333 [Rewrite II]."

Earlier in 3-day hearing, Subcommittee heard from TV networks on fairness doctrine and their refusal to sell Presidential candidates air time before Jan. Network representatives—Corydon Dunham, NBC; Everett Erlick, ABC; Gene Mater, CBS—presented united front on fairness doctrine, with CBS & NBC repeating requests for repeal of doctrine. Networks all preferred doctrine to mandatory access rule: "Between these 2 alternatives, we believe the fairness doctrine is the least objectionable means of insuring that the public is informed on most important issues," said Erlick.

Opposing the networks were Kaiser Aluminum Chmn. Cornell Maier and Andrew Schwartzman, Media Access Project. Maier called network rejections of Kaiser commercials on national energy problems "a flagrant abuse of what is tantamount to an absolute power of censorship on the part of the networks." Rep. Marks (R-Pa.) called NBC turn-down of Kaiser on grounds that commercials were too controversial "a load of horsefeathers. Isn't this why we have a fairness doctrine? So there can be public debate on controversial issues?" he asked. Schwartzman attacked networks for adopting "a reprehensible position in refusing to permit anyone other than their own staff to have the opportunity to control the presentation of viewpoints on controversial issues."

Sharpest exchanges came between network reps and Rep. Gore (D-Tenn.) over refusal to sell President Carter and other candidates air time before Jan. Said Gore: "Clearly, economic consideration is most important here. A mistake has been made. Political campaign air time clearly falls within the area of reasonable access. In your refusals, you say the campaign wouldn't be important until January, but to judge from your news programs, it seems pretty important right now."

Broadcast Pioneers is moving into high gear in expanding activities, gaining members. Among activities: (1) Plans annual "Broadcast Pioneers Innovator Award." Each state association will pick winner, from whom national winner will be selected. (2) Assisting NAB in selection of its annual Distinguished Service Award recipient. (3) Continuing co-sponsorship of annual Peabody Awards, sponsorship of annual Mike Award (latter going next to ABC) and annual Pioneers Breakfast at NAB convention.

Sydney Rappaport, pres. of World's Playground Bcstg. System (applicant for Ch. 53 Atlantic City), has asked FCC to dismiss competing application of Atlantic City TV because of "substantial" casino interests of some of its principals. "I see no conflict," said Atlantic City Chmn. Frank Siracusa, a shareholder in 2 casinos. "Owning stock in a casino company is no different from owning IBM."

Arbitron will announce this week plans to study impact new electronic media (VCRs, videodiscs, satellites, etc.) will have on existing forms of entertainment, including TV, movies. Study will be conducted in cooperation with VideoProbeIndex.

TvB's RECORD 25th YEAR: "A strong, healthy, growing TV industry [and] a strong, healthy, growing TvB to serve that industry." That was keynote—as delivered by Pres. Roger Rice—at 25th TvB convention in Atlanta last week, fitting right into TvB's theme of "only the beginning" after 25 years. And Rice predicted 1980 TV billings will jump 18% to \$12.2 billion—local up 24%, spot 17%, network 15%.

TvB's 675 registrants (vs. 568 in Chicago last year) overflowed Atlanta's Omni Hotel, with all general sessions & workshops playing to more than capacity audiences. This reflects not only TV's healthy state, said TvB, but TvB's growth from 295 members in 1974 to 451 this year—and growth in TvB's sales staff from 10 to 16 in 2 years.

Outgoing TvB Chmn. Marvin Shapiro of Group W told us active involvement of station members is major reason for burgeoning health of organization. At same time, he cited "significant challenges to our future" from cable, satellite-to-home, pay TV, home videodiscs—as did other speakers. "No one of these new technologies will ring the death knell of free TV, but our medium must be prepared to face increasing inroads into our audience levels," he warned.

To fight such inroads, and to promote "positive aspects" of TV advertising, TvB previewed commercial in Atlanta designed for airing by member stations directed toward potential advertisers. Titled "I am a TV commercial," it proclaims: "I can sell one thing... I can sell anything... I can be anything... but ignored." Also unveiled in Atlanta was a videotape production "TV: The Persuasive Medium," featuring Burgess Meredith along with excerpts from more than 60 TV commercials.

Washington Post Co. Planning Vp Christopher Burns predicted that "the most significant technological change we face comes with the dawning of satellite communications... None of the technologies we now envisage will affect TV as profoundly as satellite broadcasting... The home of the future will include an incredible abundance of information and entertainment sources... And, how long will it take the networks before they realize the opportunity to become national broadcasters via satellite?"

SRA Pres. Al Masini saw cable deregulation moves at FCC as major threat to TV. He said Commission has "more sympathy for deregulating cable than anything," that "there may even be interest in increased regulation of TV... Congressional belief in and need for local broadcasting is greater than the FCC's. If, therefore, broadcasting is to obtain relief from the unfair competition of cable, it must in all probability come from Congress." He charged that Commission "seems to have made up its mind before hearing all the evidence" on elimination of distant signal and syndicated exclusivity cable rules, therefore it wouldn't appear to be "productive" to prepare "further extensive comments" opposing such action.

NAB Radio Code board recommended that NAB begin study public acceptance of broadcast contraceptive ads, endorsing recent similar recommendation of NAB TV Code board. NAB officers oppose \$60,000 study on budgetary grounds (Vol. 19:46 p3).

NAEB FOCUS-ITV: ITV, seen by many as stepchild of public TV, caught spotlight at NAEB convention last week, grabbing attendees' interest after word was out that unnamed donor planned to give massive grant to ITV for higher education. (Television Digest learned that proposed donor is Annenberg School, U. of Pa., see p. 1.) Also claiming attention is Central Education Network (CEN) proposal to take over some ITV duties of PBS.

CEN, like Eastern Educational Network, has jumped in during PBS reorganization in attempt to gain some power now held by PBS. EEN is seeking control in some non-ITV areas. CEN proposes to establish national cooperative, will seek members throughout public broadcasting. CEN staff paper on cooperative says PBS "is the wrong organization to do the right thing."

Other highlights of meeting: (1) NTIA chief Henry Geller told PTV stations to look for "new outlets of programming" through cable, suggested they team with STV operators to provide educational programming during day, STV at night. (2) Sen. Schmitt (R-Ariz.) stated that continual PBS reorganization has left public broadcasting with "an identity crisis." (3) NAEB board strongly opposed elimination of FCC Educational Bcstg. Branch. (4) NAEB Pres. James Fellows gave veiled criticism of CPB Pres. Robben Fleming, saying "zero-based has... come to describe the public broadcasting experience required for key positions in national organizations." CPB in several sessions during conference was criticized heavily by attendees.

James Duffy, ABC pres., speaking at AAF Western Regional Conference: "What we have is a larger pie, a growing volume of ad expenditures. Although all TV—network, national spot, local spot—has grown steadily, it accounts for only about a 1/5th slice of the pie. I believe the growth will continue into the 1980s. We became the largest single advertising medium in the world in 1977 as the first network to break the \$1 billion mark in annual sales. We hope to be the first network to break the \$2 billion mark in 1981, and we should double that in 1984."

MGM is considering splitting company into separate gambling and TV & film production entities. Move would allow both divisions more flexibility for expansion. Parent company would be gambling concern with new TV & filmmaking company to be listed on NYSE; stockholders would retain shares in parent MGM, receive proportional ownership in new company. In fiscal 1979, MGM gambling & casino operations had income of \$72 million on \$298 million revenue; TV & movie division earned \$60 million on \$193 million revenue.

New NAB publications: (1) "UHF Tuning Guide," in lots of 500 at \$25. (2) "Getting What You Bargained For—A Broadcaster's Guide to Contracts & Leases."

NTIA Administrator Henry Geller will soon visit China, discuss sale of U.S. satellite system for TV and telecommunications uses.

FTC HILL PRESSURE: Congressional threats against FTC gained substance as Senate Consumer Subcommittee Chmn. Ford (D-Ky.) introduced amendments to FTC authorization bill which would kill several rulemakings including children's TV advertising. This came day after House added amendment killing FTC funeral rulemaking by huge 223-147 vote—but failed to include any curb on children's ad rulemaking.

Most crucial of Ford's amendments asks for change in Magnuson-Moss Act's wording regarding FTC authority to regulate advertising. Current wording says FTC can rule on "unfair or deceptive" advertising; Ford amendment changes phrase to "false & deceptive." Responding to Ford amendments, FTC said new wording not only would undercut current kid ad rulemaking but would restrict FTC power to deal with many other ad abuses.

FTC was joined in objecting to new amendment by Carter aide Stuart Eizenstat. Eizenstat wrote Commerce Committee that "even if the Committee believes that the broad authority over advertising held by the Commission for the past 60 years has occasionally been unwisely administered, it would be tragic to respond by cutting the heart of a law that is bulwark of consumer confidence." Consumer Subcommittee is scheduled to vote on amendments Nov. 20.

ACT got 31 consumer, labor, health & other organizations to sign petition supporting kid ad rulemaking and attacking Ford amendment. Among signatories: National PTA, NCCB, National Urban League, United Auto Workers.

House action on funeral amendment was strong demonstration of Hill willingness to spank FTC. House won't vote on FTC authorization until after Thanksgiving break, and other amendments may be added. Despite both House & Senate's attacks on specific rulemakings, Hill staffers stress that key difference between 2 bodies is over legislative veto power over FTC—House wants it, Senate is doubtful.

Meanwhile, continuing funds for FTC (while authorization bills languish) run out Nov. 20. House Appropriations Committee reluctantly approved more continuing funds resolution, but tacked on clause preventing FTC from issuing any new rulings during continuing funds period; full House will vote on continuing funds this week.

Meanwhile, preliminary report from FTC says TV commercials simply don't have room for complex health warnings that FTC is considering requiring for non-prescription antacids. Report, by FTC's James Greenan, concludes that problem should be studied further.

International committee to resolve dispute over flow of information between industrialized countries and Third World is planned by International Institute of Communications and Twentieth Century Fund. Committee, to be formed for 2-year experimental period starting next year, would consist of Western and Third World broadcasters & journalists who would evaluate "initiatives set by governmental, intergovernmental or quasi-governmental institutions" designed to aid flow of information.

WARC—NOT ALL BAD: With WARC entering final 2 weeks, news for U.S. is that while many objectives won't be attained, significant progress has been made in expanding allocations for several services, including satellite broadcasting and AM. But WARC, struggling through heavy agenda, will defer many details until series of specialized conferences.

For AM, allocations committee reached consensus to add 1605-1625 kHz exclusively for broadcasting, effective in western hemisphere in 1987. For 1625-1665 kHz, committee agreed on primary allocation to broadcasting with fixed & mobile "permitted," and secondary allocation for radiolocation.

In satellite area, way seems cleared for start of direct broadcasting in western hemisphere early in next decade, with deal among U.S., Canada, Brazil, others to reorganize EHF band to double bandwidth to 1,000 MHz. Details of bandwidth expansions will be decided at regional meetings in 1980-1 (AM) and 1983 (satellites).

Washington satellite service may become possible following submission of FCC staff recommendation to Common Carrier Bureau Chief Philip Verveer later this month. If Commission approves proposed sharing of PBS Washington uplink with Western Union, commercial stations will be able to use uplink to send news reports to stations from capitol bureaus—now not possible without lease of AT&T lines to uplinks in N.Y. area. Washington is only major U.S. city without commercial uplinking. If FCC approves PBS-WU sharing, it's likely also to approve sharing of C-SPAN uplink by RCA Americom.

"Communication Policy: 'Platform for the '80's'" is subject of Dec. 7-8 seminar in Washington sponsored by Council of Communication Societies. Participants include Richard Neustadt, White House; Washington attorney John Eger, ex-OTP acting dir.; Charles Jackson, House Communications Subcommittee; Curtis Beckman, RTNDA pres.; Jack Landau, exec. dir., Reporters' Committee for Freedom of the Press.

Warner Cable has applied for cable franchises in Queens, Brooklyn & Staten Island. Queens application says Warner plans to offer Qube, Nickelodeon and "affordable security services." For Brooklyn & Staten Island, Warner said N.Y. Board of Estimate's Nov. 15 deadline was too tight, asked for extension.

Reorganized Common Carrier Bureau at FCC splits functions between 2 deputy bureau chiefs; William Ginsburg will head policy, accounts & audits, consumer affairs, economics, planning; Thomas Casey in charge of operations, enforcement, facilities, hearing, mobile, tariff.

FCC has rejected request of educational WNJB-TV New Brunswick to put transmitter on World Trade Center.

Premier Cablevision has rejected unsolicited offer from Canadian Cablesystem to purchase control.

SATCOM I LOADING PLAN: We have learned transponder loading plan for Satcom I, which will become cable industry's 2nd satellite early next year. Current cable services clustered on Satcom I are scheduled to move to Satcom III, set for Dec. 6 launch from Kennedy Space Center. Half of Satcom I will then be used for what RCA Americom calls "2nd cable network." There's been much speculation about line-up on Satcom I, since its strength may prove key factor in encouraging installation of 2nd earth station by cable operators needing wider selection of programming than available on only one bird. Line-up indicates strong programming will be available.

Customer line-up, obtained from several industry sources: (1) Cineamerica, new network for viewers over 50. (2) Total Communications, Pittsburgh—sports channel featuring Penn State football. (3) Spanish International Network—if it fails to secure transponder on Satcom III. (4) Satellite Communications Network—new resale common carrier, working with Ohio Premium Network. (5) ESPN, expanding operations to 2nd satellite. (6) HBO—expanding pay-TV offerings. (7) United Video—Tulsa resale common carrier. (8) Eastern Microwave—also battling for Satcom III space, reportedly with contract for 2 transponders on Satcom I. Americom refused to comment on Satcom I line-up, saying information hasn't been cleared for release.

TvB & National Retail Merchants Assn. are sponsoring 12th Annual Retail TV Commercials Contest, with award categories: (1) Grand prize. (2) Best campaign (ADI's 1-20, 21-50, 51-100, 100+). (3) First place commercial (same ADI's). (4) Multi-market advertiser. (5) Best image-producing commercial. (6) Best foreign entry. Contest is open to dept. stores, specialty stores, retail chains, ad agencies & stations. Details, entry blanks: TvB, 1345 Ave. of the Americas, N.Y. 10019, 212-397-3462.

Jerrold says new "System 400" can boost cable TV capacity from 35 to 52 channels, will display hardware for first time at Western Cable TV Assn. show in Anaheim, Cal. next month. System takes its name from 400-MHz radio frequency limit.

FCC has authorized TV stations to use operators holding lowest class license for routine duties and to employ "chief" first-class operators at less than full time; chief operator provision also applies to AM stations with more than 10 kw or with DAs.

