

WEEKLY

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SUMMARY-INDEX OF WEEK'S NEWS

Broadcast

AFTERMATH OF RKO-GROUP W passes character test while Grayson faces hearing. Lawyers uncertain on impact. 'Autonomy' of Group W from parent decisive. (P. 1)

NAB FLESHING OUT CONVENTION: Many spots to be filled, but several top names on tap. Ferris, Van Deerlin speak last day, 4 other commissioners to attend. Hollings plans 'conversation.' Davis, Newhart top entertainers. (P. 2)

NEWHOUSE-DANIELS DEAL gives Metrovision 116,000 basics, 39,000 pay, in transaction estimated at \$80-\$100 million. Daniels keeps 80,000 subscribers, is seeking franchises. (P. 3)

NBC RATING GAINS equal CBS's, new-show improvement best of all networks, RCA Chmn. Griffiths says. Company won't take bath on loss of Olympics or Satcom. (P. 4)

FERRIS ON NEW NETWORKS: Adding to existing networks is good for minorities, won't hurt present systems. (P. 4)

OLYMPIC CALM BEFORE STORM: NBC awaits outcome of USOC petition to IOC. Senate asks unconditional boycott. (P. 5)

AFTERMATH OF RKO-GROUP W CHARACTER OK: In wake of FCC 4-3 decision ruling RKO unqualified to be licensee (Vol. 20:4 p1), Commission came down on separate sides in 2 more character qualification cases last week. Some lawyers predicted FCC's refusal to reconsider its renewal of Group W's KPIX San Francisco and approval of \$5.7-million sale of KODA(FM) to Group W will prove to be a soothing balm for other licensees, including RKO. Others said there's no way to draw comparison.

FCC—and particularly Chmn. Ferris—took pains to divorce Group W case from RKO. Group W parent Westinghouse Electric had been found guilty of 30 counts of "criminal misrepresentation" and pleaded guilty to "willfully making false statements" to 2 other govt. agencies, according to FCC. Parent company also was involved in price fixing of electrical equipment and bribing overseas officials—latter transgression one of same which got RKO into trouble at FCC.

Major differences, according to commissioners, is fact Group W was "largely autonomous" from Westinghouse and that parent's officers & dirs. had no "prior knowledge of the illegal activity." On other hand, RKO General and broadcast div. had same chmn.—Thomas O'Neil. On another charge against Group W—price-fixing investigation by grand jury against Pittsburgh TV stations—FCC said it would await outcome of Justice Dept. inquiry and so conditioned ap-

Consumer Electronics

COLOR SALES RECORD set in Jan., exceeding long-standing high for month, established in 1973, at annual rate of 10 million. VCR sales up 73%. (P. 7)

VCR INDUSTRY facing uncertain future as result of market confusion, pending shift of promotional emphasis to upcoming videodiscs. (P. 7)

CBS VIDEO ENTERPRISES taps Cy Leslie as pres., promises wide-ranging activities in all areas of video programming. Magnetic Video negotiating with Matsushita & RCA for disc licenses. (P. 9)

ITA-RIAA in feud over rights to give awards to best-selling video programs. (P. 9)

GRIFFITHS PLEDGES 'memorable introduction' for videodisc, sees CIT as 'money machine' to support electronics expansion as RCA & CIT holders approve merger. (P. 10)

ADVENT SNARES Bernie Mitchell as new vice chmn.-chief exec. Ex-Pioneer pres. says he'll expand product line, distribution. (P. 10)

GTE WRAPPING UP involvement in \$240-million Algerian consumer electronics contract. Will turn over to local managers by end of year. (P. 11)

proval of KODA purchase.

In prologue to RKO financial report last week, O'Neil charged "there is neither legal nor regulatory precedent to this harshly punitive action"—which, if Commission deprives RKO of all its stations, could amount to fine of up to \$600 million. He said RKO will "utilize every resource available to get the ruling changed. . . We will begin an appeal as soon as possible." Text of FCC order hadn't been released at press time.

Wall St. Journal had long editorial—headed "By Favor of the King"—Feb. 1 attacking Commission's action. "The attempt to explain this arbitrary action should be amusing," Journal said. "Such offenses strike us as small beer, and on alternate days the FCC itself seems to agree"—reference to Group W action. "Surely there must be a more civilized way--auctioning off the licenses, probably—to make such decisions."

RKO is attempting to sell WNAC-TV (Ch. 7) Boston for less-than-market value price of \$54 million to New England TV (NETV)—combination of 2 applicants which went through long comparative hearing against RKO. Further complicating situation is fact that Hub Bcstg. also now is trying to get FCC to accept its Ch. 7 application. NETV said last week it would "continue the fight" for Ch. 7.

In separate action, FCC refused to permit Grayson Enterprises to sell KLBK-AM-FM Lubbock until licensee's character qualifications have been determined. Grayson has been ordered to hearing on following issues: Lack of candor, misrepresentation, unauthorized studio change, double billing, network clipping, log falsification. Grayson is seeking distress sale of 4 Tex. TVs—KLBK-TV, KMOM-TV Monahans, KWAB-TV Big Spring, KTXS-TV Sweetwater—to 51% minority-owned Prima TV for \$15 million. Prima in turn plans to spinoff KMOM-TV & KWAB-TV.

NAB FLESHING OUT CONVENTION: While major holes still remain to be filled for NAB's April 13-16 convention in Las Vegas, many top names are committed—including 5 FCC members, several members of Congress and 2 top entertainers. Country composer-singer Mac Davis shares opening Sun. session spotlight with DSA winner Donald Thurston; comedian Bob Newhart will entertain at closing luncheon Wed. following speech by FCC Chmn. Ferris.

Other commissioners planning to attend are Lee, Quello, Jones & Brown (missing will be Washburn & Fogarty, although latter may change his mind), and they're being asked to participate in separate TV & radio "FCC Crystal Ball" sessions. Each commissioner will speak briefly on specific topic. Also planned is "conversation with" Sen. Hollings (D.S.C.), chmn. of Senate Communications Subcommittee, while House counterpart Rep. Van Deerlin (D-Cal.) speaks at joint Wed. morning session.

Also planned is "Broadcasters in Congress" session—featuring ex-broadcasters—with commitments received from Rep. Swift (D-Wash.) & Sen. Kassenbaum (R-Kan.). Sen. Goldwater (R-Ariz.), ranking minority member on Communications Subcommittee, speaks at engineering lunch. Columnist Jack Anderson is radio luncheon speaker. Major holes still to fill are TV speaker and session on children's TV programming.

An "In the Box" TV session (with 2 more still to be programmed) may raise sparks—Mobil's Herbert Schmertz will debate CBS's Gene Mater on whether "corporations are entitled to advocacy advertising on TV." Another TV session still to be programmed will deal with industry's "fragmented future" through new technology.

A radio highlight will be presentation of "Hall of Fame" awards to George Burns and the late Bing Crosby; Burns and widow Cathy Crosby have been invited. Tues. radio session with FCC Bcst. Bureau's Richard Shiben, Frank Washington & Henry Baumann and Steve Simmons, White House Domestic Policy staff, will be limited to deregulation. (FCC participants, by the way, will be down considerably from previous years because of cut in travel funds [Vol. 20:1 p5].) Mon. radio session features RAB sales clinic and audio-visual presentation on future. Radio delegates also will be able to choose among some 30 workshops.

Pre-registration "is up 100%" over same time year ago, according to NAB Vp-Planning &

Development Harold Niven, and Assn. is expecting record 7,000 delegates—plus several thousand more manning exhibits, hospitality suites, etc. Some 190,000 sq. ft. of exhibit space has been sold, up from 1978's 160,000.

NEWHOUSE BUYS BIG CHUNK OF DANIELS: In largest cable transaction between privately held companies—estimated at \$80-\$100 million (figure wasn't disclosed)—Newhouse-backed Metrovision acquired Daniels Properties Inc. (DPI). Fifteen systems involved serve 116,000 basic subscribers, 39,000 pay, passing 207,000 homes—primarily in complexes of Lincoln, Neb., Waco & Killeen, Tex. Price estimate is based on fact that systems have been selling recently at some 10 times cash flow. DPI had \$7.35-million cash flow last year, projects \$9 million in 1980.