New video group—National Academy of Video Arts & Sciences—held charter meeting Oct. 16 in N.Y. It will give awards; membership will consist of independent producers. Details: Ciel Kabler, 212-486-0477.

Denial of renewal for WBRL(AM) Berlin, N.H. was upheld by D.C. Appeals Court, affirming FCC finding of fraudulent billing.

Tax certificate was granted by FCC in sale of Truth Publishing interest in Valley Cablevision, serving 11 Ind. communities.

WEEKLY

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with

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FCC plans proceeding to further deregulate earth stations, substituting registration for licensing for operators seeking to retain protection from interference offered previously by frequency coordination. Under plan, operators could register stations with Commission following frequency coordination survey, without needing to have installation approved formally.

Discovery proceedings at FCC will be studied by Max Paglin, ex-FCC gen. counsel, under Commission contract. He'll recommend "revisions, reforms and improvements to make the process more efficient, fair and effective."

"**Digital Decade**" is theme of Feb. 1-2 SMPTE TV conference, Sheraton Centre Hotel, Toronto. For details: SMPTE TV Conference, 682 Scarsdale Ave., Scarsdale, N.Y. 10583.

Hughes AML multi-channel microwave local distribution system will serve cable system for state of Burgenland, Austria.

WCVB-TV Boston is offering \$5,000 prize for best-written teleplay, has received 600, will produce & air winner.

Black Entertainment TV—new cable service—claims commitments by systems with 4 million subscribers.

Ted Bates & Co. for first time has set up unit to handle cable advertising.

KTAL-TV Shreveport-Texarkana won't be bought by Belo, which ended negotiations.

Personals

Thomas Cookerly, Allbritton Communications, elected TvB chmn., succeeding **Marvin Shapiro**, Group W; **Paul Raymon**, WAGA-TV Atlanta, succeeds **Cookerly** as secy.; **David Johnson**, ABC owned TV stations, named treas. Elected to board: **David Henderson**, Outlet; **Marvin Reuben**, WDAM-TV Laurel-Hattiesburg, Miss.; **William McReynolds**, Meredith; **Thomas Tilson**, Metromedia; **Robert Kizer**, Avery-Knodel; **John Walters**, HRP; **Russell Barry**, 20th Century-Fox TV.

Gene Jankowski, CBS Bcst. Group pres., speaks at TV Academy forum Nov. 29, Century Plaza Hotel, L.A.; **Robert Krefting** promoted to pres., CBS Publications, succeeding **John Suhler**, now CBS Publishing Group pres.; **Joan Showalter** promoted to CBS personnel vp; **Paris lawyer Ernest Goldstein** joins CBS as consultant on international development; **Peter Lund**, vp of CBS owned AM stations, promoted to vp-station services, TV Stations Div.; **William Grimes**, ex-personnel vp, advanced to CBS Radio senior vp in charge of AM, FM & owned stations, new post (Grimes also succeeds **Lund** as CBS rep on NAB radio board).

Carl Bernstein, co-author of "All the President's Men," will join ABC News March 1 as chief of Washington bureau, succeeding **George Watson**, who moves to vp-administration & operations for all ABC News bureaus; **Lance Taylor** promoted to dir.-current comedy programs, ABC Entertainment.

Jay Rodriguez, ex-KNBC L.A., moves to parent NBC as west coast corporate information vp, succeeding **Hank Rieger**, now with organizing committee for 1984 summer Olympics in L.A.; **Joseph Ulasewicz**, ex-RCA, moves to NBC as vp-west coast operations & technical services, succeeding **Richard Welsch**, retired; **Linda Line**, ex-P&G, returns to NBC Entertainment as vp-daytime serials, new post; **Edward Planer** promoted to vp-news coverage, NBC News.

Frank Stanton, ex-CBS vice chmn. and retired American Red Cross chmn., appointed to board of International Design Conference, Aspen... **Robert Smith**, San Francisco lawyer and former N.Y. Times reporter, appointed PIO dir., Justice Dept., and special asst. to attorney general... **Arden Kosatka**, ex-staff of Rep. Murphy (D-N.Y.), named NTIA public information dir., succeeding **Richard Harland**, now program analyst, NTIA Office of Planning & Policy Coordination.

William Eyffe promoted to vp-station mgr., WLS-TV Chicago, new post... **Walter Luttrell**, ex-Chrysler Corp., appointed community affairs dir., WXYZ-TV Detroit... **Michael Tanner** named promotion & research mgr., KOMO-TV-AM Seattle.

Richard Wallace, ex-RTVR, appointed eastern TV station sales mgr., Arbitron; **Robert Decker**, ex-Media Communications, joins Arbitron as national accounts mgr., advertiser-agency sales... **Arvin Kaufman**, ex-William Morris Agency, appointed vp-program development, Metromedia Producers... **Frank Miller** moves from Time-Life TV international sales dir. to vp-Time-Life Films... **Alfred Ashley**,

Warner Bros. TV vp-administration, resigns, will continue as consultant; **Jean MacCurdy**, ex-NBC-TV, joins Warner Bros. TV as dir.-animation programming, new post.

Evan Baker joins ESPN as senior vp-marketing; **Stephen Powell**, ex-HBO, appointed programming dir... **Richard Berman** promoted to senior vp-gen. counsel, Warner Cable... **Robert Goldfarb**, ex-King/Hitzig Productions, joins Viacom Enterprises as vp-programming planning & development; **Donald Teye** promoted to dir.-sales development, new post; **Richard Golden** to mgr.-northeast div. sales.

In reorganization of HBO film acquisition dept., **Robert Kreek** promoted to dir.-film acquisition, and **Kenneth Badish** to dir.-new product acquisition... **Bruce Sellers** promoted to vp-marketing, Prism... **Kathryn Cass**, ex-HBO, moves to Time-Life Video as sales dir.-special markets... ITC Entertainment Gen. Counsel **Edward Gilbert** also named secy... **James Morgan**, ex-WIID(AM) Detroit, appointed regional sales mgr., Station Business Systems.

Panasonic forms Recording & Bcstg. Div., headed by **James Parks**, asst. gen. mgr... **James Kelly**, ex-WLTX Columbia, S.C., appointed RCA Bcst. Systems sales rep, Atlanta hq... **Norman Weiss** joins Perma Power Electronics as vp-administration... **Edwin Engberg** promoted to audio products mgr., Ampex. **Donald Massa**, ex-RCA, joins Ampex Video Systems as product mgr.-switcher operations.

Jack Banister promoted to broadcast systems vp for Europe, Africa & Mid-East, RCA International, succeeding **Patrick Murrin**, retired... **Robert Fein**, ex-CBS, appointed national sales mgr., Sadelco Inc.; **Ellen Day** promoted to asst. sales mgr... **Christopher Weaver**, ex-ABC, joins NCTA as vp-science & technology.

James Faust promoted to dir.-STV & CATV sales & marketing, Zenith, new post... **O.J. Hanas** advanced to engineering vp, Oak Communications CATV Div... **Hugh Wilcox** appointed engineering mgr., Cetec Bcstg. Group... **Jerry Gottlieb** promoted to vp-business affairs, Viacom Enterprises, new post; **Sal Campo** to mgr.-pay TV sales, new post.

Obituary

Frank White, 80, former network executive, died of heart attack at Leesburg, Va. home Nov. 11. He entered broadcasting as treas. of CBS in 1937, became MBS pres. in 1949, NBC pres. in 1952, later served as McCann-Erickson senior vp. Wife, 2 sons survive.

United Way calls National Committee for Responsive Philanthropy fairness complaint at FCC challenging NFL "Thanks to you it works for all of us" PSAs (Vol. 19:46 p3) "ridiculous," saying that spots aren't technically PSAs but charitable presentations of NFL, not networks.

Radio Free Europe and Radio Liberty reporters may be denied press accreditation to 1980 Olympics in Moscow. Soviets have announced intentions to keep them out.

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STATE OF THE INDUSTRY

Sales to dealers (total market), from EIA, for week ended Nov. 2 (44th week of 1979):

	Oct. 27- Nov. 2	1978 week	% change	Oct. 20-26	1979 to date	1978 to date	% change
Total TV.	433,020	448,642	-3.5	428,211	13,249,780	13,302,177	-0.4
color	258,923	279,261	-7.3	256,763	8,198,155	8,424,900	-2.7
monochrome . . .	174,097	169,381	+2.8	171,448	5,051,625	4,877,277	+3.6
Home VCR	12,267	14,111	-13.1	20,731	368,299*	313,245	+17.6
Total radio	1,030,411	1,138,803	-9.5	981,122	34,770,337	39,545,370	-12.1
home, portable .	792,606	851,407	-6.9	738,612	23,998,438	28,761,516	-16.6
AM-only	97,161	188,996	-48.6	98,699	4,676,995	6,615,609	-29.3
FM & FM-AM .	695,445	662,411	+5.0	639,913	19,321,443	22,145,907	-12.8
auto	237,805	287,396	-17.3	242,510	10,771,899	10,783,854	-0.1

Color TV 5-week moving average: 1979—228,336; 1978—238,522 (down 4.3%).

Home VCR 5-week moving average: 1979—14,731*; 1978—14,131 (up 4.2%).

*Record.

MAGNAVISION-MCA-FOTOMAT TO DALLAS: Dallas is next Magnavision videodisc market being opened by Magnavox & MCA, and this time they'll have partner in Fotomat, which will test disc sale & rental in conjunction with launch set for late this month. Magnavox players & MCA disc are currently on sale only in Atlanta & Seattle-Tacoma markets. This will be first disc sale by non-Magnavox retailer and Fotomat's first disc experience, coming on heels of its national launch of videocassette sale & rental program (see p. 12).

New videodisc market opening was announced by MCA Pres. Sid Sheinberg and confirmed by Magnavox Senior Vp Ken Ingram at Billboard Video Music Conference in L.A. last week. Sheinberg also said "barrier has been passed" for pre-recorded videocassettes, forecast early release of MCA films on tape.

Sheinberg told us MCA executives will meet next month to consider, and perhaps select, tape duplicator. He said cassettes may be rented, possibly through Fotomat. Distribution could also be made through MCA's direct-mail subsidiary Spencer Gifts, or through MCA Discovision, which handles discs for Magnavision system.

RCA VIDEODISC—RETAIL SALES IN 1981: When RCA Pres. Edgar Griffiths addresses RCA distributors Dec. 6 in San Diego, he's expected to announce that shipments of Selectavision videodisc players & discs will begin late next year for nationwide retail sales early in 1981. Videotape of his announcement will be shown next day at N.Y. news conference.

RCA thus will surmount fairly sticky wicket. On one hand, it wants to preserve its credibility by announcing availability next year. On other, it needs time to rev up production while making good its pledge to launch system on nationwide basis. Ideally, company would have preferred to start sales next fall—but product simply won't be ready in that kind of quantity.

As to price, best bet now is that Griffiths won't be specific. Difficulty of forecasting course of inflation over next year could be given as reason for vagueness. It's good guess that first model introduced will be priced somewhat above \$400 goal. There's no longer any price pressure on RCA from Magnavision optical player, which now lists at \$775 (RCA player will come in considerably below that), and RCA's first production won't be big enough to require low ball price. So while launch may be at higher price, RCA will make clear that it isn't abandoning

its price target over long run.

There's been widespread speculation that RCA will announce agreement with Matsushita on compatible joint system—but that simply isn't in cards for Dec. 6. In fact, there's evidence that until a few months ago Matsushita looked upon RCA disc system as probable repeat of Holo-tape—something announced but never produced. Matsushita's Visc-O-Pac and affiliate JVC's VHD/AHD were attempts to preempt RCA with product which could be produced. But RCA is banking that there's no way Matsushita can beat it to U. S. market. It hopes that Dec. 6 announcement of definite plans will put pressure on Japanese manufacturers to come along with its "standard" capacitance system.

As RCA announcement date approaches, Matsushita team appears acting without coordination. JVC has been quietly holding U. S. demonstrations of new version of its VHD/AHD grooveless capacitance system, now getting 60 min. per side on 9" disc spinning at same 900 rpm as earlier 12" version, using essentially same slot-loading system as before, with miniaturized accessories for random access & digital audio (telling U. S. manufacturers they'll eventually be built in).

JVC's demonstrations apparently are being conducted without knowledge of Matsushita hq, whose other development wing recently offered to lend Visc-O-Pac stampers to American record manufacturers to show them how easy it is to produce discs for that system. JVC's motive for demos may have been revealed inadvertently at Billboard's Video Music Conference in L. A. last week by National Product Mgr. George Mayer, who said company is seeking partner for U.S. disc software manufacturing venture. Situation points up continued indecision within Matsushita on way to go in videodisc—or how best to blunt RCA announcement.

RCA's Japanese and other licensees, meanwhile, were becoming increasingly restless about company's apparent unwillingness to share information on production plans, final models, etc., or to supply prototypes (which RCA still doesn't have in any quantity). But presumably to smooth ruffled feathers and to hold RCA group together (no commitment or money is required for RCA videodisc license), Research & Engineering Vp William Hittinger was in Japan last week, probably to share information, will report to Griffiths on his return.

VANIK WANTS DUMPING CASE PUT ON HOLD: Immediate halt to Treasury assessment of dumping duties on Japanese TVs imported after June 1973 is demanded in letter sent last week to Secy. G. William Miller by House Trade Subcommittee Chmn. Charles Vanik (D-O.). Further action by Treasury would be "totally inappropriate" and should be left to Commerce, which takes over dumping & countervailing duty law enforcement Jan. 1, Vanik says.

Early this month, Treasury issued rulings on importer protests covering \$46 million in dumping levies assessed in March 1978 on sets brought in before July 1973. At same time, it began reviewing documents from Japanese set makers covering later shipments through Dec. 1977 in effort to clean up bulk of remaining assessment backlog (Vol. 19:45 p8). Such a rush job means "procedural 'shortcuts'" and isn't likely to include on-site (in Japan) verification of manufacturer claims, Vanik states. "I have continually urged Treasury to act expeditiously" on dumping cases but "I have never advocated speed at the expense of accuracy nor 'settlement' of this case at the expense of carrying out the law," he says.

"Hasty assessment" could create appearance that Treasury is trying to avoid more liberalized judicial review of dumping actions contained in 1979 Trade Act which goes into effect Jan. 1, Vanik cautions. He also says that any precedential actions Treasury takes could "bind" Commerce in its future administration of law, and expresses concern that too fast disposition of assessments "could result in more protests & litigation than would otherwise occur," making Commerce's upcoming job even harder. At week's end, Treasury hadn't responded to letter.

However, Treasury has turned over protest deliberation documents Vanik requested in letter Oct. 11 (Vol. 19:43 p10). In keeping with its stated position, Treasury didn't deliver material until after protest decisions were finalized. Subcommittee staffer told us documents are being reviewed, said assessment halt request had nothing to do with Treasury's protest handling policies.