Daniels organization remains firmly in cable, keeping 26 systems serving 80,000 subscribers, developing 15 franchises—including Anchorage—and applying for many more. Metrovision, headed by ex-Cox Cable Pres. Henry Harris, has 12 franchises in suburbs of Chicago, Detroit & Cincinnati and St. John the Baptist Parish in La.—with some 120,000 homes in franchised areas.

Adding 116,000 subscribers to Newhouse's approximately 200,000 will put that firm in about 10th rank among top group owners, moving from 19th.

PTV AUDIENCE GROWS: PBS's experiment with common carriage (Vol. 19:3 p3), plus beefed-up promotion and what it says is better programming, has resulted in highest weekly come in history—45.6% of nation's homes tuned in during week of Nov. 5-11. In addition, overall audience rose 24% over 1978. PBS made announcement of increase at Program Fair in San Francisco, noting fall is usually "low point" because viewership rises from that point through spring. Said PBS Research Dir. Dale Rhodes: "Public TV has never had a more successful 2-month period."

Other highlights of Program Fair: (1) PBS Pres. Lawrence Grossman took to offensive during speech, aiming veiled barbs at CPB board. He complained about those who "substitute special interest politics for rigorous standards of programming excellence." Said he: "The threat from the Nixon days was met & mastered. Today, we face the far more subtle and more pervasive political threat of special interest politics." CPB board of late has been criticized by some in public broadcasting who are concerned that new activist board members pose threat just as serious as Nixon Administration, although this time from the left. Grossman also criticized some independent producers who see PTV as means of "personal expression" rather than serving audiences. In addition, Grossman said he doesn't see PTV being "blown away by the blue sky promises of the telecommunications revolution." (2) Programming Vp Chloe Aaron called for PTV "dream schedule" using proposed 26-week drama showcase as foundation. PTV would have to raise \$15 million from stations, CPB and other sources.

Abe Schechter scholarship criteria were announced by RTNDA—providing cash awards to graduate students of broadcast journalism. Scholarship, named for "Today" originator, is \$2,000 awarded over 2 years. Previous RTNDA scholarships have been awarded to undergraduates. Details: 1735 DeSales St., NW, Washington 20036.

FTC has begun enforcement program of consumer credit advertising according to Truth-in-Lending Act. Advertisers of consumer credit must disclose: (1) Cash price or amount of loan. (2) Amount of down payment. (3) Number and frequency of payments required to pay back loan. (4) Amount of finance charge, expressed as annual percentage rate. (5) Deferred payment price or total loan cost.

Censorship accusation is again being leveled at broadcasters by Mobil's Herbert Schmertz—this time because networks refused commercial pointing out that networks' return on investments exceeds profits of oil companies. Metromedia stations accepted ad; networks rejected, citing policy barring spots on controversial issues.

Much to consternation of NAB and stations in state, Mich. Legislature is considering bill which would ban TV ads that may be inappropriate for or potentially hazardous to children. Measure also would impose strict limits—on what could be said, how much and by whom—on commercials directed toward children.

"Dial," which calls self "first national magazine of public broadcasting," will be launched in Sept. Ad-carrying monthly is "literary compliment" and programming guide for participating stations (at first in N.Y., Washington, L.A. & Chicago, expanding later).

Northernmost town in U.S.—Point Barrow, Alaska—receives live TV for first time, using 10-m satellite antenna pointed at Satcom I, 7° above horizon. Piers for antenna were sunk 16 ft. to eliminate movement due to frost heaves.

Two new volumes of FCC reports & orders are available from Govt. Printing Office, Washington 20402. Vol. 66 (Sept. 17, 1977-Jan. 12, 1978) is \$13.50; Vol. 67 (Jan. 13, 1978-June 22, 1978) \$20.

Comsat hired Burson-Marsteller PR firm to assist with direct-satellite broadcasting proposal.

GRIFFITHS ON NBC: Special RCA stockholder meeting to approve CIT merger last week (see also p. 10) inevitably brought up questions about Fred Silverman & NBC, Olympics and Satcom 3. Once again, Chmn. Edgar Griffiths defended NBC's progress, pointing out that "it took 4 years for CBS to overtake ABC," that Silverman has been with NBC only 19 months, and in his first 4 months he "had to use programming he inherited."

NBC's prime-time rating improvement in 1980 equals CBS's, he insisted. If ABC's 1979 World Series coverage is excluded from ratings, NBC's prime-time rating this season climbed to 17.7 from 17.2, CBS's to 19.3 from 18.8, while ABC dropped to 18.8 from 20.5. NBC's new shows this season are averaging 26 rating, vs. 25 for ABC's, 24 for CBS's.

As for Olympics, insurance covers "90% of what we have paid for rights & signal" (\$85 million), he said, adding that if Olympics are held in Moscow without U. S. participation, insurance coverage also is applicable. NBC has spent some extra amounts over the \$85 million, but it's "by no means staggering—it can be handled."

He indicated RCA is ready to concede that Satcom 3 is gone, will file declaration of loss with insurer Lloyds of London, probably in first quarter. "Blue-ribbon panel" of experts from within & outside RCA will report conclusions on what probably happened to satellite before end of March, he added. RCA is "completely protected" by insurance on loss—"but we'd rather have the satellite."

National Religious Bcstrs. approved brief resolution supporting TV & radio deregulation at conclusion of NRB convention in Washington (Vol. 20:5 p6). NRB delegates said main advantage of deregulation for religious broadcasters would be freedom from fairness doctrine, allowing stations to air only "Christian viewpoint." But NRB resolution highlights split in religious community on deregulation; U. S. Catholic Conference, Southern Baptist Convention and United Church of Christ have opposed deregulation in comments to FCC.

First Amendment questions raised with teletext—such as whether fairness doctrine applies—are being grappled with in White House. Steve Simmons of White House Domestic Policy staff will attend NCTA conference on teletext in Orlando this week to gather information. He says Administration's "strong inclination is that there should not be content regulation of this. But at the same time we'll take a long look at what kind of non-discriminatory access to facilities is appropriate."

Pay-TV monitoring equipment announced by Bell Canada permits programmers to measure viewing through regular phone lines—permitting pay-per-view system preferred by Canadian govt. Bell said it has built prototype only; production isn't expected soon.

Stauffer Communications (WIBW-TV-AM-FM Topeka, radios & newspapers) is buying CBS-affiliate KCOY-TV Santa Maria, Cal. from Helen Pedotti for approximately \$7 million. Broker Hogan-Feldmann.

FERRIS SEES MINORITY GAINS: In Feb. 4 speech to black L.A. Media Forum, FCC Chmn. Ferris is expected to predict that best help FCC can give is removal of barriers to new TV networks—cable, satellite & pay TV. Ferris said competition is strongest protection for minorities against media racism, because share of audience necessary to be success in TV can be reduced by increasing number of networks. Also attending Forum were Comr. Brown and Bcst. Bureau Deputy Chief Frank Washington.

Ferris theme in L.A. further developed speech he delivered Feb. 1 to San Diego City Club, where he rejected claims that 3 major networks will be forced out of business by new technologies. He said they'll "not only survive, but thrive" in marketplace unfettered by govt. restraints and that FCC shouldn't "promote" new technologies, but also shouldn't put obstacles in their path.

He said broadcaster reaction to criticism of performance in children's programming was "predictable." He termed NAB's "regular pronouncements of dismay at FCC actions" evidence that "they were by now somewhat dumb." He said broadcasters "always begin by vigorously disputing the criticism, describe it as 'shocking' or 'inaccurate'—and then proceed to announce a series of new programs designed to demonstrate their commitment to excellence."

New TV network prospects are addressed in FCC report on STV, MDS & cable. Reports, by consultants, don't advocate policy changes, merely survey, analyze current status of alternative distribution. For STV, consultant Kristin Glen, Hofstra U. law prof., concludes: "The best conclusion to be drawn... is that no one really knows what will happen, and that only substantial further experience can form the basis for meaningful projection for the 80s and beyond." Glen's analysis of MDS: "Much of what happens will depend on how FCC regulates STV and pay cable." Cable report, by Brandeis U. Economics Prof. Yale Braunstein, pays great deal of attention to satellite program services, questions whether RCA is creating monopoly through its contract with HBO. He also reports that MSOs may have competitive advantages in acquiring new franchises. FCC said future studies will report on prospects for home video and direct-to-home satellite transmission.