Treasury also drew fire from another quarter last week: Labor-industry group COMPACT,

which demanded agency issue no further assessments in TV dumping case. Corning Exec. Vp Allen Dawson, COMPACT co-chmn., said group feared agency was planning to liquidate dumping duty backlog "at a fraction of what is actually owed" by Japanese. Treasury's long delay in handling case "has robbed the domestic industry and its workers of their procedural rights before the Customs Court. Those procedural rights can only be reinstated if further assessments are deferred until Jan. 1," Dawson said.

RCA's NEW PRES.: Maurice R. Valente, 50, ITT exec. vp & member of its Office of Chief Exec., with responsibility for Consumer Products & Services Group, Jan. 1 becomes pres. & chief operating officer of RCA, as Edgar Griffiths moves up to chmn., retaining duties of chief exec. Valente has held several high posts since joining ITT in 1965. Previously he served 6 years with Crane Co. following 4 at Motorola. ITT official described Valente as "one of the really promising people here." He's known for his logical mind, ability to grasp problems quickly and put them in perspective—demonstrated in his job supervising ITT consumer products subsidiaries in Europe which all face different problems & politics. He is well-versed in marketing & manufacturing, particularly overseas, also has govt. sales background.

Uniformly described as talented & hardworking, Valente is articulate but soft-spoken, said to have excellent personal relationships. He apparently could have been in line for promotion soon at ITT in progression for changes which will follow chmn. Harold Geneen's Jan. 1 retirement. Valente's Consumer Products & Services Group includes hotels, food products & European consumer electronics-appliance business with total sales of \$3.6 billion, net of \$45 million last year, as compared with RCA's \$6.6-billion sales, \$2.78 million net.

Valente will have responsibility for all of RCA's major operating units except Hertz & NBC, which will continue to report to Griffiths. Naming of pres. wasn't surprise but choice of an outsider was. As many as 6 people within RCA are understood to have been contenders, and one of the considerations in naming outsider may have been avoidance of bruised feelings among those passed over. Valente was located with aid of executive search firm, was unanimously ratified by board on Griffith's recommendation.

* * * *

John Nevin, who resigned Zenith chairmanship Oct. 19, was elected pres. of Firestone Tire & Rubber Co. Nevin reportedly was first approached by Firestone in late Aug., fact which refutes speculation that he was forced out of Zenith.

FCC staff proposal on AM stereo will be before Commission in next couple months, Chmn. Ferris told House Communications Subcommittee last week. During oversight hearing, he also said impact of proposed reduction of AM bandwidth from 10 to 9 kHz will be considered by commissioners at first meeting in Dec.

Electronic greeting cards, introduced in Japan by Matsushita Battery Industry at about \$4.50, feature LEDs which light up when card is opened.

Zenith plans to introduce series of TV sets with video input jacks, presumably for home computers and eventually for new generation of VCRs or video-disc players. Letter describing approach by Zenith Product Evaluation & Compliance Dir. Stanley Savic was filed with FCC last spring. Set would contain built-in modulator operating on standard TV channel (such as 3 or 4), "but which would be connected internally to this TV set via a switching mechanism directly to the input of the VHF tuner but would not be connected to the antenna terminals. This modulator would have a video input jack available on the back of the TV set and the switching network would be such that when the modulator is energized and in circuit, the antenna terminals would be disconnected from the tuner input..." In its rulemaking on TV interface devices (Vol. 19:40 p7), FCC said system would be legal under proposed rules, called video input jack "much needed," but said it felt that direct access to video circuits (rather than to tuner through RF modulator) was better approach.

FCC solved problem which theoretically would have banned all home VCRs from market as of Oct. 1 by ruling that VCRs may have noise figure 4 dB higher than that for TV set tuners. Problem arose from new minimum UHF noise figure of 14 dB, which went into effect last month (Vol. 18:29 p10 et seq.). Without amendment to rules, this would have also applied to VCRs with UHF tuners. VCRs have built-in splitters, which inherently increase noise figure measured at antenna terminals. Since this increased noise is applicable to VHF as well as UHF, Commission decided UHF comparability didn't suffer. Both CUB & EIA endorsed plan to allow 4 dB extra noise.

Curtis Mathes TV & cabinet assembly plant in Athens, Tex. has been operating at about 30% of normal since Nov. 9 walkout by members of United Furniture Workers. Contract dispute centers on cost-of-living increases. At week's end, UFW spokesman told us union planned to present amended proposal at Nov. 17 meeting, said he felt settlement was imminent.

CTS is dropping TV component business to concentrate on more profitable areas. Producer of variable resistors and other parts said it lost \$10 million in TV this year because of competition from imported TVs and inability to get orders from U.S. plants of Japanese TV makers.

Magnavox Silver Anniversary sale runs Jan. 20-March 3, features reductions on 40 color TV, console stereos & modular audio systems.

CBS has agreed to acquire Audio magazine from North American Publishing for undisclosed cash sum.

FOTOMAT MOVIES NATIONWIDE: Fotomat's Drive-Thru Movies, with emphasis on rental, goes nationwide today (Nov. 19) in company's more than 3,800 retail outlets with catalog of 132 titles, launched by one-month \$1-million-plus print ad campaign. And, on Dec. 10, company will begin new market test in 6 N.Y.C. walk-in stores of "media center" concept, with demonstration tapes playing on monitors, offering video accessories (cassette cases, etc.), but not hardware. In first quarter, offerings will be expanded to audio cassettes, Atari game-computer software and related products.

About 50% of titles in fall-winter catalog are Paramount features. Other major contributor is EMI, offering 13 movies with Peter Sellers, Alec Guinness, Ralph Richardson, Dirk Bogarde (Vol. 19:31 p10). Just signed by Fotomat, but too late for inclusion in catalog, are Paramount's "Grease," "Foul Play," "Heaven Can Wait," "Hurricane" & others. Also offered will be first theater performances, including Broadway's "Are You Now or Have You Ever Been," "Sammy Davis Jr. Stops the World" and "Geraldine Fitzgerald in Streetsongs."

Based on tests in L.A. & San Francisco areas, Fotomat expects to gross \$15-\$20 million on project in 1980, according to Video Operations Vp Steve Wilson. Titles will be delivered to nearest Fotomat outlet in U.S. or Canada day after customer places order via 800 phone number. Company will have 5 cassette inventory centers this year, adding 2 more in Jan. Centers are equipped with high-speed inspection equipment which checks 2-hour cassettes in 3 min., detects breaks and other flaws after each rental. Same system will be employed to check blank tapes, which Fotomat says grossed \$5-\$8 million for it in 1979.

Based on test results, Wilson thinks rentals will outstrip sales by ratio of 3- to 8-1, except for "classic" titles such as "Shane" or "OK Corral," often purchased for permanent collections. Five-day rental costs \$7.95, \$9.95 or \$13.95, depending on movie's popularity. Sale prices are \$39.95 or \$49.95 for one-cassette selection, \$69.95 for 2-cassette movies. During introductory period to Jan. 31, Fotomat has special \$6.95 rate for first cassette rented.

On rentals, Fotomat pays royalties on each turn, roughly comparable with practice in theater rentals. Wilson says useful life of cassette could be 15-25 rentals. Cassettes are encoded with anti-piracy system, but Wilson conceded that in tests there was "enough dissatisfaction to make us seriously consider" dropping it or trying for another system. Encoding can throw some TV receivers out of sync, and Wilson says situation is being monitored closely.

Wilson says he's particularly concerned about impact of pay TV (Vol. 19:44 p7). More than half of Drive-Thru customers in L.A. and 1/3 in Northern Cal. are pay-TV subscribers. In future, he thinks major movies must be released to cassette & disc before pay TV. Bell & Howell and U.S. Video Corp. are duplicating cassettes, but Fotomat is "actively renegotiating" both deals.

Fotomat's film & slide-to-tape transfer service has nearly tripled in volume since startup 18 months ago, Wilson says, and is running at annual rate of close to \$3 million. Overall, he adds, Fotomat has "invested more than some would say is prudent," especially in "troubled year" for its finances. But company is committed to "do our part" in developing what it sees as huge program market—first in cassettes, later in computer-game software and videodiscs.

10 MO. AT-A-GLANCE: Here are EIA's official figures on consumer electronics sales for 1979's first 10 months, with 1978 comparisons:

TELEVISION SALES TO DEALERS

Month	Total		Color		Monochrome	
	1979	1978	1979	1978	1979	1978
January	967,716	932,933	622,111	618,963	345,605	313,970
February	1,176,201	1,102,359	711,411	702,513	464,790	399,846
March (5 weeks)	1,646,125	1,572,295	1,026,648	966,326	619,477	605,969
April	1,009,576	1,081,687	620,781	698,256	388,795	383,431
May	1,025,798	1,041,606	651,462	673,632	374,336	367,974
June (5 weeks)	1,559,486	1,434,566	995,931	918,622	563,555	515,944
July	1,058,089	1,123,023	686,629	668,170	371,380	454,843
August	1,182,047	1,214,056	686,316	777,639	495,731	436,417
Sept. (5 weeks)	1,748,671	1,876,071	1,055,185	1,208,170	693,486	667,901
October	1,443,131	1,474,949	882,758	913,348	560,373	561,601
TOTAL	12,816,760	12,853,535	7,939,232	8,145,639	4,877,528	4,707,896

RADIO SALES TO DEALERS

Month	Home*		FM**		Auto	
	1979	1978	1979	1978	1979	1978
January	1,745,779	1,624,253	1,139,489	1,126,588	1,209,595	937,678
February	1,867,614	2,272,816	1,301,669	1,693,239	1,104,560	984,661
March (5 weeks)	2,131,427	3,310,381	1,580,741	2,212,691	1,337,786	1,282,652
April	1,315,792	1,576,622	923,037	1,039,824	1,023,808	1,120,354
May	1,939,939	2,094,371	1,569,680	1,602,191	1,048,127	1,053,453
June (5 weeks)	4,087,794	4,999,086	3,571,524	4,314,570	5,301,687	6,146,069
July	2,693,213	3,504,331	2,300,602	2,977,711	747,092	786,190
August	2,513,338	2,689,546	2,111,196	2,069,863	780,696	840,153
Sept. (5 weeks)	3,081,864	3,494,806	2,634,871	2,775,461	1,113,456	1,300,225
October	1,829,072	2,343,897	1,493,219	1,665,198	955,081	1,044,109
TOTAL	23,205,832	27,910,109	18,625,998	21,483,496	10,534,094	10,496,458

* Includes table, clock & portable.

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

HOME VCR SALES TO DEALERS

Month	1979	1978	Month	1979	1978
January	23,330	13,567	June (5 weeks)	33,500	31,339
February	32,881	14,954	July	24,216	20,862
March (5 weeks)	43,135	27,415	August	36,219	22,478
April	21,328	27,221	Sept. (5 weeks)	53,766	56,759
May	26,270	27,994	October	61,389	56,545
			TOTAL	356,032	299,134

Calculator market in U.S. will absorb 24-25 million units this year, worth about \$1 billion at wholesale, \$1.5 billion at retail, Canon estimates. Company says there's growing demand for portable printing models, estimates it holds 30%-35% market share in terms of units, accounts for 50% of value in that area. Canon added new low-priced printer with electronic readout at \$65, 3 step-ups at \$80, \$100 & \$130.

Matsushita will own 51% of \$48.5-million Mexican battery-producing venture it's forming with Autlan as local partner. Production start is planned for 1981. Matsushita also announced production start at Panasonic Mexico, established last year. Firm is assembling clock radios, radio-recorders & component stereo there, will add speakers, coils, capacitors in 1980.

9-MONTH TV IMPORTS: TV importers posted only 2nd monthly increase of year in Sept. on strength of sharp rise in b&w, as color continued decline. Despite gain, results for 9 months were below year-earlier levels for both color & b&w (Vol. 19:46 p10). Here's breakout for Sept. TV imports, with 9-month results in parentheses:

Japan total TV 130,300, -47.2% (1.05 million, -55.6%); color 81,800, -52.4% (606,300, -52.4%); b&w 48,500, -35.5% (445,100, -59.3%). Taiwan total 497,300, +0.2% (3.28 million, -7.6%); color 132,900, -10.6% (777,700, -29.2%); b&w 346,400, +5.0% (2.5 million, +2.1%). Korea 207,100, +68.9% (1.53 million, +57.4%); color 14,400, -72.5% (249,200, +7.2%); b&w 192,800, +173.6% (1.28 million, +73.3%). Singapore color 76,900, +547.0% (133,600, +267.8%). Canada color 6,900, -56.2% (78,500, -48.6%).

Color breakout by type: Japan complete 42,600, -72.9% (417,700, -62.6%); incomplete 39,200, +169.5% (188,700, +19.8%). Taiwan complete 27,800, -51.4% (277,200, -39.4%); incomplete 105,100, +14.9% (500,500, -22.0%). Singapore complete 8,200, -30.7% (54,800, +51.0%); incomplete 68,700 (78,800, against none last year). Canada complete 5,700, -62.6% (73,000, -50.3%); incomplete 1,200, +169.9% (5,500, -7.2%). Mexico incomplete 128,800, +78.5% (1.1 million, +43.0%).

Biggest home video bust to date by FBI resulted in raids Oct. 27 on 25 illegal duplicators & retailers in south Fla., 18 arrests, confiscation of more than 4,000 cassette copies of "Star Wars," "Jaws," "Rocky," among other titles. Equipment taken into custody, including 60-80 VCRs, \$30,000 film chain and TV sets, is valued at \$200,000-\$250,000. According to FBI, which assigned 60 agents for 3 months to case, cassettes were sold by mail & over counter, with Latin America ultimate destination for many. Movies were priced at \$50-\$80 a cassette, on par with legal releases. Among establishments raided were Telecine Productions, Marquee Video Productions, Zeno Furniture, Citizen Video Club & Video Exchange, all in Miami-Ft. Lauderdale area. Defendants were released on \$1,000 personal recognizance bonds, no date set for trial.

Worldwide sales by U.S. semiconductor manufacturers will hit \$6.5 billion this year, up 36% from 1978, SIA predicts, noting that growth rate tops 31% record set in 1975. For next year, SIA expects recession to hold growth down to 11%, with sales of about \$7.2 billion. . . Semiconductor market in Europe will grow at average 6% annual rate, rising from \$2.4 billion last year to \$4 billion in 1987, according to recent study by Frost & Sullivan.

SBC has filed Chapter XI bankruptcy petition in San Jose, Cal., listing assets of \$1.6 million, liabilities at \$1.5 million. Producer of transceivers said it filed for protection after unnamed creditor obtained judgment, attempted to seize some of SBE's assets.