Computer tapes containing data on O. & Mich. stations used by FCC in radio deregulation rule-making have been made available through National Technical Information Service, Dept. of Commerce, 5285 Port Royal Rd., Springfield, Va. 22151. Cost: \$210.

Weekly publication **Radio & Records**, owned by group operator Harte-Hanks, is joining forces with NRBA to co-sponsor Oct. 5-8 NRBA convention at St. Bonaventure Hotel, L.A., which sponsors claim will be "the biggest, most exciting and most informative radio conference and exposition in history."

Sale of CP for KFHC-TV (Ch. 43) Okla. City by Christian Bcstg. to Golden West for \$38,260 has been approved by FCC's Bcst. Bureau. Golden West plans STV operation.

NBC OLYMPIC LIMBO: NBC kept low profile on Olympics last week, sticking to previous comments on alternate programming possibilities (Vol. 20:4 p5), as question of whether U. S. would participate in Summer Games in Moscow percolated down through layers of govt. and USOC. Senate voted 88-4 for unconditional boycott of Moscow games by all Americans, not only athletes, while Administration officials searched for alternate sites. USOC prepared to petition IOC formally Feb. 10 to change Games location, though IOC officials have said petition will be rejected. Sticky sideline problem for NBC is whether Commerce Dept. will rule broadcasting equipment to be taken to Moscow is "high technology" falling under Carter embargo.

NBC spokesman said network continues to operate on assumption games will go on as scheduled. Contingency programming plans are being made, won't be divulged to affiliates until firmed up. "As for advertising, we're in a good position, since all the other summer ad time has been sold and we would be the only ones with time to sell if the Games aren't there," said spokesman.

If IOC rejects USOC change-of-location petition, as expected, USOC will vote whether to accede to Presidential & congressional requests for boycott. Carter's Feb. 20 deadline for Soviets to be out of Afghanistan comes in middle of Lake Placid Winter Games, so earliest USOC could act on boycott request would be after Feb. 24 completion of Winter Games. NBC action is contingent on USOC decision.

Meanwhile, Commerce Dept. could make things tough on NBC by labeling TV cameras, satellite uplink and other broadcasting equipment "high technology," not exportable to USSR under embargo. Commerce Dept. International Trade Relations Office is conducting study to determine what's high technology, what's not, expects to have guidelines in 2-3 weeks.

"There's a misconception that we'll be leaving all sorts of equipment over there for the Russians. It's not true; everything we take over is coming back," said NBC spokesman. Network already has shipped 40 tons of gear to Moscow, including terminal equipment, racks and video & audio amplifiers. But even when informed that NBC equipment isn't being left to Soviets, Commerce refused to rule out possibility that unshipped equipment may be held back.

Rights to 1984 Winter Olympics in Sarajevo, Yugoslavia (Vol. 20:4 p5) cost ABC \$92 million. CBS offered \$85 million, NBC didn't bid.

Satellite Launches will be requested of FCC by Southern Pacific Communications—desiring 2 C-band (4/6 GHz) orbital slots to support its nationwide telecommunications business. SPC said it needed slots to expand its network to "all 50 states, or at a minimum, the 48 contiguous states." It said it "foresees a strong and immediate demand for the provision of voice, data, facsimile, electronic mail and video services."

Capitol Cities has bought 80% of Omnicom of Mich. Inc., first cable acquisition since it formed cable div. Omnicom recently won several suburban Detroit franchises, representing 20,000 homes.

RCA OFFERED AT&T TRANSPONDERS: Up to 11 video channels will be made available to RCA—on "unprotected, preemptible" basis at \$70,000 per month each—on AT&T's Comstar satellite system, opening way for use of 2nd satellite by cable TV programmers. Channels would be available until RCA launched replacement for Satcom III, which vanished in transit to geostationary orbit in Dec.

AT&T also said it's negotiating with Comsat General for launch of 4th Comstar satellite—for spring 1981 service. If RCA accepts AT&T offer, it must notify AT&T no later than Feb. 15. RCA spokesman Paul Farmer said offer is being studied. Customers intended for RCA's 2nd cable satellite, delayed by Satcom III incident: Cinemerica, new network for viewers over 50; Total Communications sports network; SIN; Satellite Communications Network; HBO; United Video; Eastern Microwave.

UPI failed to secure support for plan to sell 90% to limited partners. UPI Pres. Roderick Beaton told employees: "Other options are being considered." In another development, UPI signed agreement for "mass purchase" of small satellite receive-only antennas with Harris and Farinon, saying that "other manufacturers also will be utilized." UPI said total number of 6-10-ft. earth stations may reach 3,700, with Harris and Farinon to supply at least 1/3 of total. Stations will cost \$4,200-\$8,200 each, with subscribers having option of leasing or buying station. In big cities, several subscribers will use single large dish. Installation is scheduled to begin in July after final FCC approval.

"Fairness demands" that FCC hold "thorough and prolonged field hearings" into radio deregulation, according to Bishop Thomas Kelly, gen. secy. of U.S. Catholic Conference. In letter to FCC Chmn. Ferris, he said neither govt. nor news media has given public opportunity to present its side, charged Commission's "simple 60-day extension" of comments deadline (to March 25) "will by no means provide the FCC with sufficient opportunity to obtain an accurate measure of public opinion." Early this year, Conference loosed blistering attack on deregulation proposals (Vol. 20:2 p3).

Sen. Kennedy (D-Mass.) has heard from NCCB, which complained that FCC Bcast. Bureau Chief Richard Shiben misled senator when Kennedy's office inquired about effects of radio deregulation. Shiben was responding to complaint from Mass. non-profit organization, which said that deregulation would mean less access through PSAs. Shiben responded that PSAs aren't affected by deregulation, which NCCB says isn't true.

FCC has terminated long-standing plugola rule-making, said it'll deal with future problems on case-by-case basis. Proposal would've required licensees to announce over air financial interests of principals & employees in services & commodities receiving air promotion.

Senate legislation attempting to counteract Supreme Court's Stanford U. decision has been approved by Constitution Subcommittee. Bill restricts police searches of journalists, scholars, film makers and others communicating with public.

Personals

Tony Thomopoulos (ABC), **Robert Daly** (CBS) & **Brandon Tartikoff** (NBC), program heads of TV networks, speak at Feb. 13 IRTS newsmaker luncheon, Waldorf-Astoria Hotel, N. Y. . . **Robert Markell** appointed vp-mini-series, CBS Entertainment, new post. . . **Constance Kastelnik** joins ABC as mgr.-news PR.

Allan Ginsberg, ex-WXIX-TV Cincinnati, moves to co-owned WTTG Washington as vp-gen. mgr., succeeding **William Carpenter**; **Stephen Peskin** appointed vp-national sales mgr. . . **Lemuel Schofield**, WROC-TV Rochester, and **Kenneth Kagen** named vps, Ziff-Davis Bcstg. . . **John McCoy**, Storer Bcst. secy. & vp-law, retires, will continue as a dir. and administrator of pension plan. . . **Alvin Lee**, ex-American Express, named corporate development dir., Viacom.

Robert White moves from KABC-TV L. A. to sister ABC-owned WXYZ-TV Detroit as news dir., replacing **Phil Nye**, who becomes news vp for ABC-owned stations. . . **James Schultz**, ex-WTTG Washington news dir., joins Turner's CNN as asst. Washington bureau chief. . . **Betty Robinson**, vp-administration, Cosmos Bcstg., elected secy. & membership chmn., BFM. . . **William Kelley II** promoted to operations dir., KXAS-TV Ft. Worth; **Alice Kelly** program administrator; **Teresa Love** credit mgr. . . **John Wicklein**, ex-WCBS-TV N. Y., named pres. & gen. mgr., WLIW Garden City, N. Y.

Lamont Pinker promoted to national sales mgr., WBNG-TV Binghamton, N. Y. . . **Jerold Lynch** named vp-account mgr., Nielsen Marketing Research Group. . . **Dan Kelly** advanced to vp-promotion & PR, TeleRep; **Chris Rohrs** succeeds **Kelly** as research dir. . . Washington lawyer **Charles Ablard**, onetime Justice Dept., appointed to Board for International Bcstg., succeeding retired Avco Bcstg. Pres. **John Murphy**.

Robert Sullivan moves from American Express to Warner Amex Cable as senior vp-business development; **Robert Jacobs**, ex-FCC Cable Bureau, and **William Hoffman** join Warner Cable as asst. counsel. . . **Richard Stakes**, ex-exec. vp of Spartan Radiocasting, appointed exec. vp, Summit Communications (cable & radio stations).

Martin Sicker, ex-HEW, appointed assoc. chief for policy, FCC Private Radio Bureau; economist **James Green**, ex-DOE & FTC, appointed chief, Policy Analysis Branch, Bcst. Bureau. . . **Ernest Barnes** named chief law judge, FTC.

Susan Denison promoted to vp-PR & marketing, Showtime. . . **Joan Hertzog** advanced to licensing & merchandising sales exec., Viacom Enterprises. . . **Angelo Pizzo** appointed dir.-movies for TV, Time-Life Films; **William Peck**, ex-Richard Price TV Assoc. (London), named European sales dir., Time-Life TV. . . **Norman Horowitz**, ex-Columbia Pictures TV Worldwide Syndication pres., becomes advisor to syndication div.; **Kenneth Page**, exec. vp for sales, adds responsibilities for domestic & foreign operations formerly handled by Horowitz.

Robert Behringer, ex-Anixter exec. vp, named

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vp, Metrovision (Henry Harris, et al.), 10330 Roberts Rd., Palos Hills, Ill. 60465. . . **Norman Hamlett** appointed materials planning mgr., Magnavox CATV; **Richard Schrader** named human resources mgr., new post; **Ronald Jones** promoted to national sales mgr.; **James Duffy** to mgr.-customer services. . . **Stanley Lindsay**, ex-C-Cor Electronics, appointed mid-northeastern sales mgr., Comm/Scope.

Edward McGuire named corporate development vp, Comcast. . . **Jay Campbell** promoted to dir., Modern Satellite Cable Network. . . **Mark Thomason**, ex-GTE, named to brokerage div., Community Equity Assoc.; **Gene Gawthrop** appointed business administrator.

Valerian Podmolik, ex-Graphnet, named to new RCA Globcom post of operations & engineering vp. . . **Karen Bomsom**, ex-HBO, appointed Daniels & Assoc. asst. dir. of programming. . . **Charlotte Beales**, ex-WRC-TV Washington, appointed research dir., NCTA; **Linda Freeman** named asst. dir., field operations, replacing **Reesa Motley**.

VIDEO WEEK

Vol. 1, No. 1, of VIDEO WEEK, our new newsletter is in mails to pioneer subscribers. New publication places special emphasis on programming aspects, for management, of extremely rapidly expanding fields of videocassette, videodisc, videotext, pay TV, subscription TV and other developing fields of video technology. For subscription information, call Barbara Pratt collect, 202-872-9200, or write: 1836 Jefferson Pl. NW, Washington, D. C. 20036.

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STATE OF THE INDUSTRY

Sales to dealers (total market), from EIA, for week ended Jan. 18 (3rd week of 1980):

	Jan. 12-18	1979 week	% change	Dec. 29- Jan. 11	1980 to date	1979 to date	% change
Total TV	307,158	276,085	+11.3	319,690	626,848	660,067	-5.0
color	202,400*	177,084	+14.3	212,691	415,091	417,155	-0.5
monochrome	104,758	99,001	+5.8	106,999	211,757	242,912	-12.8
Home VCR	9,620*	7,239	+32.9	13,304	22,924	15,244	+50.4

Note: Radio data delayed due to possible category changes.

Color TV 5-week moving average: 1979-80—153,649; 1978-79—164,591 (down 6.7%).

Home VCR 5-week moving average: 1979-80—8,874*; 1978-79—7,292 (up 21.7%).

*Record for period.

COLOR SALES SET RECORD IN JAN.: Stranger things have happened—but not much stranger. Color sales for first month of this recession year of 1980 toppled long-standing Jan. record, set way back in 1973. EIA will report sales for Jan. 1980 of about 636,000—2.2% above Jan. 1979, 2.8% above Jan. 1978 and 1.3% above 1973 record. VCR sales didn't do badly in Jan., either; at more than 40,000 they were better than 73% above those of Jan. 1979.

Fed by hot promotions and presumably some pre-price-increase buying, Jan. color sales soared to 10-million annual rate. Although month's first 2 weeks came in 11.4% below 1979, 3rd week was up 14.3% and 4th week—with 221,000 sets sold—was up 7.8% from 1979 week. Last 2 weeks in Jan. set records for those periods, and final week was best since first week of Dec. 1979.

Home VCR sales boom presumably represented combination of special promotions, arrival of new models and liquidation of old ones. Based on seasonal patterns of last 2 years—the only history which exists in home VCR—Jan. came out at annual rate of 960,000 units, but don't engrave this in bronze, because there's too little seasonal history in chaotic VCR business (see below). VCR sales set records for every week last month—up 66.2% in first 2 weeks, 32.9% in 3rd and 116% in 4th week.

Future may be murky, but industry sales are off to their best start in history.

VCR SALES OUTLOOK UNCERTAIN FOR '80S: With 1980s promising to be "video age," VCR industry has just one more year to build foundation it needs to stand firm against coming competition from national availability of videodisc. But at this point it appears marketers will spend most of 1980 continuing to stumble around in rubble of once-grand sales plans.

After 3 sales years, VCR supporters still are searching for magic key to open mass-market acceptance door. This year's effort may center on stripped-down low-end models, priced under \$700 to appeal to middle-income consumers. Leadership in that direction was taken at Jan. CES by Sanyo, which trimmed list on single-speed Beta \$200 to \$695 (Vol. 20:2 p7).

While Sanyo action generated general excitement, it failed to spark buying interest among traditional TV retailers who have all but given up on VCRs because of unstable pricing and continuous model, feature & speed changes that quickly make inventories obsolete and unsellable at realistic margins. How bad is it? Today, a consumer shopping VCRs has to choose from 15 different major brands offering one of 2 formats in home or portable decks, with both program-

mable and non-programmable tuners and operated at 7 different speed standards.

Indications are that market will be more, not less, complex by June when 1981 lines are unveiled. In addition to expected stripped-down models, we'll be seeing smaller & lighter units in both home & portable models, more VHS & Beta with improved visual-fast-forward & reverse, new program-location features and more full-function wireless remotes—all of which will further serve to depress value of inventories.

None of that takes into account probability of new formats. Toshiba plans to have LVR on market this year, BASF also may be out with LVR in 1980, Technicolor has informal agreement for U.S. sales rights to Funai's compact 1/4" portable—and everyone is waiting for Kodak to drop a shoe. Toshiba is slated to show final version of home deck, announce pricing & marketing plans at June CES. What LVR Toshiba brings to market may differ from unit shown last month, as result of modifications which may be made in response to comments from prospective institutional customers. While most observers believe Toshiba is aiming at \$500 tag for basic LVR, company officially isn't commenting.

Pricing is sore point among all VCR manufacturers in Japan. They produced essentially at 2.1-million capacity last year, will be able to turn out as many as 3.2 million in 1980. Sales targets of 550,000 were set for both U.S. and Japan for 1979, and both fell short, with U.S. volume up 18.3% to 475,000, Japanese market up 19.5% to 471,000. Both countries had 4th-quarter sales surge, but at expense of severe price-cutting. Continued U.S. market strength in Jan. (see p. 7) is at cost of intense promotion, shrunken profits.

Japanese face tough economic conditions. They're suffering from same high energy costs as U.S., are being pressed to increase foreign-investment & aid programs sharply, and manufacturers are bracing for major wage-increase drive this spring from unions. All this puts on pressure for higher, not lower, export prices.

As for pending threat of videodisc, despite today's contentions to contrary, videotape & disc will be going head-to-head for same consumer dollar until one or other reaches substantial saturation point. VCR marketers agree there's still big consumer education job to be done. But VCR can expect to lose much of support from its biggest booster next year as RCA shifts emphasis to promote Selectavision disc system, which represents "largest single investment in a consumer product in RCA history," according to Chmn. Edgar Griffiths (see p. 10 for further videodisc comments by Griffiths). Similar disc sales effort can be expected to accompany national launch of optical Magnavision system, into which Magnavox and parent Philips have also poured millions of developmental dollars.