International Jensen is new name for Pemcor, producer of speakers and other components, parent of Jensen Sound.

PLESSEY SELLING GARRARD: One of audio industry's oldest firms, Garrard, is changing hands. U.K.'s Plessey has agreed to sell money-losing record-changer & turntable subsidiary to Gradiente Electronica of Brazil for \$2.1 million. Gradiente produces audio products in Brazil & Mexico, is Garrard licensee, had sales last year of about \$75 million.

Sale agreement includes Garrard's U.K. plants, U.S. sales operation. Plessey said Garrard lost about \$8.6 million in last fiscal year to March 31, and unit has continued in red. Company says sale will result in \$10-million extraordinary loss in current fiscal year.

Garrard had best-selling changer line in U.S. for years but by late 1960s it found its market being cut out from bottom by changers from BSR, and later from top by automatic turntables from Japan. In 1974, it ended 38-year U.S. distribution agreement with Avnet's British Industries, set up own marketing organization. Though it made several attempts, it was never able to regain market position.

Under new ownership, U.S. operation is being renamed Garrard USA, with Marvin Paris, former sales vp, as pres. Paris told us all current personnel are being retained, and discussions are now being conducted with parent about turning Garrard into multi-product marketer with tape decks and other components imported from Brazil.

Mattel isn't alone in disappointing retailers who hoped to be in home computer business this year. Same chip shortage that's keeping Intellivision off dealer shelves (Vol. 19:46 p11) is severely restricting delivery of Atari's \$550 & \$1,000 units. Atari is shipping, but not at rate that would enable it to fill backlog of pre-Christmas orders. TI has also begun parceling out \$1,150 home computer to selected retailers around country who had been promised Aug.-Sept. delivery. Availability through rest of year is expected to be limited.

Advent stockholder report shows video projector sales in quarter to Sept. 29 down 34.9% to \$4.13 million, for 6-month total of \$7.47 million, off 29.2%. Audio sales were down 11% in quarter to \$4.21 million, fell 21.9% for half to \$6.99 million. . . Rockwell said sales of Admiral TV business assets in fiscal year ending Sept. 30 resulted in \$12.4-million net gain, enough to offset loss from discontinued appliance business.

Ad notes: Onkyo moves \$1-million hi-fi account to Warner, Bicking & Fenwick from Sasaki & Assoc... Kenwood is investing \$1 million in first TV campaign which started running in 7 markets this month. . . Yamaha's new campaign geared to older consumers is themed: "We weren't thinking of replacing our stereo. Then we heard Yamaha."

Gold Star seeks to be first non-Japanese manufacturer of VHS VCRs. Korean firm says it's negotiating with Matsushita for both production license and supply of parts it can't produce, hopes to have units on market by end of 1980.

Consumer Electronics Personals

Paul Adams, former Lloyd's sales vp, joins Magnavox as mkt. development mgr., new post... Robert Hart, EMI Music (U.K.) publicity dir., adds responsibility for coordinating audiovisual activities (videotape & disc) outside North America & Japan... Alan Komatsu, Trio-Kenwood managing dir., adds post as pres. of U.S. subsidiary, Kenwood Electronics, succeeding George Aratani, advanced to chmn... William Lichtenfels appointed Emhart exec. vp responsible for electronic, electrical, hardware & chemical products; Wayne Etter, Mallory Components Group pres., named corporate vp... Herschel Winn, Tandy secy., & Charles Tindall, treas., named senior vps... Tony Veitz advanced at Panasonic Battery Dept. to district sales mgr.

Leo Young, Naval Research Lab. elected IEEE pres., succeeding Jerome Suran, GE; C. Lester Hogan, Fairchild Camera, elected exec. vp, replacing Young... Donald Haws, Equitable Life, named ITVA pres.-elect, succeeding James Reynolds, Ohio Bell, resigned.

Dan Shannon, ex-Mart, joins Video magazine as managing editor... Gary Selesner, ex-Burson-Mars-teller, appointed managing editor, Electronic Industry Weekly (formerly Radio-TV Weekly)... Terry McCarthy, ex-TRW, appointed ITT Cannon Electric ad mgr.

Toshiba exhibit at Winter CES will feature prototypes of voice-activated TV and hi-fi component system. TV can be programmed to accept commands from 2 people, hi-fi will respond to only one. Systems, as shown in N.Y. preview last week, acknowledge commands in female voice which says "O.K." when instruction is accepted, "repeat" when it can't perform as ordered. Possibly on view will be developmental 25" TV which displays 4 different 10" color pictures on screen at same time. Remote set has built-in electronic frame-grabber enabling viewer to freeze any individual picture. New 45" remote video projector, which company plans to market late in 1980 at \$3,500, will be on view, along with updated pre-production model of endless-loop cartridge longitudinal-scan VCR first shown at June CES.

Aiwa expands again. Firm, which started as recorder marketer, later added other hi-fi components, is moving into autosound. Aiwa will introduce first car stereo line at CES in Las Vegas in Jan. At same time, it will offer metal-tape cassettes, marking entry into blank tape business.

Rank enters U.K. videocassette software market with 11 films, plus half-dozen special-interest titles in VHS, Beta & Philips SCR formats—U.S. market plans unannounced. Rank has licensed RCA to release some of its material here on videodisc.

Color TV sales dropped again in week ended Nov. 9, falling 6.9% from year earlier to 198,650. VCR sales resumed rise at 12,600 (up 27.5%), with b&w sales up 4.6% to 126,800.

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
Ampex			
1979-6 mo. to Oct. 27	216,006,000	17,368,000 ^a	1.52
1978-6 mo. to Oct. 28	179,726,000	12,525,000 ^a	1.10
1979-qtr. to Oct. 27 ^b	110,867,000	10,202,000 ^a	.89
1978-qtr. to Oct. 28	92,555,000	6,916,000 ^a	.61
Audiotronics			
1979-qtr. to Sept. 30	5,208,000	186,000	.20
1978-qtr. to Sept. 30	4,487,000	155,000	.17
Comcast			
1979-9 mo. to Sept. 30	15,654,000	1,267,000 ^b	.74
1978-9 mo. to Sept. 30	11,545,000	909,000 ^b	.56
1979-qtr. to Sept. 30	5,563,000	501,000 ^b	.29
1978-qtr. to Sept. 30	4,006,000	374,000	.23
ITT			
1979-9 mo. to Sept. 30	11,966,034,000	229,477,000 ^c	1.60
1978-9 mo. to Sept. 30 ^d	10,627,166,000	480,731,000	3.39
1979-qtr. to Sept. 30 ^d	4,006,960,000	(137,000,000) ^c	--
1978-qtr. to Sept. 30 ^d	3,557,072,000	133,500,000	.94
Lee Enterprises			
1979-year to Sept. 30	115,805,000	15,393,000	2.13 ^e
1978-year to Sept. 30	104,690,000	15,914,000 ^a	2.16 ^e
1979-qtr. to Sept. 30	28,710,000	4,399,000	.61 ^e
1978-qtr. to Sept. 30	26,669,000	3,707,000	.51 ^e
Lloyd's Electronics			
1979-6 mo. to Sept. 30	45,410,000	(443,000)	--
1978-6 mo. to Sept. 30 ^d	57,857,000	333,000	.18
1979-qtr. to Sept. 30 ^d	29,072,000	709,000	.37
1978-qtr. to Sept. 30 ^d	36,269,000	729,000	.38
Movielab			
1979-39 wk. to Sept. 29	25,010,745	1,398,018 ^a	.93
1978-39 wk. to Sept. 30	21,343,516	533,691 ^a	.37
1979-13 wk. to Sept. 29	8,964,483	511,025 ^a	.34
1978-13 wk. to Sept. 30	6,730,192	140,600 ^a	.10
Philips NV^f			
1979-9 mo. to Sept. 30	11,861,000,000	230,900,000	--
1978-9 mo. to Sept. 30	11,522,100,000	215,400,000	--
1979-qtr. to Sept. 30	4,065,500,000	69,500,000	--
1978-qtr. to Sept. 30	3,913,500,000	60,000,000	--
Reeves Teletape			
1979-qtr. to Sept. 30	6,997,000	303,000	.13
1978-qtr. to Sept. 30	5,354,000	186,000	.08
Rockwell International			
1979-year to Sept. 30 ^d	6,176,400,000 ^g	261,100,000	7.33
1978-year to Sept. 30	5,308,800,000 ^g	176,600,000	5.02
1979-qtr. to Sept. 30 ^d	1,609,700,000 ^g	62,100,000	1.73
1978-qtr. to Sept. 30 ^d	1,377,400,000 ^g	40,500,000	1.14
Superscope			
1979-9 mo. to Sept. 30	141,309,000	(14,300,000)	--
1978-9 mo. to Sept. 30	137,600,000	(8,200,000)	--
1979-qtr. to Sept. 30	43,000,000	(5,300,000)	--
1978-qtr. to Sept. 30	54,600,000	(2,700,000)	--
Teleprompter			
1979-9 mo. to Sept. 30	123,382,000	10,790,000 ^h	.64
1978-9 mo. to Sept. 30 ^d	104,321,000	10,233,000 ^a	.60
1979-qtr. to Sept. 30 ^d	44,111,000	6,566,000 ^a	.39
1978-qtr. to Sept. 30 ^d	37,880,000	4,768,000 ^a	.28

Notes: ^aIncludes special credit. ^bRecord. ^cAfter special charge. ^dRestated. ^eAdjusted. ^fAt guild's current rate. ^gFrom continuing operations. ^hAfter special items.

Color TV quota talks between U.S. & Korean negotiators are slated to resume in Seoul later this month. It's understood Koreans have expressed willingness to accept U.S. requests for tighter restrictions on textile shipments in return for separate quota allocation for color TV chassis exports.

WEEKLY

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SUMMARY-INDEX OF WEEK'S NEWS

Broadcast

TV NETWORKS FIGHT FCC ORDER that they were 'unreasonable' in refusing to sell Carter 30 min. to announce his candidacy, seek stay & reconsideration. Vote was 4-3 on party lines. (P. 1)

CABLE'S TOP 50 PLAN 36.5% increase in plant miles in year, semi-annual survey shows. Pay cable up 32.3% in 6 months. Top 10 maintain position. (P. 3)

SENATE ASSAULT ON FTC: Amendments killing kid ad rulemaking approved by Senate Commerce Committee as FTC authorization bill is sent to floor. Metzenbaum expected to lead FTC defense. (P. 3)

QUELLO CAMPAIGN IN STRIDE: Chances for re-appointment to FCC said to be much better than 6 weeks ago. Italian-American endorsement includes 35 members of Congress. (P. 4)

CABLE COPYRIGHT HEARING: Wasilewski and Valenti want cable copyright royalty structure re-examined, term Copyright Act inadequate. (P. 6)

'STEP BACKWARD' IN KID TV: Van Deerlin tells Houston TV conference that 'I deplore' FCC proposals. Levy says Ferris has no 'philosophy.' (P. 7)

NETWORKS FIGHT FCC CARTER ORDER: Voting on straight party lines, FCC ruled 4-3 last week that TV networks were "unreasonable" in denying Carter-Mondale Presidential Committee 30 min. of prime time first week in Dec. to announce their bid for reelection. Networks wasted no time in fighting order: CBS filed for stay & reconsideration within hour after FCC released text day before Thanksgiving; ABC & NBC filed similar pleas day after. All 3 said they'd go to court if Commission doesn't recant. (Note: At press time, Carter Committee filed opposition to networks.)

Voting for Carter-Mondale were Ferris, Quello, Fogarty & Brown, Democrats all. Against were Republicans Lee, Washburn & Jones. All members of Commission issued statements except Brown, with Ferris & Fogarty issuing joing statement. Some observers were quick to speculate that Quello, who generally sides with broadcasters, had reappointment in mind when he voted (see p. 4).

Commission majority relied heavily on conclusion that networks hadn't given "sufficient consideration" to desires & needs of Carter candidacy. CBS had offered 5 min. in prime time, 5 min. daytime; ABC 30 min. in Jan. NBC, which offered no time, said decision will have "enormous consequences" for broadcasting. Ferris seemed to agree when he said during FCC debate he hoped other Presidential candidates would take advantage of ruling. (Republican can-

Consumer Electronics

NEW COLOR SUPPLY dropped in 3rd quarter as sharp decline in complete-set imports offset small rise in U.S. production. (P. 8)

ZENITH & MAGNAVOX announce moderate color TV price increases. Action expected from RCA, Quasar, Sylvania. Further boosts seen next spring. Buckbee-Mears raises color tube shadow masks. (P. 9)

NEW VCRs ON WAY: Zenith introduces its 2-week programmable Beta at \$1,350. Advanced models by GE, Hitachi, RCA, Sanyo, Sears, JVC & Zenith approved by FCC. (P. 10)

RECORD INDUSTRY wants to whistle home video tune, but first must deal with problems of cost and copyright, speakers say at Billboard conference. Videodisc jukebox shown. (P. 11)

TV INDUSTRY INJURY slated to be tackled by ITC on 2 fronts next month. COMPACT seen petitioning for color import quota extension. Sanyo to ask re-investigation of dumping injury finding. (P. 11)

PROJECTION TV sweeps industry in low-keyed way, virtually all U.S. & Japanese majors fielding models or known to be making plans. (P. 12)

didate John Connolly already has said he'd do just that.) Chmn. also argued that it wasn't an "editorial judgment" by networks that caused Carter to be turned down but an "economic judgment."

Majority based its ruling on Sec. 312(a)(7) of Communications Act, which requires licensees to provide "reasonable access" to candidates—and that this applies to networks since they also are licensees and act as "agents" for affiliates. In past, reasonable access generally has meant 45 days before primaries, 60 days before general elections. Commission said that "in the absence of further direction, we must also assume that Congress wanted to delegate... broad responsibility" under Sec. 312. Majority continued:

"We are faced here with national candidates who are looking toward a series of primary elections, caucuses and other nominating processes in virtually all 50 states. The nomination of candidates to the nation's highest office is a uniquely important process that requires special consideration as to when access to the broadcast media should begin... The purpose of the proposed program is to set the tone for the President's entire campaign and this purpose cannot be accomplished at a later date."

Commission also cited "undisputed evidence" that Presidential campaign "is already in full swing" as a reason for finding networks "unreasonable," said level of campaign activity "reflects facts that exist independently of any broadcaster's news judgment." Majority said it wasn't substituting its judgment for that of networks, disputed contentions of many that action violated First Amendment.

In dissent, Lee called decision "far reaching," said FCC is establishing "a new precedent of conditional candidacy" since Carter hasn't yet qualified as candidate (majority said decision won't take effect if President hasn't qualified in at least 10 states before going on air). "While people may be curious... this curiosity does not create a national right to access to network time," Lee said. "It simply suggests a topic for network news coverage... This decision is a serious abuse of the Commission's discretion."