Pioneer will be jumping on disc bandwagon this year, and good portion of rest of video hardware & software industry will have made commitment to one disc system or another by mid-year. When that happens, Japanese VCR makers, who after all are only ones with capital investments to protect, will be left to carry promotional ball alone, and it's far from certain they have the ability to do it.

"Most favored nation" trade status was voted for China by House & Senate, clearing way for formal agreement, expected by end of month. As result, imports from China will be dutiable at lowest negotiated rate—that's 5-10% for electronics, instead of statutory rate of about 35%. Hong Kong & Japanese firms now have consumer electronics export-assembly ventures in China, will now be free to ship to U.S. Several major independent U.S. importers, we've learned, already have completed negotiations for Chinese plants, can now proceed with production plans.

Zenith & RCA were virtually neck-&-neck in 1979 color TV sales, according to one industry survey, with Zenith ahead by 0.3 of percentage point—20.8% to 20.5%. RCA took first, 2nd & 4th quarters, Zenith was solidly ahead in 3rd.

Retail telephone sales last year were disappointing 1.8 million, according to Raymond Boggs of Venture Development Corp., who notes figure was under 2-million total in downwardly-revised estimate VDC issued last Sept. Consumers' use of stolen instruments continues to be major factor in holding sales down, as pointed out in VDC study last year (Vol. 19:35 p10), Boggs said, adding that general satisfaction with phone company service, concern over repair & cost also contribute to lack of buying interest.

Consumer plans to buy color TV reached 1979's highest point in Dec., according to Conference Board's Buying Plans Index. In that month, 7.3% of sample polled planned to buy color set within next 6 months, up from 6.5% in Nov. 1979 and 5.2% year earlier. Plans to buy b&w were expressed by 1.2% vs. 1.5% in Nov., 1.3% in Dec. 1978.

CBS VIDEO ENTERPRISES: CBS tapped Cy Leslie, founder and former chmn. of Pickwick International, as pres. of its new broad-based CBS Video Enterprises, with charter to "manufacture, produce & market programming for the new video technologies." CVE becomes part of CBS/Records Group, whose Pres. Walter Yetnikoff had been commissioned earlier to establish "new ventures" group (Vol. 19:41 p10).

Leslie, who founded Pickwick in 1953 and built it into world's largest recorded music merchandiser & retailer with \$500 million sales, left company in 1977 when it was acquired by American Can. Immediately before his CBS appointment, he had been partner with Harlan Kleiman in Leslie-Kleiman productions, video & theatrical producers.

As announced, CVE will develop programs for virtually every type of video outlet — CATV, STV, tape & disc. Initially, Leslie told us, it will release first to cable "because it has a bigger universe — but this could change, and eventually we may do many things on video first." CVE will take full advantage of CBS's position as "the world's best & largest worldwide distributor" of entertainment. Leslie said it would set up marketing structure parallel to CBS Records distribution in order to utilize non-record outlets (he sees record stores becoming major video outlets later). CVE also will use Columbia House, CBS's mail-order marketing arm, Columbia Record Club, its book & magazine subsidiaries and, of course, creative talent at CBS.

Theatrical productions could have major place in CVE's efforts. CBS has become important backer of Broadway musicals, with recording rights often its prime motivation. Video, Leslie believes, could be even more significant factor in sponsorship of live theater and other performances. CVE will look at CBS programs and other material for Americans stationed overseas. Cronkite news, "60 Minutes" and other CBS News-produced shows currently are circulated by independent company under contract with CBS. Also looming large in CVE's plans are audio-visual materials for education & industry.

CBS license to produce videodiscs compatible with RCA selectavision (Vol. 20:2 p6) is significant factor in establishment of CVE. Leslie sees player circulation large enough to make discs profitable in 2nd or 3rd year after launch of SV system. He's not discounting possibility that other systems may emerge as standards, including possible new developments which could make recorded tape cassettes competitive with discs. CBS, he says, is "big enough to have production capacity for other systems if they develop." But he adds, "somewhere along the line, one system will step out ahead of the others and become dominant."

* * * *

Magnetic Video will enter videodisc business, hopefully in time for firm announcement at next June's CES, according to Pres. Andre Blay. He told us he's negotiating with Matsushita for license to master & replicate VHD discs, but would prefer to subcontract disc manufacture to 3rd party. MV,

largest pre-recorded cassette duplicator & distributor, is subsidiary of 20th Century-Fox. Blay said he also has talked with RCA, is ready to invest in plant for either format, but is concerned over 2-year time it would take to get into production. He believes both formats will succeed, expects Zenith, GE, Sylvania, Sanyo & Sharp to choose sides—not unanimously—in next 3 months.

RIAA+ITA=RIFT: Feud is simmering between ITA & RIAA over RIAA's claim that its long-standing phono disc sales certification program gives it preemptive rights in area of videodisc & videocassette. Associations coincidentally announced plans to start video software sales awards programs at same time last month (Vol. 20:2 p9).

Immediate response to situation came from RIAA Pres. Stanley Gortikov in letter to ITA Chmn. Irwin Tarr (Panasonic). Gortikov says he was "dumb-founded" to hear about ITA "intention to begin a new competitive" award program, complains RIAA wasn't given advance notice, notes "how incongruous it is now for [ITA Exec. Dir.] Henry Brief, just because he changed association hats, to guide an ITA project that denigrates the RIAA program he previously so actively protected." Brief joined ITA last Jan., was succeeded as RIAA exec. dir. by former Billboard Editor Steve Traidman. Gortikov asks ITA to reconsider certification program.

In reply, which along with Gortikov letter was sent to all ITA board members, ITA vp-founder Larry Finley says group is going ahead with award plan, expresses view that RIAA, "an association with no prior involvement in the home video field, truly should have contacted us because of ITA's pre-eminence in this area."

Tape topics: InterMagnetics plans to build its first videotape manufacturing plant in Gardena, Cal. IM says it will produce for domestic & export market, sell under own and private brands. IM didn't disclose construction schedule or capacity... Duty-free treatment may be withdrawn this year for audio tape recorders imported from Taiwan. Trade Representative's Office says value of such imports from Taiwan in first 10 months last year was \$39.7 million, virtually at "competitive-need" ceiling of \$41 million expected to be set for 1979. Free entry system is designed to aid industries in less-developed countries. Eligible countries lose preferential treatment on by-product basis when value of imports exceed trigger level in any one year. Allowable amount is adjusted each year in line with change in gross national product, and revised eligibility list is issued March 31... Fuji Photo plans 60% increase in magnetic tape sales this year to \$125 million, including 70% rise for videocassettes, 50% audio tape... Matsushita introduced dual-speed micro-cassette-FM-AM combination in Japan at \$124. Sanyo & Sony say they'll have similar models in March. Olympus (Pearlcorer), inventor of capstan-drive microcassette system is currently only firm offering combo.

Waning of disco era is underscored by Billboard's 11th-hour name change of Feb. 11-14 conference in L. A. from International Disco Forum to International Dance Music Forum.

RCA, DISC & \$\$\$: RCA plans "memorable introduction" of videodisc in "every city & town in this country" in first quarter 1981, Chmn. Edgar Griffiths said last week at special stockholder meeting which overwhelmingly approved acquisition of CIT Financial Corp. (Vol. 19:34 p10)—described by Griffiths as "money machine" to finance further research & expansion in electronics & communications.

In answer to shareholders' questions, Griffiths elaborated on his Dec. announcement of videodisc plans. He anticipates player priced "slightly below \$500" (first time word "slightly" has been used), discs "for about \$15 to about \$25." Asked about competitive systems, he said: "This is a business worth \$5-\$6 billion a year, and we're not going to get by unchallenged." However, agreement with CBS (which will press discs for system) gives Selectavision "very excellent start and lead on the competition," and RCA's pricing will start it off with "definite advantage."

"More advanced & sophisticated player," to be introduced later, will have stereo sound, and "as time goes by" Selectavision will offer all features of competitive machines. Second generation, he said, will have "more features [in] wider price range."

Discussing merger, Griffiths clearly outlined course he has charted for RCA. CIT, he said is "money-making machine, which can make a great deal of profit but doesn't require a penny for research & engineering," providing "solid base that doesn't fluctuate in bad times so we can maintain" position in electronics. "Future of RCA in communications & electronics," he said, "is enhanced and made considerably brighter by bringing in another company that can generate money as Hertz has done in the past."

He made it clear that RCA has no ambitions to be conglomerate, will concentrate on 4 areas--communications-electronics, financial & consumer services, NBC, Hertz--and is disposing of Banquet Foods & Random House because they "don't fit the RCA vision of the future." Any further acquisitions, he pledged, "will be in fields we're already in." He indicated that with RCA's authorized but unissued securities, only minor merger—not over \$400 million—is now possible without stockholder authorization.

CIT thus becomes RCA's biggest profit-maker, based on its \$107 million earnings for 1979. After paying dividends & interest, Griffiths said RCA still has \$18-million surplus from purchase.

Meeting also marked first public remarks by Maurice Valente as RCA pres. His 30 days in post, he said, confirmed his previous opinion that company was "extraordinary in many, many ways." He found "sense of commitment in every echelon."

MITCHELL TO ADVENT: Many leading industry sales & marketing executives breathed easier last week when Bernie Mitchell surfaced at Advent in new post of vice chmn.-chief exec., assuming some former responsibilities of Pres. William Anderson, who continues as chief operating officer. Numerous companies were reportedly wooing Mitchell,

who was dismissed as U.S. Pioneer pres. last summer in policy dispute. During Mitchell's 10 years at helm, Pioneer became biggest-selling hi-fi line in U.S.

In introducing Mitchell at hastily arranged press briefing in N.Y. Feb. 1, Anderson said he & Mitchell were essentially complimentary as "my background is primarily video" (from RCA & Sharp days), with lighter and more recent involvement in audio, while Mitchell is audio specialist who moved into video fringe through Pioneer's recent involvement as optical videodisc player manufacturer. Exact duties at Advent haven't yet been divided up, "but there's no question about who is the chief executive," Anderson said, noting that hiring of Mitchell was "a clear cut commitment to move forward."

Mitchell said he joined Advent because it's small company positioned in growth areas of both audio & video. He also cited firm's strong top management & technological teams and an "excellent reputation" that "stems from founder Henry Kloss." His Advent plans include broadening both product line and dealer base, "but no major changes." He declined to discuss product specifics, but said of possible entry into videodisc player arena, "as we sift through our options, that's one that doesn't seem to go away." On his years with Pioneer: "I loved every single day of it. I'm very proud of Pioneer and I'm very glad I'm not there any more."

Mergers & acquisitions: Racal made expected bid for U.K.'s Decca (Vol. 20:4 p12), and Decca board approved \$147.5-million offer. Racal confirmed that it's interested primarily in Decca's military-commercial electronics business, and that TV-audio operation will be disposed of if deal goes through. Decca has agreed to sell music & record unit to Polygram for \$53 million... **Comm Industries** is latest casualty in autosound business, has sold entire speaker & equalizer inventory to import-distributor Granada Electronics, is seeking buyer for remaining assets... **Merger activity** in electronics surged last year, with 82 announcements, up 24% from 66 in 1978, according to Chicago consultant W. T. Grimm & Co. In contrast, mergers & acquisitions in all industries in 1979 were up just 1% to 2,128. Electronics totals exclude RCA-CIT and Exxon-Reliance deals.

U.S. IC makers control 67% of world output, according to survey by Dutch Philips, which credits Japan with 15%, Europe 10%, rest of world 3%. TI is considered biggest producer, holding more than 10% of market. Also with over-10% share is IBM, which produces only for itself. Credited with shares in 5-10% range are Intel, Motorola, National Semiconductor, Philips. At 2%-5%: Fairchild, Mostek, RCA & Western Electric of U.S.; Hitachi, NEC & Toshiba of Japan; Germany's Siemens. Ranked in 1-2% class are GI, Harris Semiconductor, Hewlett-Packard, ITT & Rockwell of U.S.; Japan's Fujitsu & Mitsubishi; Thomson-CSF of France.

Korean TV production jumped by factor of 65 in 1970s, from 89,000 in 1969 to about 5.8 million last year, or average annual 51.8% growth rate, Traders Assn. says.

GTE ALGERIA UPDATE: GTE is in process of wrapping up involvement in unique 6-year, \$240-million contract to provide Algeria with essentially integrated consumer electronics industry, according to International Div. Vp Robert Farwell, who told us operation should be ready for complete Algerian management control by end of this year. Project differs from other international plant, technology & training agreements both in breadth and in fact that GTE has no equity in Sonelec, company Algerian govt. formed to run operation.

As originally announced in 1974, project called for \$214-million TV, audio & parts manufacturing complex to be operational by 1977 and turned over to Algerians by end of 1979. But even before work on project started, scope was expanded and timetable pushed back (Vol. 14:41 p11, et seq.). However, manufacturing is in full swing and "some parts are already being run by Algerians," Farwell said.

Facility now employs 3,200 Algerians, is producing 25" table model color and 17" & 24" b&w TV, portable radios, phonos, battery-portable cassette recorders, b&w picture tubes, ICs, discrete semiconductors, coils, antennas, some plastic parts & metal stampings. In TV, plant has capacity to produce 50,000 color, 190,000 b&w annually on 2-shift basis, although it's operating only one shift now, and there are sociological factors that make 2-shift operation problematical.

As business, Sonelec is already total success in that "it's selling all it can make" on local market. Strong domestic demand has resulted in abandonment of earlier idea of entering export market. Algeria "has a population of about 19 million and only about

500,000 sets in use," and govt. restricts imports, Farwell said. As result, black market has sprung up, and Sonelec color (which lists for \$2,000) and b&w (built to sell at \$300-\$400) are being snapped up at double intended prices.

Project wasn't entirely an internal GTE matter. Subcontractors were called in to help in specific areas. TV technology came from GTE's German subsidiary Saba; Algeria is PAL country. Enterprise went remarkably smoothly, considering complexity. In some areas, Algerians went bit overboard in quest for self-sufficiency, as in desire to manufacture own cassette transports. "We had to convince them that their production quantities were too low" and to source them from high-volume producers in Far East, Farwell said.

There also was miscalculation in TV production schedule. "Our plan calls for producing 4 times more b&w than color," and Algerians now are color-happy, Farwell said, pointing out that half of current 8-10 hours of daily telecasting there is in color. Designing suitable color set for Algerian market presented some difficulty, as 1975 govt. decision to adopt PAL system was kept secret to avoid offending France, which backs SECAM. "They wouldn't even tell us," until it was almost time for production, Farwell said.

GTE considers Algerian effort success "if by success you mean we made a profit," and other countries have approached GTE with interest in having similar installations built for them. "We've had some negotiations," but no decisions have been made. "Each country presents a different set of problems," Farwell said, indicated GTE planned to continue discussions.

Minicomputer is promised by Sinclair Research, formed last year in U.K. by Clive Sinclair, whose now-defunct Sinclair Radionics was first on market with pocket mini-screen b&w TV & subminiature calculator. Firm says it will be on market here later this year with 1-lb., 9 x 7 x 2" computer with keyboard, selling at about \$200. Unit, called ZX80, has Japan-made MPU, uses standard cassette recorder for memory, displays output on regular TV screen. SR also is working on 3" thin-tube pocket b&w TV (Vol. 19:38 p11).

Philips-MCA videodisc system will become "dominant" in marketplace, eclipsing RCA Selecta-vision because of its many feature advantages, Lee Isgur predicts in report issued by Paine Webber Mitchell Hutchins. He forecasts that Zenith & Sony will join MCA, Magnavox & Pioneer in optical system, have machines on market by late 1981 or possibly late 1980. He expects "important part of revenues for pre-recorded videodiscs & cassettes to come eventually from rentals."

Atari is expanding hand-held electronic game offerings with 2 video-like units using LCDs, which play versions of highly successful video games "Space Invaders" & "Breakout." Pricing wasn't announced, but they're expected to be competitive with similar dedicated Minivid from Mego and programmable Microvision from Milton Bradley, retailing at about \$40. Atari will introduce games at Toy Fair opening in N.Y. Feb. 11.

Ad notes: Western Auto shifts \$5-million account to Brewer Adv. from Barickman Adv. . . JS&A says Popular Science provided greatest reader response to mail-order ads, in proportion to investment, of all publications it used in 1979. Others in JS&A's Top 10: Wall St. Journal, Omni, Mechanix Illustrated, AOPA Pilot, all in-flight magazines as group (paced by United's Mainliner), Scientific American, Carte Blanche, U.S. News & World Report, Popular Electronics.