Washburn contended ABC's offer of time in Jan. was reasonable. He said majority "has established an unfortunate precedent... that the candidate's own determination of his needs is overriding," saw as "the most troublesome by far" Commission's interference with network's discretion. Jones said that facts don't show networks have been unreasonable, that FCC should not substitute its judgment for networks' "absent a clear showing that the networks have acted in an unreasonable manner."

Ferris & Fogarty countered that majority hasn't substituted its judgment for that of networks "in any manner." Paramount to decision "is the public interest in an informed electorate," they said, and "utter denial of reasonable access for candidates because of slight disruption in programming cannot be countenanced."

Quello noted that, over last 2 years, he repeatedly has called for repeal of Secs. 312 & 315 of Communications Act but "whatever my personal philosophy might tell me... I am charged with the responsibility of enforcing" law until equal time & access provisions are repealed. He said that as long as access provision remains, "I can only assume that it mandates greater... access than would otherwise be available if the choice were left to broadcasters."

Networks unanimously attacked constitutionality of FCC action. CBS said its refusal to sell 30 min. was "an editorial decision" no different from refusal in 1973 to sell Democratic National Committee time for editorial advertising—action upheld by FCC and courts. "This sensitive area is particularly inappropriate in view of the political considerations involved when the President himself seeks access to the media." Also, CBS said, since Oct. 1 Carter has made 4 speeches (totalling nearly 2 hours) on CBS and appeared 52 times on news shows.

House Communications Subcommittee Chmn. Van Deerlin offered his "congratulations to the FCC—it tackled a tough issue head on." However, he also saw First Amendment questions which "will grow only more vexing and urgent as the campaigns step up... We need prompt legislation to guide us through 1980. We also need immediate action to deal with the Presidential primaries."

From NAB Senior Vp-Gen. Counsel Erwin Krasnow: "The FCC's decision stands the First Amendment on its head. Even though at least 4 of the 7 commissioners regard the case as 'very close' and one of first impression, the FCC has labled the networks' decisions as unreasonable. It's a classic case of the government second-guessing the journalistic decisions of broadcasters. It is a form of compulsory free speech—a contradiction in terms when one realizes it is the government that is dictating the terms."

CABLE'S TOP 50 PLAN 36.5% MILES INCREASE: Top 50 cable operators have raised sights markedly in terms of plans to build, our latest survey shows. In semi-annual tabulation, included in Special Supplement to be distributed at Western Cable Show in Anaheim Dec. 12-14, top 50 reported Oct. 1 they plan to build 42,645 miles of plant in next 12 months. This is 36.5% more than they were planning 6 months ago, and 84.6% more than they had planned year ago. If they build as they expect, their existing plant of 196,198 miles will grow 21.6% in a year.

Second striking figure in tabulation is growth of pay cable. Top 50 have increased this category of subscribers 32.3% to 3,704,121 as of Oct. 1. Among other key figures, all compared with last report 6 months ago: Total basic subscribers, 10,653,498, up 6.7%; homes passed by cable, 18,849,925, up 6.7%; homes in franchised areas, 23,986,312, up 5%. (Foregoing reflects correction of our May NCTA Supplement to show Manhattan Cable was included in ATC figures, shouldn't have been reported separately.)

Top 10 maintained positions: Teleprompter, 1,234,800 basics; ATC, 975,000; TCI, 781,000; Warner, 660,000; Cox, 655,871; Times Mirror, 459,000; Viacom, 415,000; Sammons, 362,008; Storer, 328,000; UA-Columbia, 301,273.

SENATE SPEARS FTC: Senate Commerce Committee overwhelmingly adopted amendments to Magnuson-Moss Act proposed by Sen. Ford (D-Ky.) which would kill FTC kid ad proceeding and make it more difficult for FTC to undertake advertising rulemaking in general (Vol. 19:47 p4).

Two amendments approved by Commerce Committee would have direct bearing on children's ad rulemaking, if passed by full Senate & House and signed by President: (1) Change in Magnuson-Moss wording on advertising rulemaking authority given to FTC; ads would have to be "false and deceptive" instead of "unfair or deceptive," as current wording states. FTC staffers and pro-rulemaking observers agree that current kid ad rulemaking rests mostly on "unfair" charge. (2) Amendment which would end any rulemaking in which full text of proposed new rule wasn't published before rulemaking proceedings began. Kid ad rulemaking is one of only 2 rulemakings since 1975 passage of Magnuson-Moss Act in which final rule proposal hadn't been formulated before beginning of rulemaking.

Amendments, which are attached to FTC authorization bill, are expected to reach Senate floor by end of year. There, opposition is expected to be led by Sen. Metzenbaum (D-O.), who may filibuster against amendments, and liberal Republicans Javits (R-N.Y.), Mathias (R-Md.) & Packwood (R-Ore.). Nevertheless, new restrictions on FTC are given excellent chance of passage in anti-regulation climate on Hill.

Minor mystery in Commerce Committee vote was general acquiescence of Sen. Magnuson (D-Wash.) to proposed dismantling of act which bears his name. Magnuson voted against ad amendment (and also amendment against standards & certifications rulemaking) but didn't contest other amendment votes. Senate aides pointed out that Magnuson faces tough reelection campaign with increasingly conservative electorate in home state.

Consternation over Commerce Committee vote was great—ACT Pres. Peggy Charren said vote "was an incredible display of the ability of well-financed lobbies to get their way." But continuing to go unnoticed in anti-FTC hoopla was fact that Senate & House still differ on legislative veto issue. Veto wasn't part of package approved in Commerce Committee vote, may have difficult time on Senate floor. But House appears adamant about passing FTC authorization bill with veto attached.

EXTENDED, DIFFICULT WARC: U.S. was experiencing difficult negotiations in Geneva last week as WARC was officially extended one week to Dec. 5. Our correspondent in Geneva reported that tough stands by developing nations were threatening several U.S. objectives. Most serious setback was decision in Allocations Committee to add 3.5 GHz to fixed satellite service—needed by U.S. for sophisticated AWACS military radar system. But minor success came in Allocations Committee also, which approved portable 14-GHz TV satellite uplink service.

Conflict between U.S. and developing world, much predicted before WARC, appeared to be growing increasingly serious as conference ended 9th week. Developing nations were voting largely as block, with India providing much leadership. U.S. stressed that it's still too early to make concrete predictions about final WARC outcome, many plenary and editorial sessions remaining, status of various proposals changing almost hourly.

U.S. intends to continue struggle to preserve AWACS radar band but if it fails it may take drastic step of registering official "reservation" to the final treaty—in effect a declaration that U.S. won't be bound by decision. This would be only 2nd reservation taken by U.S. to WARC decision.

One major U.S. accomplishment at WARC—to reorganize 12-GHz band for fixed and broadcasting satellites—raised U.S. morale for several days, but was closely followed by decision to hold new space WARC in mid-1980s that could result in rigid planning of fixed and broadcast satellite services. Decision could potentially lead to allotment of slots and frequencies to nations with no immediate intention of using. In HF area, U.S. objective of adding about 1,700 new frequencies for international broadcasting appears likely to be only partially achieved. In domestic broadcasting, U.S. proposal to share UHF band between TV and land mobile also appears to lack support, although U.S. plans to continue such sharing through footnote to final agreement.

In victory for U.S. broadcast journalism, Allocations Committee approved use of transportable 14-GHz uplinks by TV news crews, with almost certain approval by plenary. News uplink service was made secondary service (pre-emptible by other services) and will remain subject to domestic regulation—but could make live TV news from almost any site in world possible.

With matters here remaining in great flux, and decisions taken thus far still subject to semantic and substantive change, one concrete development is that WARC will defer many major details to long series of specialized conferences stretching into next decade and beyond. Tentative lists of specialized meetings circulating at Geneva's International Conference Center includes proposed sessions on planning for high-definition TV systems; maritime, aeronautical & land mobile services; global distress and safety systems; radio astronomy; satellites; high frequencies; AM broadcasting.

WTVY Dothan, Ala. is buying KRCG Jefferson City, Mo. for \$9 million from Kansas City Southern.

QUELLO CAMPAIGN IN STRIDE: "I'd say the chances now are about 50-50, where 6 weeks ago they weren't worth a plugged nickel." This is assessment of Comr. Quello's chances for reappointment to FCC by someone close to situation. His term expires June 30.

Quello acknowledged drive for reappointment now is out in open, said original plan was for friends to start campaign in Jan.-Feb. "My hand was forced because it looked like someone else would be announced before then," he said. He has considerable major support, including strong endorsement from National Italian American Foundation which counts 35 members of Congress as members. Another supporter said "there's already some pretty strong stuff going into the White House" on Quello's behalf. Several state assns. have endorsed Quello and NAB is working hard behind scenes for his reappointment.

Many imponderables surround his renomination: (1) Unusual Presidential election year when incumbent is being challenged strongly by member of his own party. There's speculation that Senate Democrats won't be in hurry to confirm anybody, waiting to see who gets nomination and if their party retains White House. This means Quello still could be sitting in Jan. 1981 without being renominated. (2) Expected strong opposition to Quello by FCC Chmn. Ferris; they're seldom on same side on major issues, notable exception being last week's vote on Carter request for time from TV networks. Quello told us his vote with majority in 4-3 decision had nothing to do with desire for reappointment but rather with his conviction that mandate for reasonable access must be enforced as long as it's on books. "It's going to be natural that people will say my vote was influenced... but my statement on Carter-Mondale sets forth my position perfectly" (see p. 1), he told us.

(3) Opposition of ethnic, citizens & public interest groups to Quello reappointment—primarily based on fact he's ex-broadcaster. Exception is National Black Media Coalition, which has told Quello it won't oppose him. (4) Drive—which also has considerable support in Congress—to appoint Hispanic to seat now held by Quello.

Home Box Office has bought pay-TV rights for 58 movies from Paramount. Deal "breaks stalemate of many months duration," says HBO, includes such titles as "Starting Over," "Grease," "Saturday Night Fever," "Heaven Can Wait," "Foul Play." Paramount & HBO had been at loggerheads over fees. Films will be shown starting next year as part of package HBO calls "far & away the largest" yet negotiated. Paramount is releasing many of same titles to home video market (Vol. 19:46 p12), giving VCR owners slight time edge over pay subscribers.

Public broadcasters are considering proposing that Comsat donate transponder on direct-to-home satellite for use of proposed "University-of-the-Air," to be funded with \$150 million Annenberg grant (Vol. 19:47 p1). Belief is that Comsat, to get FCC approval, will have to have pro bono uses, and public broadcasters hope to be in line first.

DEREGULATION NO, ACCESS YES: Access to TV & cable channels, no deregulation of radio or TV and legal designation of CATV systems as common carriers—these are main conclusions of 2-day symposium, mostly of representatives of public interest groups, in N. Y.

Symposium was co-sponsored by Hunter College Center for Lifelong Learning and organization called On TV Ltd., keynoted by FCC Chmn. Ferris who stressed regulation and development of technology. "Who shall control access?" Ferris asked. "The role of the information gatekeeper will become increasingly important" as new technology reaches homes. Faced with regulatory questions for future, he said: "It seems at times as if we are squeezing the square peg into a round hole when we should be redesigning the game" of regulation by FCC. He asked:

"Is a cable TV operator who transmits another company's programs by wire a common carrier subject to rate and access regulation? Or is it a broadcaster, with much greater discretion over rates and access to communications—but also subject to the fairness doctrine and other programming duties?... If we leave all access decisions to the... owners and operators, we risk allowing controversial and unpopular ideas to be privately suppressed. But, if the government has the power to determine access, we undercut the very freedom that has spurred us to explore new ways of communicating information better."

Ferris suggested "there may be a middle course." However, David Gregg of symposium staff saw no alternative except mandatory access. "I don't want to be a goddamned employee," he said. "I want to have a mind of my own... You either work for them [broadcasters & cable operators] or you don't gain access... Make me democratic legally rather than the private property of country club members... This can be done only through regulation."

Symposium was divided into 5 panels—public interest, professionalism, new technology, alternate financial structures for broadcasting and regulation vs. non-regulation—after which workshops were held to come up with recommendations, to wit: Move toward more regulation, rather than deregulation; more enforcement of Sec. 315 and fairness doctrine by FCC; make cable common carrier on graduated basis, say 4 channels first year, 4 more 2nd year, etc.; spectrum fee, tax on sets and annual license fees rejected in favor of a tax on advertising; TV stations should offer free studio facilities, technicians, etc. for public interest groups; "everything is focused on an increase in access... deregulation is not to be recognized."

UA-Columbia has contracted with Arbitron to conduct national surveys of Madison Sq. Garden Sports Network. Survey will be Arbitron's first move into national cable program measurement.

FCC Private Radio Bureau has established education branch to "encourage and explain the need for rule compliance and good operator practices in the private radio services."

While decrying censorship—"banning specific programming content"—on one hand, FCC Chmn. Ferris nevertheless believes that "we [FCC] must, however, play some role in TV programming if the marketplace fails to provide adequate programming choices for the public." Speaking at Harvard's John F. Kennedy School of Govt., he cited children's TV rulemaking (Vol. 19:47 p1) as example. He said relying on marketplace for regulation—as FCC proposes to do in radio—"appears at present inappropriate" for TV as long as "programming continues to be dominated by 3 large and largely similar commercial networks, each vying for the same mass audience." Eventually, Ferris continued, Commission's focus should shift away from concern about TV programming and "toward new technologies even more revolutionary in their potential impact on our society" and diversity they'll provide. Then, he predicted, success won't rely on dividing market into thirds but in capturing a 10% share "that will be earned by imagination and thoughtful programming decisions, not inherited by a lack of alternatives."

Corydon Dunham, NBC exec. vp-gen. counsel, speaking at Princeton Conference on Media & the Law: "We now see the prospect of great technological growth with many new information services to the public. Virtually all of these will be electronic. The fairness doctrine initially attached to the electronic system of communications on the stated ground there was scarcity. But times have changed. There is diversity today. There is a wealth of information on the airwaves. But when we no longer have even this purported ground for government censorship—as these new systems of electronic communications come about—will the fairness doctrine fade away? Will government release its grasp on the flow of information conveyed by means of electronics to the public? Or, will freedom be confined to ink on wood pulp?"

"Unwise, unnecessary and unfair." That's what NAB said of FCC rulemaking to trigger ex parte rules once informal objection is filed to pending petition or application. Under present rule, ex parte contacts are forbidden only after case is designated for hearing. NAB told Commission that extension of rule to cover technically deficient pleadings wouldn't further goal of preventing one party from gaining an unfair advantage, would instead be "unfair to the applicant and the public and... would generate needless confusion."

Prime time ratings rose 24% for PBS in first week of Oct., jump being seen at last partially due to common carriage (stations carrying same shows on same evening for first time). Cumulative prime time audience for week was 23.4%, cumulative overall 44.1%.

NCCB plans anti-radio-deregulation workshop Dec. 3 in Washington; speakers will include Chmn. Ralph Nader, Pres. Nicholas Johnson, others in consumer groups.

ABC acquisition of Macmillan has fallen through—just 9 days after both boards had approved \$338 million merger—and neither company would tell why.

Personals

David Wedeck, ex-CBS Entertainment, appointed vp-program scheduling, NBC Entertainment; **Stanley Klubeck**, ex-Hertz, joins NBC as vp-personnel & labor relations, west coast; **Robert Basche** promoted to dir.-talent & promotion, NBC Sports; **Ellen Aggress**, NBC senior counsel, promoted to asst. gen. attorney for govt. affairs.

Martin Rubenstein, Mutual exec. vp-administration, promoted to pres.-chief exec. officer; Exec. Vp **Gary Worth** resigns "to pursue other business activities"; Mutual exec. committee has been abolished, Rubenstein taking over its functions. . . **Mel Chen** promoted to asst. mgr. of administration, ABC west coast technical operations center.

Frederick Barber, WRAL-TV Raleigh vp-gen. mgr., assumes same post with WSB-TV Atlanta Jan. 1, succeeding **Donald Heald**, who moves to parent Cox Bcstg. vp until his retirement later in year. . . **Thoren Schroock** promoted to vp-sales, CBS TV Stations Div. . . **Michael Tanner** joins KOMO-TV-AM Seattle as promotion & research mgr., new post. . . **Neil Kuvlin**, ex-WABC-TV N. Y., named vp-gen. mgr., WPTF-TV Raleigh-Durham, not program dir. as reported (Vol. 18:47 p7). . . **Catherine Shaffer** promoted to sales mgr., KYW-TV Philadelphia.

Sylvester (Pat) Weaver, consultant, author and one-time NBC-TV pres., will keynote Dec. 8 pay-TV symposium in L. A., sponsored by ATAS. . . **Richard Auriello**, PR exec. and ex-N. Y. deputy mayor, appointed senior vp-govt. affairs, Warner Cable, new post. . . **Elmer Lower**, veteran network news exec., named S.I. Newhouse professor, Syracuse U.

Ed Christian, chmn. of Arbitron radio advisory committee, and **William Brazzil**, TV advisory chmn., appointed to respective committees of Bcstg. Rating Council. . . **Jeff Allen** named chief exec. of newly formed Gold Key Media, barter firm subsidiary of Gold Key Entertainment. . . **Michael Presbrey**, ex-CBS, appointed vp-sales, ESPN. . . **Leslie Lillien**, Air Time International mktg. services dir., adds duties as information dir., replacing **Sid Bakal**, retired.

Obituary

D.C. Appeals Court Judge Harold Leventhal, 64, died Nov. 20 in George Washington Hospital following heart attack while playing tennis. Appointed to Court in 1964, he usually was aligned with liberal wing, participated in several major broadcast decisions. Wife, daughter & son survive.

Dudley Taft, Taft Bcstg. pres., at recent meeting with N. Y. Society of Security Analysts: "In-home technological changes in the 80's will be as revolutionary as talking pictures and the advent of TV itself. These new technologies will provide substantial demands for new and better forms of programming. . . and substantial demands for existing inventories. That's why we're in the entertainment business. . . That's why we intend to expand in it."

CABLE COPYRIGHT HEARING: MPAA and NAB support additional legislation making cable fully liable for copyright royalties. In statements prepared for Nov. 27 House Subcommittee on Administration of Justice hearing on copyright, NAB Pres. Vincent Wasilewski and MPAA Pres. Jack Valenti charge that technological innovation has caught up with Copyright Act of 1976.

"The NAB does not believe that the Congress intended to favor one industry in such a dramatic way but understandably found the issue to be so difficult that the agreement between the cable industry and the major copyright holders seemed at that time a reasonable solution to the dilemma," Wasilewski notes. "If we are to continue competing with this fast growing industry, we believe the Congress must realize that the 1976 copyright bill not only did not solve a problem, but instead, created serious new ones."

Wasilewski singles out satellite distribution, super stations, and growth of cable business beyond simple retransmission service as reasons for re-examination of copyright. Recommended solution is less copyright regulation of broadcasting: "We believe Congress should take a strong look at the continued advisability of a compulsory license for all broadcast programming."

Valenti position: "We support amendments to the Copyright Act to: (1) Require cable systems to respect agreements between program owners and TV stations for the exclusive use of programs. (2) Grant the Copyright Royalty Tribunal increased flexibility to establish cable royalty rates and to administer the provisions of Sec. III of the 1976 Act. MPAA favors the abolition of the arbitrary cable rate structure to be replaced by negotiated cable fees for re-transmissions of broadcasts with cable retaining its compulsory license. (3) Require satellite carriers to obtain permission from copyright owners for re-transmission of superstation broadcasts."

Warner Cable systems in Columbus, O. & Reston, Va. will be test sites for Video Catalog Channel featuring American Express Christmas gift catalog. Reston's 6,000 subscribers can phone in orders after viewing products; 30,000 taking Qube in Columbus will use 2-way terminals. Meanwhile, Warner reported that votes of 1,500 Qube subscribers who watched Nov. 17 debate between State Sen. Thomas Van Meter and 2 Ohio State U. Iranian students showed 75% against Shah's return, 56% for World Court trial, 68% for military intervention, 95% for oil cutoff.

Broadcasters weighed in, commenting on Federal Election Commission inquiry, urging that they be permitted to sponsor federal candidate debates. Typical was joint comments by NAB, NPR & RTNDA, which suggested FEC drop idea of regulating debates, determine that broadcaster sponsorship of debates complies with law. Groups noted that FCC and Senate itself favor their position. NCCB disagreed, said newspapers and broadcasters sponsoring debates "could inject their partisan views."

NRBA board meets Jan. 10-13 in Scottsdale, Ariz.; major issues include radio deregulation and proposed expansion of board.

'STEP BACKWARD' IN KID TV: "I deplore it... It's a step backward," House Communications Subcommittee Chmn. Van Deerlin (D-Cal.) said last week of FCC's children's TV rulemaking (Vol. 19:47 p1). "Simply put, how do you determine what is or is not children's TV?" he asked while answering questions at NAB TV conference in Houston. He praised ABC efforts, said "I just don't understand" why Commission staff didn't give that network credit in making its proposals (Vol. 19:45 p1).

Van Deerlin also said Subcommittee will mark up common carrier bill early next year that will provide for CATV coverage in rural areas. Of fairness doctrine and Sec. 315, he said: "I would like to see it simply done away with... rendered obsolete."

During Houston legal panel, attorney Martin Levy, former deputy chief of FCC Bcst. Bureau, said FCC Chmn. Ferris has no "philosophy" upon which broadcasters can depend. "The chairman makes up his philosophy as he goes along... He's for deregulation one day and tough as hell the next."

Attorney Joel Rosenbloom said FCC actions are "dominated by the thinking of economists," predicted practically all cable rules will fall by wayside although "there's a chance" TV stations will be able to retain syndicated exclusivity. He also saw "good chance" that FTC's proposed restrictions on kid TV advertising (see p. 3) can be beaten "but I wouldn't bet on it." Of newest commissioner, he said: "Anne Jones is in nobody's pocket and certainly not in the chairman's office."

Rosenbloom called FCC's children's proposal "an infuriating report" because it's "intellectually dishonest." NAB Exec. Vp-Gen. Counsel John Summers urged broadcasters "to go to the commissioners and lobby the hell out of them" on children's TV. He said industry has opportunity it seldom enjoys before major FCC vote because of 45-day "window" before ex parte rules are enforced.

FCC has denied request from WNET N.Y. that Commissioners visit proposed studio facilities at Essex County College before issuing orders in case, which centers around proposals that station increase N.J. presence. Visit would have been unprecedented, and Commission majority agreed inspection would serve no purpose and would delay proceeding. Quello & Washburn dissented. Staff was instructed to prepare order requiring revised proposals from station.

Citing congressionally imposed reduced travel funds, FCC said Field Operations Bureau no longer will hold special examinations for radio operator's licenses away from field offices. Most such examinations in past have been held in conjunction with amateur radio conventions.

Scientific-Atlanta plans to sell 600,000 shares of common stock worth \$22.5 million. Proceeds will be used mainly to repay bank borrowings, which bear interest at 15-3/4%, could also help support \$12-million capital budget for current fiscal year.

Kan. State Network board has approved merger with Standard Communications, and agreement has been signed.

Arbitron & Video Probe Index will conduct "benchmark" study of CATV audiences in top 25 markets, based on results of Arbitron's Nov. & Feb. sweeps. They'll select 3,000 basic cable, 3,000 pay TV & 3,000 non-CATV subscribers, from 50,000 diaries, to receive 8-page "attitudinal/life style" questionnaire. Arbitron expects answers from 5,000-7,000, will use data for \$10,000-\$15,000 basic report & 16 other studies selling for about \$3,000 each. Among topics to be covered are satellite & MDS transmission, superstations, basic & pay cable and movie theater & sports attendance. Results are due in May, could start regular service, similar to approach of Nielsen which recently completed first CATV analysis. Arbitron says difference is that its emphasis is on subscriber satisfaction (Vol. 19:44 p3). Arbitron also is doing audience studies for cable systems including UA-Columbia's Madison Sq. Garden Sports Network. Nielsen did earlier MSG analysis on behalf of Young & Rubicam, which has several clients advertising on network. Arbitron also will measure impact of home video (see p. 9).

Natural affinity between advertisers and TV has been impaired in recent years "by the overzealous actions of a small but very visible group of investigative reporters who have made a practice of slugging the advertiser in the chops while their associates in the sales department were accepting an order from the same company." This is according to AAAA Pres. Leonard Matthews, who told regional meeting in N.Y. that often big business—"wrongly in my opinion"—has become a stereotyped villain to TV newsmen. "Big business, big oil, big auto, big drug, big public utility all take their turn in the barrel... It's time that balance and responsibility be brought back to the news departments."

N.Y. State Appeals Court has narrowed grounds by which press & public can be barred from pretrial hearings, saying mental competency hearings should be open. Other free press developments: (1) Wis. Gov. Dreyfus has signed bill protecting newsrooms & other places from "fishing expeditions by police." (2) Ia. Supreme Court will permit electronic media coverage of court proceedings, beginning Jan. 1 for one-year experiment.

ABC Pres. Elton Rule took swipe at pay cable during speech to Detroit Adcraft Club, said its programming is "pirated from another medium," lacks "incentive" to create "own software." ABC says Rule's comment was directed more at basic cable than pay cable and fact that Home Box Office & Showtime pay considerably less for feature films than networks.

"Getting What You Bargained For: A Broadcaster's Guide to Contracts & Leases" titles NAB-published book being offered for \$15 to NAB members, \$45 non-members, \$20 school libraries. Contact Judy Meehan, Publications Dept., NAB, 1771 N St., NW, Washington, D.C. 20036.

WCIV Charleston, S.C. appoints Katz TV Continental rep, replacing Petry TV.

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STATE OF THE INDUSTRY

Sales to dealers (total market), from EIA, for week ended Nov. 26 (45th week of 1979):

	Nov. 3-9	1978 week	% change	Oct. 27- Nov. 2	1979 to date	1978 to date	% change
Total TV.	325,415	334,558	-2.7	433,020	13,575,195	13,636,735	-0.5
color	198,650	213,359	-6.9	258,923	8,396,805	8,638,259	-2.8
monochrome . .	126,765	121,199	+4.6	174,097	5,178,390	4,998,476	+3.6
Home VCR	12,561*	9,852	+27.5	12,267	380,860*	323,097	+17.9
Total radio	615,471	692,383	-11.1	1,030,411	35,385,808	40,237,753	-12.1
home, portable	395,568	435,932	-9.3	792,606	24,394,006	29,197,448	-16.5
AM-only	71,872	171,925	-58.2	97,161	4,748,867	6,787,534	-30.0
FM & FM-AM	323,696	264,007	+22.6	695,445	19,645,139	22,409,914	-12.3
auto	219,903	256,451	-14.3	237,805	10,991,802	11,040,305	-0.4

Color TV 5-week moving average: 1979—228,603; 1978—238,280 (down 4.1%).

Home VCR 5-week moving average: 1979—14,656*; 1978—13,606 (up 7.7%).

*Record for period.

COLOR SUPPLY DOWN IN 3RD QUARTER: Conservative approach to production by domestic makers, 8-week strike at Sanyo's Forrest City, Ark. plant and sharp fall-off in complete-set imports combined to make July-Sept. industry's 2nd consecutive down quarter in terms of new color supply. New supply equals production plus imports, as derived from EIA & Commerce data.

Even with adverse conditions, increment coming from increased output here by or for Japanese-brand marketers pushed 3rd-quarter domestic output slightly above same 1978 months, and 1.96-million total was 2nd highest 3rd quarter in history, trailing only the 2.08 million turned out in 1973. However, it was first time this year that quarterly production fell below 2 million. It was enough though to give industry 9-month color production record, if only by 1,000 sets. For imports, July-Sept. was lowest quarter in 4 years, and lowest 3rd quarter since 1971.

While color figures generally agree with our understanding of market conditions, b&w numbers on domestic production have us scratching our heads, as they have all year. In opening quarter this year, they indicated unbelievable 50.2% jump in U.S.-made output, in 2nd they were down 81.5%, and for 3rd show 41.2% rise. Fortunately, number of actual units involved is small; indicated production rise in 3rd quarter is less than half an average week's sales to dealers—so relative production-vs.-imports picture isn't changed significantly. Root of problem may be that imported mini-combos do not show up in Commerce's monthly unit import figures, but are estimated in EIA's totals. Resolution may come next year when Commerce is expected to start reporting such imports at EIA urging.

Import drop resulted in sharply improved market position for domestic-made TVs, including those produced in foreign-owned plants. U.S. factories accounted for 56.7% of total new TV supply for full period, up from 50.7% in same 1978 months, though just 52.3% in quarter, up from 44.7%. In color, U.S.-made share rose to 85.6% from 74.8% for 9 months, to 85.8% from 71.1% for quarter. B&w share edged up to 12.6% from 11.9% for 9 months, to 8.3% from 5.6% for quarter.