Stand-alone home computer is expected from Texas Instruments by end of March, to retail at about \$895. That's \$255 under price of essentially same computer sold with 13" Zenith-made color monitor. RF modulator, needed to interface computer with standard home TV, will be extra-cost accessory. . . Control Data will handle warranty & after-market repair for Atari home computers. CDC has 20 service stations in 10 states, plans to expand into national network.

Videodisc jukebox arrival in U.S. has been delayed until late fall. First shipments originally were due this summer (Vol. 19:45 p10). Star Show, probable new name for distributor Show-Time Systems International, Sandusky, O., plans to import 200 machines monthly from General (Japan). Jukebox still costs about \$7,000, but appearance & operation differ from earlier model. Customers buy 3 plays for \$1.

Financial Reports of TV-Electronics Companies

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

Company & Period	Revenues	Net Earnings	Per Share
Andrea Radio			
1979-year to Dec. 31	2,711,954	251,097	.49
1978-year to Dec. 31	2,297,945	150,580	.30
1979-qtr. to Dec. 31	666,256	68,012	.13
1978-qtr. to Dec. 31	647,312	70,954	.14
Avnet			
1979-6 mo. to Dec. 28	595,328,000	32,935,000	2.11
1978-6 mo. to Dec. 29	471,597,000	22,202,000	1.43
1979-qtr. to Dec. 28	307,186,000	16,861,000	1.08
1978-qtr. to Dec. 29	247,588,000	11,948,000	.77
Cox Bcstg.			
1979-year to Dec. 31	271,187,000	43,767,000 ^a	6.50
1978-year to Dec. 31	230,444,000	33,847,000	5.07
1979-qtr. to Dec. 31	78,019,000	12,011,000	1.78
1978-qtr. to Dec. 31	67,528,000	10,347,000	1.55
Lee Enterprises			
1979-qtr. to Dec. 31	36,723,000	4,484,000	.62
1978-qtr. to Dec. 31	31,117,000	4,293,000	.59
LIN Bcstg.			
1979-year to Dec. 31	57,945,000	13,470,000	4.89
1978-year to Dec. 31	51,180,000	11,492,000 ^a	4.14
1979-qtr. to Dec. 31	16,679,000	4,142,000	1.50
1978-qtr. to Dec. 31	14,892,000	3,837,000 ^a	1.40
Meredith			
1979-6 mo. to Dec. 31	170,780,000	10,983,000	3.53
1978-6 mo. to Dec. 31	157,371,000	7,577,000	2.45
1979-qtr. to Dec. 31	88,401,000	6,466,000	2.08
1978-qtr. to Dec. 31	80,674,000	4,005,000	1.29
Metromedia			
1979-year to Dec. 29	416,693,000	41,774,000	9.06
1978-year to Dec. 30	370,713,000	35,272,000	7.02
1979-qtr. to Dec. 29	137,891,000	16,045,000	3.46
1978-qtr. to Dec. 30	126,972,000	12,756,000	2.77
Multimedia			
1979-year to Dec. 31	133,487,000	18,676,000	1.87 ^b
1978-year to Dec. 31	110,630,000	15,601,000	1.57 ^b
1979-qtr. to Dec. 31	38,260,000	5,537,000	.55 ^b
1978-qtr. to Dec. 31	31,582,000	4,808,000	.48 ^b
Owens-Illinois			
1979-year to Dec. 31	3,504,289,000	133,454,000	4.56
1978-year to Dec. 31	3,111,687,000	85,231,000 ^c	2.87
1979-qtr. to Dec. 31	925,096,000	34,492,000	1.18
1978-qtr. to Dec. 31	812,675,000	5,676,000 ^c	.17
Taft Bcstg.			
1979-9 mo. to Dec. 31	190,957,000	27,036,000 ^d	3.10
1978-9 mo. to Dec. 31	135,492,000	22,312,000	2.64 ^b
1979-qtr. to Dec. 31	65,118,000	7,864,000 ^d	.87 ^b
1978-qtr. to Dec. 31	37,450,000	6,339,000	.75 ^b
Texas Instruments			
1979-year to Dec. 31	3,224,126,000	172,891,000	7.58
1978-year to Dec. 31	2,549,853,000	140,279,000	6.15
1979-qtr. to Dec. 31	906,083,000	46,523,000	2.03
1978-qtr. to Dec. 31	733,215,000	39,809,000	1.74

Notes: ^aIncludes special credit. ^bAdjusted. ^cAfter special charge. ^dRecord.

Electronic impersonation capability is built into single-chip speech & sound synthesizer being developed by General Instrument. Chip is slated for delivery early next year at \$24.50 in OEM quantities, will provide minute of computer-like speech, or can be programmed to imitate specific voice for 4-10 sec.

Consumer Electronics Personals

Lawrence McGuire, ex-Friedrich, joins Zenith Sales as region mgr. covering Tex., Okla. & Kan., succeeding **William Rush**, now pres. of S. A. Long Co., Zenith Wichita distributor... **Daniel Geaney**, ex-Allis Chalmers, one-time Motorola & JVC, appointed Quasar west region mgr... **Richard Stadin**, ex-Allied Artists Video, forms Mastervision, video software duplicator & distributor... **Masahiko Morizono**, Sony senior managing dir., named pres. of Sony Technology Center, Palo Alto, recently reorganized into separate corporation and expanded to include manufacturing capability for high technology products.

Morris Franco promoted at Soundesign from senior vp to exec. vp... **Ronald Costa**, Superscope operations vp, adds post as exec. vp of subsidiary Marantz... **Marino Andriani**, ex-Topp Electronics, joins Kraco as national sales mgr... **Ronald Kashkin** advanced at Bogen from engineering vp to operations vp; **Donald Oaks** named materials dir.; **Mark Koller** joins as engineering dir.

Bruce Fowler named midwest mgr. for Sharp Optonica hi-fi line... **Fred Nichols** promoted at Audio-Technica from vp to senior vp, mktg.; **Paul McGuire**, national sales mgr., and **Dean Slagle**, operations mgr., named vps; **David Jensen** joins as national accounts sales mgr... **Dennis Gold**, ex-Panasonic, appointed Rank Hi Fi operations mgr.; **Derek Whiteman** named west region mgr.

William Miller, ex-Thomas & Betts, appointed Augat pres.-chief operating officer, succeeding **Roger Wellington**, named chmn.-chief exec., replacing **Robert Laurence**, retired... **Albert Snider**, ex-Sierracin, named Bourns systems & components operations senior vp, new post... **Robert Carlin** advanced at Amperex to gen. sales mgr... **Charles Kastner** advanced at Motorola HF & Optical Div. from business planner to LCD mktg. mgr... **Ed Larrabee**, ex-Jensen, named Switchcraft distributor operations mgr.

Wallace Johnson, ABS, named chmn., National Radio Systems Committee; **James Kearney**, GE, appointed vice chmn... Late **Edwin Armstrong** named to National Inventors Hall of Fame for development of superheterodyne radio; **James Hillier**, RCA, being inducted for invention of lens system of electron microscope... Rep. **Charles Vanik** (D-O.), Trade Subcommittee chmn., announced he won't seek re-election.

Soaring LCD sales through mid-1980s is forecast by Fairchild, which sees demand from consumer entertainment & toy manufacturers setting pace as factory sales, excluding those for calculators & watches, jump from about \$19 million this year to \$126 million by 1985. Company sees consumer sales of about \$13 million this year, climbing to some \$62 million in 5 years, industrial-automotive market rising from \$1 million to \$38 million, commercial volume climbing to \$26 million from \$5 million.

Japan set record for home-market color TV factory shipments last year at 6,548,000, EIA-Japan reports. Total was just 0.9% above previous mark of 6,489,000 set in 1973.