Those color share totals don't take into account that an indicated 29.7% of sets made during full period were assembled from imported chassis or kits, up from 26.6% last year. In quarter,

use of foreign assemblies accounted for 38.1% of domestic color output, up from 29.1%. On that basis, imports provided 39.8% of 9-month and 46.9% of 3rd quarter color supply, down from 45.1% & 49.6% in same year-earlier period. Here's how we see 9-month & 3rd quarter TV supply picture:

9-MONTH U. S. TOTAL TV SUPPLY

		U. S. Produced*	% change	Imports	% change	Total Supply	% change
Total TV	1979.	7,006,000	+7.5	5,337,000	-15.8	12,343,000	-4.0
	1978.	6,519,000		6,338,000		12,857,000	
Color TV	1979.	6,392,000	+7.7	1,078,000	-46.1	7,470,000	-5.8
	1978.	5,933,000		2,000,000		7,933,000	
B&w TV	1979.	614,000	+5.0	4,259,000	-1.8	4,873,000	-0.1
	1978.	586,000		4,338,000		4,924,000	

3RD QUARTER

Total TV	1979.	2,103,000	+3.4	1,916,000	-23.8	4,019,000	-11.6
	1978.	2,034,000		2,514,000		4,548,000	
Color TV	1979.	1,959,000	+1.4	324,000	-58.9	2,283,000	-16.0
	1978.	1,932,000		787,000		2,719,000	
B&w TV	1979.	144,000	+40.2	1,592,000	-7.8	1,736,000	-5.1
	1978.	102,000		1,727,000		1,829,000	

*Includes TVs assembled in U. S. at domestic & foreign-owned plants from imported kits, chassis & subassemblies. Imports are complete sets only.

ZENITH, MAGNAVOX RAISE TV PRICES: Year-end wave of color TV price hikes has started, but first boosts—by Zenith & Magnavox—follow recent policies of relatively small increments, certainly not enough to cover 14.5-16% increases in color tubes. Quasar is expected to follow this week, most others in Jan.—but all industry eyes will be focused on RCA distributor meeting next week in San Diego to determine whether there might be breathing space for further upward movement before spring.

Zenith told Chicago distributor meeting that it's lifting suggested retail color TV prices \$10 across-board on every model, including leaders, Dec. 1 and plans further selective increases Jan. 1, which combined will increase color TV factory revenues by about 2.5%. This works out to about \$15-\$20 hike in average set's suggested retail price—still short of \$20-\$40 rise which would be necessitated by proposed increase in tubes alone. Some Zenith b&w prices also were increased "modestly."

In letter to dealers Nov. 21, Magnavox announced 1-1.5% boost in factory prices of color portables, 2-2.3% in consoles. Quasar is believed to be planning price announcement at sales meeting this week. Sister company Panasonic says it may boost color console prices 2-3% in Jan., but it's sold out through spring, and that any change in portable prices will have to wait until spring because of limited supply. Sylvania probably won't announce increase at Dallas sales meeting this week, but is expected to go up Jan. 1 with boost larger than total of this year's incremental hikes.

Among import brands, picture is mixed. Hitachi says it will go up in Jan., but amount won't be decided until after meeting with reps next month. Company is believed to have been planning 2-3% rise, now looks for something more substantial. Sharp plans no increase until spring; first deliveries from its Memphis plant are just beginning, and these sets have been priced with increased costs factored in. Toshiba's completely new line already reflects new pricing realities (Vol. 19:40 p10).

Industry's biggest mystery is how Sanyo holds price line. Its current prices on TV & audio are identical with April 1979 price sheet—it hasn't moved all year, while most companies have

had 2 increases. In fact, its Nov. prices are same as those of spring 1978, although that earlier line included many Japan-made sets, while most now are built in Forrest City, Ark. Its Nov. prices supposedly are good through May 1. How it's absorbing new picture tube and other material costs, plus wage settlement, is question of year.

Picture tube costs, already buffeted by large rises in glass, metals & energy, take another blow in Jan. when Buckbee-Mears, largest supplier of color TV shadow masks, raises prices average of 3%—actual increments varying according to mask styles & sizes. It appears to be foreordained that this winter's TV set price increases are interim measures in gradual step-up to bigger boosts when new models come out in spring.

Note: In announcing price boosts, Zenith indicated to distributors that it's regaining its lost market share and "expects 1979 to be the best color TV unit sales-to-dealers year in its history."

NEW VCRS ON WAY: Newest generation of VCRs, born last spring, will become widely available from now through rest of winter. Among major features of new models are longer playing time, freeze-frame, fast- & slow-motion.

Zenith last week announced Video Director programmable (VR 9700J) similar to Sony's upcoming SL-5600 (Vol. 19:18 p7). Like Sony's, it can be programmed for 4 programs over 14 days, or daily repeat, has triple-speed play, remote pause & freeze-frame, visible fast-forward ("Speed Search"), records 5 hours on L-830 cassette. It's priced at \$1,350. Unlike prototype demonstrated by Sony last April, Zenith model is covered in vinyl leatherette.

Some new-generation VCRs received FCC type approval in Oct. Included on list—many not yet formally introduced—were models by GE (1VCR-1010W), Hitachi (VT-5600A & VT-5800A), RCA (VDT625 & VDT575), Sanyo (VRF 634S), Sears (RF 634S), JVC (HR-4110U), Zenith (S135OC).

Japanese businesses in U.S. employed 81,300 U.S. workers at end of 1978, along with 10,500 Japanese, according to survey conducted by Columbia U. under sponsorship of Japan Society. Report says Japanese had 1,177 businesses here, including 210 manufacturing operations. Japanese investments in U.S. operations exceed \$3.4 billion, and value of their production here was pegged at \$4.8 billion annually. Indirectly, study says, Japanese operations account for additional 262,000 jobs among suppliers of goods & services, as well as public jobs paid for by Japanese taxes. Excluded from those totals, study says, are jobs of 113,400 retail selling slots directly related to Japanese products, plus 143,300 jobs dependent on U.S. exports to Japan, 24,800 jobs serving Japanese businessmen and tourists visiting U.S.

ABC Video Enterprises has acquired rights to 1980 Winter Olympics in Lake Placid, N.Y., probably will make games its 2nd pre-recorded videocassette entry. First is Pope's U.S. journey (Vol. 19:46 p12). Talk by ABC Pres. Elton Rule at Detroit Adcraft Club mentioned other projects, including pending agreement with Shubert theater group, discussions with "2 leading opera & ballet organizations," adaptations of rock concerts staged by ABC Radio Network and do-it-yourself articles appearing in ABC-owned Chilton magazines.

FBI and Nassau County (N.Y.) Dist. Atty. struck Nov. 20 in separate piracy & obscenity actions against Adwar Video. Adwar gained notoriety on Feb. 25 "60 Minutes" when employees in N.Y. store were shown selling bootlegged copies of "Star Wars" & "Grease" (Vol. 19:10 p10). FBI search of 2nd outlet in Belmore, N.Y. resulted in seizure of 100 items, including duplicating equipment and titles such as "Alien," "China Syndrome," "Saturday Night Fever." Investigation is still "ongoing," says FBI. Obscenity indictment was handed up for sales by Adwar and Marvin Less-Lee Inc. of "Teenage Cruiser" & "Oriental Babysitter." Adwar representative appeared voluntarily for arraignment; company faces up to \$5,000 fine, principals up to \$1,000 and year in jail. Nassau County Dist. Atty. says 4 of 6 retailers complied with earlier request to stop sales after residents had complained. State law makes sale of obscene material Class A misdemeanor, has no authority over possession.

Home video impact will be measured as part of Arbitron-Video Probe Index study of cable & other "new electronic media" (p. 7). Subjects earmarked for study are video games, VCRs, videodiscs, large-screen TV, teletext & home computers. Arbitron revised its reporting procedure 2 months ago, began counting off-air recordings as programs viewed at time of broadcast. Meanwhile, another VCR survey will be conducted by Media Statistics in Jan. & Feb., asking 20-30 questions about off-air tapes, pre-recorded cassettes, piracy, etc., of some 800 set owners. Company expects responses from 500-600, wants to do 2 a year at cost of \$30,000 each. About 100 VCR homes are selected from 10,000 a month sampled in company's TV audience surveys. Media Statistics plans to release latest data on VCR brand penetration in Dec.

Industrial data system using longitudinal-scan video recorder for storage has been announced in Japan by Toshiba. System uses lasers to read material and to make hard copy, has random-access and erase capability, lists at about \$30,000. Toshiba is slated to show updated consumer version of LVR at Winter Consumer Electronics Show opening in Las Vegas Jan. 5.

Linear Video Recorder is official name adopted by BASF for longitudinal-scan video recorder (LVR) it plans to market next year. BASF hopes designation will help keep format separate in minds of consumers from other LVRs under development.

MUSIC & HOME VIDEO: Record industry heard intriguing melody of home video at Billboard's First International Music Video Conference in L.A. Nov. 15-18, but won't play it for a while.

Producing for cassettes & videodiscs—industry's preferred medium—is more complicated & costly than making promotional tapes of rock music groups shown in retail outlets and on TV. Cost of hour-long effort could run \$500,000-\$600,000, and this during time of soaring expenses, returns & losses for record companies.

Even if home video distributors want to take risks with product not presold as movies are, there's problem of copyright ownership & royalties. No one at meeting had least idea how conflicts of artists, agents, producers, unions & distributors might be resolved except on program-by-program basis, as were Chrysalis Records' cassette of Blondie "Eat to the Beat" record and Todd Rundgren/Utopia's video-disc called "The Planets" for RCA Selectavision.

Emphasis of conference was really on VCRs, effect of cable programming via satellite and success of movies on cassettes. Interest in last was sparked by MCA announcement of feature film package (Vol. 19:47 p9): "regrettable" but necessary because of rampant piracy, said Pres. Sidney Sheinberg. Titles probably won't be released before end of March. Bell & Howell is considered likely duplicator because of its capacity and long-standing MCA pay-TV contract. Some 300,000 pre-recorded cassettes of all labels will go to retailers between now and mid-Jan., when shipments start on first WCI Home Video titles. Warner Communications subsidiary unwraps its catalog at Nov. 28 press conference in N. Y.

Retailers at show, meanwhile, reported strong demand, scarcity of popular movie titles, with 30-35% of sales still to come in Nov. & Dec. West Coast stores, such as Nickelodeon & Wherehouse, now carry cassette inventories of \$15,000-\$60,000, report margins of around 30% on Magnetic Video titles, over 50% on porn.

Sheinberg, who's counting on ultimate victory in MCA-Disney appeal of Betamax decision (Vol. 19:41 p9), lashed out at proposal by Warner Cable Exec. Vp John Lack to use satellite & CATV to promote music. Lack said "we would like to be your radio stations," noted Warner has begun testing show called "Pop Clips" on Qube and might consider 24-hour music channel. Sheinberg warned record companies to "beware of Greeks bearing gifts," called idea "disaster" for industry. Nonetheless, it cropped up in 2nd presentation from Video Communications Inc. Sales Dir. Waleed Ali, who said Westar III transporter would be used to transmit music, movies & sports to 200 colleges equipped with earth stations in 1980.

Hardware highlight of exhibits, devoted mostly to software, was Show-Time Systems International's videodisc jukebox (Vol. 19:45 p10). Handwired prototype accepted quarters, worked without a hitch as changer mechanism moved disc stack up & down so that selection could slide onto TED player. Price of eventual assembly-line model, about half size of test unit, is now closer to \$6,000 than original \$3,000,

may drop to around \$4,000 when General Corp. output reaches 3,000 at end of 1980, said Show-Time CEO Joseph Barone. Still needed is method to suck up dust from discs revolving at 1,800 rpm. Discs themselves will cost \$6-\$10 each, with minimum orders of 5 or more a month.

TV INJURY ISSUE: With color production & sales setting records last year and running at near-record this year, is domestic industry still being injured by imports? That's question International Trade Commission (ITC) is expected to start tackling on 2 fronts next month.

If industry has indeed regained its collective health—as unit sales (if not financial figures) would indicate—there's no longer need for quotas on color imports from Japan, Taiwan & Korea. Neither, by same token, should importers of Japanese TV continue being saddled with threat of anti-dumping duty levies.

Quota, due to expire July 1, is more serious & immediate of 2 problems. Law gives President right to impose such restrictions for 5 years, but limit was set for only 3. Outside plea for extension must be filed next month, 6 months before scheduled expiration. COMPACT, industry-labor group which made original complaint resulting in quota, is understood to be preparing extension request.

Import interests already have started informal lobbying activities, appear to have achieved some success, particularly at ITC, there, staffers tell us, they feel quota will be allowed to run out. They point to increasing commitment to U.S. production by foreign color makers as evidence of declining market significance of imports. Sentiment appears to run other way at Office of Special Trade Representative. Staff there appears less impressed with foreign claims of unnecessary hardship, more concerned with financial status of traditional U.S. producers. However, this is offset to substantial degree by unhappiness with continued expansion of foreign color export-assembly operations by those same U.S.-based manufacturers.

Plea for dumping relief is slated to be filed with ITC by Sanyo, which is expected to argue that steep decline in TV imports from Japan, and higher prices on those that are imported, show domestic producers are no longer being injured or threatened by undervalued shipments. A no-injury determination would mean end to assessments and collection of dumping duties on Japanese sets. ITC has option of rejecting request for re-investigation of injury issue.

Dumping duty bonding requirements contained in Trade Act passed last year, effective Jan. 1, make dumping repeal a critical issue for some importers. Starting then, importers will have to post cash at time of importation, instead of bonds, to cover potential dumping duty liability. With bonds now running 20-100% on Japanese TVs, switch to cash requirement will be major burden for many companies. "Unless the dumping case is settled or the bonding requirement lowered," one top Japanese exec. told us, "it will be almost impossible to import TV from Japan."

INDUSTRY GOES PROJECTION: Virtually every major TV manufacturer in U. S. & Japan—except RCA—now is marketing projection TV or has some commitment to it. Although most are starting in small way, and market currently isn't very large, it seems to be field manufacturers think they must be in with dawn of video age. Some of recent projection activity, ironically, is being spurred by imminence of introduction of new videodisc systems, particularly RCA's.

Magnavox & GTE both have extensive projects evaluating various projection concepts. Heath has introduced kit for building 2-piece projection system with 3 tubes, plastic lenses, 6-ft. screen (included) at \$2,195. Assembly requires about 40 hours. Heath's parent Zenith says it will introduce own projection system in 1981 (Vol. 19:22 p9). Toshiba has scheduled its super-bright 45" single-piece 3-tube system for 1980 introduction at \$2,500. JVC is introducing projector in Japan.

"Composite estimate of industry observers" on projection TV sales was presented to the recent IEEE Chicago Fall Conference on Consumer Electronics by U. S. Precision Lens Chmn. Roger Howe. It showed U. S. market growing from 10,000 in 1977 to 60,000 in 1979, rising to 350,000-500,000 in 1983. Forecast is based on assumption that manufacturers will field variety of high-quality models at \$2,000-\$3,000. USPL is largest projection-TV lens maker, and Howe said new f1 plastic lens has "significantly narrowed" quality gap with glass lenses. He saw predominant projection activity in near future centering around f1 plastic lenses combined with 5" tubes. Melco sales is delighted with response to its single-piece projection system, has new model 20% brighter. Pres. Yoshito Yamaguchi says Melco's 2 Mitsubishi projection systems are selling at rate of 1,000 monthly, sees total 1979 market of quality systems at 50,000-60,000.

Second major entry in consumer rear-screen projection market (following GE) comes from Projection Systems Inc. (PSI), Passaic, N. J. In unique compact walnut cabinet with space for VCR or videodisc player, unit has 3 tubes mounted in-line, 50" translucent screen made by Uni-Screen, VIR chassis (by Sylvania), remote on-screen channel & time, claims 160-degree viewing angle, carries suggested list of \$3,100. PSI will show system at CES, and at same time make new attempt to popularize "video theater" concept. Company will set up theater in rotunda of Las Vegas Convention Center, with 6-x-8-ft. flat screen. It hopes to franchise idea for small movie theaters seating 80-100 people, using 3/4" videocassette system. PSI plans to establish pilot theater in N. Y.'s Rockefeller Center area next year for first-run features.

Meanwhile, bubble has burst for Big Picture Inc., formed to market Arthur Tucker's 3-tube single-lens Aquabeam projector. Tucker told us BPI was dissolved as result of dispute with its principals. Repercussions are being felt in Europe, where Belgium's Barco and U. K.'s Speywood are understood to have had deals to buy & market Aquabeam, and it's understood Barco is seeking legal

means to recover \$250,000 deposit. Tucker said BPI was "just a paper company," that his own Electronic Systems Products (ESP) intends to manufacture Aquabeam and that he is negotiating with Barco.

ESP announced new miniaturized 3-tube Aquastar Model III-B projection TV monitor (without tuner). Measuring 9.5x20x28 in., it uses 6" liquid-cooled tubes and liquid-coupled tubes, designed for ceiling mount or rear projection, at \$5,500. He told us 25 prototypes would be available this year, run of about 150 early next year, followed by 40-a-month output, with quantity production by midsummer.

Home video may be biggest boon to new-magazine publishing since CB & mopeds. Joining pioneer Video magazine (published 7 times annually by Reese Publishing Co.) are: (1) Home Video, United Business Publications, first issue dated Fall 1979, to become bimonthly next April. (2) Video Buyer's Review, Hampton International Publications, quarterly starting Feb. 1 (first issue, called "Hampton's Official 1980 Video Buyer's Guide," now on stands). (3) Videoplay, first issue dated Dec. 1979, C.S. Tepfer Publishing Co., bimonthly. (4) Video Review, first quarter 1980, monthly, CES Publishing Corp. In trade field, there's new monthly, Video Store magazine. Panorama, Triangle Publications' new magazine "for the selective TV viewer," which will feature video among other subjects, expects bookstores, airports & office buildings to account for about 50% of distribution. Premiere issue, dated Feb., goes on sale Jan. 29.

Pre-recorded cassettes offered in Time Life Video Club's first bulletin, mailed to members starting Nov. 13, include "Anderson Tapes" and "Eyes of Laura Mars" from Columbia Pictures, "Gladys Knight & the Pips" and ventriloquist special from HBO and "Eleanor & Franklin," originally shown on network TV. Discount in effect through Dec. 31 gives buyers \$7.45-\$12 off list prices, which range \$39.95-\$79.95 (latter for "Eleanor & Franklin"). Also available now for \$14.95 is adapter providing "2 channels of amplified, simulated stereo sound." Jan. bulletin will feature 12 new film, pay TV & network titles, including "Meatballs," Canadian movie made with HBO backing.

TELEVISION DIGEST ON VIDEOCASSETTE

First 2 issues of our Video Edition, containing highlights of 2 major international industry shows on color videocassettes, are still available. Vol. I No. 1 features 1979 Berlin Internationale Funkausstellung with demonstrations of Philips Video 2000 and BASF LVR. Vol. I No. 2 consists of highlights of 1979 Japan Electronics Show. Each cassette is \$250, including right to make up to 10 duplicates for company use. Both cassettes may be purchased for \$400, a charter-buyer discount of \$100. To order, call Circulation Dept. 202-872-9200 in Washington, or 212-355-5611 in N. Y.

Colorcasting start in Venezuela Dec. 1 creates problems for Video Cinema, Caracas, which supplies pre-recorded cassettes to some 100,000 VCRs. Video Cinema negotiated deal with 20th Century-Fox for English-language movies already available in U.S. from Fox subsidiary Magnetic Video, now finds same titles—dubbed into Spanish—scheduled for TV broadcast. Conflict further aggravates difficulties with tape pirates who have copies of first-run American movies soon after theatrical release. Video Cinema is fighting back by renting programs in 60 stores of Musiyama retail chain, recently dropped price from U.S. equivalent of \$10 for 7 days to \$7.50. New addition to catalog is complete Time-Life Multimedia cassette library, including "Ascent of Man," "Civilisation," which Video Cinema sells at \$35 an hour. Meanwhile, Venezuela Development Ministry has set 100,000-set limit on color TV imports for first 10 months, with 80% from companies with local TV manufacturing licensees—Hitachi, Matsushita, Philips, RCA, Sylvania & Zenith. Govt. estimates 300,000 illegal color sets are in use, virtually all Sony.

Japan-China venture to develop integrated consumer electronics industry in China is still alive, but much of original enthusiasm has waned. Proposal that Japanese manufacturers form consortium, pump \$65 million plus technology into China in return for 50% interest in venture, was made last July by Matsushita founder Konosuke Matsushita (Vol. 19:29 p10). Plan is now under direction of EIA-Japan committee, was opposed from start by some manufacturers. But big blow came in Oct. when Sony Chmn. Akio Morita returned from China tour and said country lacked basic support industry and skills needed to make project practical. Chinese officials are expected in Japan next month to describe new policies on foreign investment and profit withdrawal, which must be resolved before plan can proceed. In separate but related activity, Japan Productivity Center has agreed to cooperative project aimed at improving Chinese productivity & management. As part of project, Japanese will analyze China's industrial base, recommend improvements.

Magnavox workers who lost jobs last summer when company consolidated operations and closed 2 Tenn. plants, are eligible for import adjustment assistance, Labor Dept. said, reversing earlier ruling (Vol. 19:40 p10). In first determination, LD said it could find no direct connection between plant closings and import competition, noted that Magnavox color sales were up, not down as required by eligibility requirements. In explaining change, LD said unions showed that though Magnavox sales were up in value, they were down in units, and that Magnavox has increased purchases of foreign-made parts, components & subassemblies.

RCA reached national & local contract agreement with IUE & IBEW representatives. Details won't be announced until contracts are ratified. Pacts cover most RCA plants in Cal., Fla., N. J., O. & Pa.

GE is spending \$50 million on 250,000-sq.-ft. expansion of Schenectady, N. Y. R&D center. More than half of new space will be used for electronics lab.

Mergers & acquisitions: Levitz Furniture, Miami-based retail chain, will be acquired by new holding company to be 25%-owned by Levitz family, rest controlled by Pritzker family of Chicago, currently owner of 9% interest in Levitz. Pritzkers will offer \$25 for shares it plans to buy from Levitz family, \$27 for shares tendered by public, making deal worth about \$102 million. . . **Triumph Adler** will pay North American Philips \$700,000 to compensate it for expenses involved in unsuccessful bid for computer-maker Pertec. Earlier this year, NAP agreed to acquire 45% of Pertec for \$56.3 million, but deal was cancelled when TA came in with \$119 million. Under agreement announced by TA last week, NAP will drop all transaction-related claims against TA & Pertec. . . **Memorex & Amdahl** called off merger talks, said they would continue to cooperate in specific business areas. . . **Cramer** sold 3 parts distribution branches to Arrow Electronics for \$5.2 million, sold U.K. subsidiary to private investors there for \$1.2 million, said negotiations for its acquisition by Arrow continue.

Ad notes: Bank ads offering depositors consumer electronic items in lieu of interest "are at best deceiving the public," NARDA says. Retailing trade group says study shows such ads generally don't indicate actual value or model number of product being offered. NARDA staff is checking with "officials in Washington," to see if such non-disclosure is law violation. In addition, NARDA claims, consumers would be "money ahead" by taking interest in cash and using it to buy same products at lower prices from regular retailers. . . **Hitachi Ltd.** appoints Gray Consulting Group for financial & corporate relations in U.S., replacing Manning, Selvage & Lee. . . **Sanyo** appoints Thomas, Dillon & Mooney for PR.

Import restrictions on ICs from Japan were urged by Mostek Chmn. L. J. Sevin. Addressing American Electronics Assn. SW Council, he said he has abandoned idea of free trade with Japan, urged higher duties & quotas for semiconductor imports from Japan as way to force equalization of competition between U.S. & Japanese producers. Heart of problem, he said, is Japanese govt. policy that assures makers there of heavy financing and protects market from imports while encouraging exports. Sevin said he had no objection to Japanese full or part ownership in U.S. IC makers, but added "I'd like to be able to do it as well in Japan."

Chip shortage that killed Mattel's plan for national marketing of Intellivision video game-computer this year is keeping system off international markets as well. Radofin of Hong Kong, which was to have turned out units for sale in Europe, says deliveries of necessary ICs from game developer General Instrument are months behind schedule, and production start has been pushed back to mid-1980. Radofin says it plans to produce 20,000 monthly, already has 5-month order backlog.

Microwave oven sales continue to run counter to general softening trend in major consumer electronics & appliances. AHAM reports shipments by U.S. producers & importers rose 14.6% in Oct. 354,700, bringing 10-month total to 2.12 million, up 7.4%.

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Arnold Valencia advanced at RCA Sales Corp. from mktg. operations exec. vp to pres., also becomes RCA Distributing Corp. pres., replacing Jack Sauter, who moves up to chmn. of both organizations, continues as Consumer Electronics Div. vp-gen. mgr. In Sales Corp. restructuring: David Croner, former commercial strategic planning vp, named mktg. operations vp, succeeding Valencia; Darrell Bade, ex-mktg. planning & administration vp, appointed international sales exec. vp, adds Valencia's former responsibility for branch operations as Distributing Corp. vp; James DeVoe, former ad & mktg. services vp, now consumer communications vp with added responsibility for videodisc player market development; Marvin Kramer continues as sales exec. vp, R. Eugene Eddy as warranty programs & training vp... Joseph Pershes, ex-Allied Artists, joins 20th Century Fox Telecommunications Div. as home video vp.

Bruce Huber advanced at Zenith from color TV product mgr. to color TV product planning mgr., succeeding Gerald McCarthy, recently named Zenith Sales vp; Louanne Davis, VCR product planning mgr., adds responsibility for video playback systems and b&w TV... Robert McFadden, Midland International chmn., adds post as Western Auto Supply exec. vp & chief operating officer, assuming duties of J. Roger McDonald, who resigns as pres.; WAS & Midland are subsidiaries of Beneficial Corp.; James Berk, Midland mktg. vp, adds same duties at WAS... James Armstrong promoted to Advent customer relations & services mgr., new post; Michael DeTillio resigns as Customer Service & Parts Dept. mgr.

Paul Adams, ex-Lloyd's, joins Magnavox as mkt. development dir., new post... Matt Alessi, ex-Unisonic, appointed Morse national key accounts

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
Gray Communications			
1979-qtr. to Sept. 30	8,191,261	680,654	1.36
1978-qtr. to Sept. 30	4,933,522	363,443	.74
Lafayette Radio & Electronics			
1979-13 wk. to Sept. 29	10,666,000	(3,056,000)	--
1978-13 wk. to Sept. 30	16,667,000	(1,696,000)	--
Sega Enterprises			
1979-qtr. to Sept. 30	53,345,000 ^a	6,201,000 ^a	.87
1978-qtr. to Sept. 30	15,764,000	2,477,000	.43 ^b
Technical Operations			
1979-year to Sept. 30	136,508,000	1,858,000 ^c	1.32
1978-year to Sept. 30	92,017,000	949,000 ^c	.71
1979-qtr. to Sept. 30	39,329,000	586,000	.41
1978-qtr. to Sept. 30	30,540,000	395,000	.30
Tele-Communications			
1979-9 mo. to Sept. 30	65,828,000	27,844,000 ^c	2.47
1978-9 mo. to Sept. 30	46,139,000	4,283,000 ^c	.37
1979-qtr. to Sept. 30	23,792,000	8,416,000 ^c	.75
1978-qtr. to Sept. 30	16,023,000	1,798,000 ^c	.16
Video Corp. of America			
1979-qtr. to Sept. 30	2,407,000	2,000	--
1978-qtr. to Sept. 30	2,138,000	90,000	.08 ^b

Notes: ^aRecord. ^bAdjusted. ^cIncludes special credit.

sales mgr... William Walters, ex-Ampex, joins Jensen Sound as midwest sales mgr... Clyde Moore promoted at Crown International from mktg. vp to planning vp.

Joe Kurita, ex-Matsushita Canada, rejoins U.S. affiliate Panasonic as Industrial Sales Div. asst. gen. mgr., responsible for introduction of new office copier line... Kim Ritchie, ex-Motorola Semiconductor, joins AVX Ceramics as dir. of new corporate research lab; Robert Hower advanced to technical service mgr... Howard Cohen, ex-Simpson Electric, named Switchcraft finance dir., succeeding Gerald Olson, being reassigned to post with parent Raytheon... Willard Wilmot advanced at Belden to Electronic Div. mktg. mgr., succeeding Ronald Stier, now long-range mktg. mgr.

Mid-fl sales slump is spotlighted in recent 3rd-quarter financial reports. Morse said sales were off 31% in quarter to \$17.6 million, down 33% in fiscal first half to \$31.8 million. Loss for quarter was \$939,000, down from \$1 million in same 1978 months, resulting in full-period loss of \$633,000, after first-quarter gain of \$2.74 million from debt restructuring, compared with \$2.4 million loss last year. Lloyd's was in black in fiscal 2nd quarter, though sales were down 19.8%. Firm was in red for half. Superscope posted sharply increased losses for 3rd quarter & 9 months after allowance for \$1.1-million gain on sale of property. Sales were down 21.2% for quarter, but up 2.7% for 9 months.

FCC denied Atari motion for stay of waiver given to Texas Instruments (Vol. 19:39 p7) to sell independent RF modulator for home computers & video games. Staff said that Atari hadn't presented any new evidence.