WEEKLY

Television Digest®

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35
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SUMMARY-INDEX OF WEEK'S NEWS

Broadcast

SENATE VOTES DOWN FTC KIDVID: Authorization action produces surprisingly anti-FTC 60-37 vote to end kid ad rulemaking. Difficult House-Senate conference expected on FTC bill. Carter threatens veto. (P. 1)

EQUAL-TIME BILL HEARING: Newsmen back Van Deerlin bill; FCC's Bruce opposes it. Legislation chances considered slim. (P. 2)

NEW NETWORKS: FCC reports see regulatory issues in new video technologies. 4th network needs allocations help to succeed. (P. 3)

FERRIS HITS BLACK BUZZSAW before actors and writers in L.A. Dixon tells chmn. he offers 'essentially nothing.' Brown responds. (P. 3)

FTC's 'UNFAIRNESS DOCTRINE' in children's area debated at AAF-ABA conference. Pertschuk praises informational role of advertising, steers clear of kid TV. (P. 4)

NATPE BURSTING SEAMS IN CAL.: Programmers to gather in record numbers for Feb. 16-21 San Francisco convention. Van Deerlin, Geller, 3 FCC commissioners to participate. 246 exhibitors fill Hilton, crowd networks out. (P. 4)

SENATE VOTES DOWN FTC KID TV INQUIRY: By surprising 60-37 vote—more anti-FTC than many expected—Senate last week voted to end FTC children's advertising rulemaking inquiry. Vote came on measure to strip FTC authorization bill of amendment by Sen. Ford (D-Ky.) eliminating entire basis for FTC kid ad proceeding. Kid ad vote was climax of Senate session on FTC authorization which saw embattled agency absorb full impact of Hill anti-regulatory wrath, with amendment-laden authorization bill eventually passing 77-13.

Next step is House-Senate conference on authorization—traditionally spot where previous authorizations have broken down, due to House's insistence on having a legislative veto over FTC actions. Legislative veto issue was practically only bright spot for FTC in Senate votes. After stern warnings from White House that Carter would veto any bill with legislative veto in it, Senate rejected one-house veto amendment by Sen. Schmitt (R-N.M.) and adopted makeshift measure proposed by Sens. Boren (D-Okla.) & Levin (D-Mich.) allowing for cancellation of FTC action with approval of both houses of Congress & President.

"We are extremely pleased with the Senate action upholding Sen. Ford's bill. This sends a strong message to the FTC that it is overstepping its bounds," said Roy Elson, NAB legislative affairs vp. He added that he expects conference to retain language of Ford bill. Others weren't so sure. Said Ford aide: "We're happy we got everything we wanted on the floor. But

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Consumer Electronics

JAN. SALES SURGE in color TV viewed by manufacturers as catch-up buying by dealers to refresh inventories depleted during better-than-expected 4th quarter. First Feb. week sees good sales continuing on upswing. (P. 7)

MORE MOVIE MAJORS take tape/disc plunge: UA signs 100-picture deal for RCA discs, may make big cassette move. MCA releasing 24 titles on cassette. Columbia cassettes go nationwide. CBS-MGM disc pact? (P. 8)

TV IMPORTS DROPPED just 9.3% in 1979, color chassis & kit shipments rising, b&w holding even with 1978. VCR imports topped 599,000, color cameras soared, but b&w cameras declined. (P. 9)

ELECTRONIC GAMES now \$425-million annual business, says Coleco, claiming No. 2 position. (P. 10)

FCC ON VIDEO: Releases survey forecasting ever-increasing VCR prices, low-cost small-quantity discs. NAB sees VCRs increasing TV audience size in short run. (P. 11)

RCA SELLS RANDOM HOUSE to Newhouse for \$65-\$70 million. Racal & GEC in bidding war for U.K.'s Decca. (P. 11)

I couldn't predict anything about the conference. It's been the trouble spot for the past couple of years." Conference isn't scheduled yet, is expected within next 2 weeks.

Senate authorization voting ended 2 weeks of high-visibility for FTC. Chmn. Michael Pertschuk defended FTC in TV appearances on "Phil Donahue" & "60 Minutes." Washington Post called for Senate to strip FTC bill of all amendments ending rulemakings. Ad agency and industry plaintiffs, in suit claiming bias by Pertschuk in kid ad inquiry (Vol. 20:2 p4), decided to appeal Court of Appeals decision allowing Pertschuk back into inquiry, even though he voluntarily disqualified himself. Peter Allport, ANA pres., said: "We wondered, if Pertschuk can voluntarily step down, can he voluntarily step back in?" Allport said he wasn't certain how congressional action would affect suit.

On same day Senate voted, President Carter told Consumer Federation of America: "An extraordinary array of special interests has now put the consumer protection efforts of the FTC at the top of their hit list... If Congress sends me a bill that cripples the ability of the FTC to protect the American consumer, I will veto that bill." Carter made clear his disapproval of legislative-veto concept, didn't mention kid ad rulemaking specifically, though White House supported measure to protect kid ad inquiry in floor vote. Sen. Hollings (D-S.C.), speaking at NAB TV Conference in L.A., predicted that Carter wouldn't veto FTC bill, noting that President made statement before a consumer group. White House source suggested that even Levin-Boren compromise would be unacceptable to President. Overwhelming 77-13 vote for approval of entire authorization bill raises question of effectiveness of Carter veto threat.

Response from consumer groups to kid ad vote was swift. Peggy Charren, ACT: "It's outrageous that Congress has been so influenced by industry lobbyists that it is ready to sacrifice children's future health and welfare to their perception of their short-range political advantage." Small consolation for consumer groups came when Senate rejected amendment limiting public participation funds to \$5,000 per group.

Opponents of FTC got bonus to Senate victory when U.S. Court of Appeals struck down FTC rule preventing states from prohibiting eyeglass advertising. Court described rule as "pre-emption" of states' rights. Eyeglass advertising rule is 2nd Magnuson-Moss FTC rule to come before courts—and 2nd one to be struck down.

EQUAL-TIME BILL BACKED: Rep. Van Deerlin (D-Cal.), Communications Subcommittee chmn., last week received considerable support from broadcasters and others for his bill to repeal equal-time provisions pertaining to President & Vice President. But bill also drew fire from FCC Gen. Counsel Robert Bruce and others, and Bruce's opposition attracted significant attention.

Bottom line after day-long hearing was that there was considerable skepticism that bill will go anywhere because of general apathy on Subcommittee and some vehement opposition, notably from Reps. Marks (R-Pa.) & Markey (D-Mass.).

Bruce said impact of broadcast "editorial process is so significant that I am not certain that repeal or even partial repeal... would be warranted when the costs and benefits are tabulated..." He said primary drawback to bill is its "adverse impact on lesser-known candidates for the major party nominations. New minor party candidates would also be adversely affected."

Bruce was pressed hard by Van Deerlin, who seemed frustrated with Bruce's opposition. Asked if broadcast news shouldn't be equal to print, Bruce said FCC supports print-broadcast parity and is exploring ways to increase it. Said Van Deerlin with irritation: "How we go about doing it, is by doing it."

Other highlights of 16-witness hearing: (1) NBC newsman Bill Monroe said bill "would inject more reason into coverage of the national campaigns." (2) Heidi Sanchez, Media Access Project, termed bill "ill-conceived and contrary to the fundamental principles of fair democracy." She said bill would give "dangerous powers" to broadcasters. (3) Rep. Dannemeyer (R-Cal.) testified that he wants legislation prohibiting networks from denying time for editorial-type advertising from companies.

In related action, NAB & RTNDA wrote Sen. Pell (D-R.I.), Rules Committee chmn., in opposition to Federal Election Commission's reformulation of campaign laws to allow news & non-profit organizations to set up debates. NAB & RTNDA said FEC is trying to solve problems of its "own creation" and FEC doesn't have jurisdiction over debates. Also, former FCC Chmn. Dean Burch, representing GOP National Committee, told Van Deerlin Subcommittee that FEC should stay out of debate question.

FCC NEW NETWORK REPORT: FCC's Network Inquiry special staff has released new white papers on regulatory problems—describing home video, spectrum, role of PTV. Reports on direct satellite broadcasting are due in about 2 weeks. Home video report forecasts levelling of home video sales at 1 million units a year (see p. 11). Reports are work of consultants, don't represent FCC policy.

Reports list 4 "main areas" which FCC "must address in the formulation of its policies with respect to new TV networks." (1) Can FCC ignore impact on current networks of permitting entry of new ones? (2) Can FCC be consistent in achieving objective of limiting domination of ownership? (3) Should rules governing network relationships with affiliates be extended to new network relationships? (4) What is basis for extending authority of FCC over new network?

In report on spectrum management, consultants concluded because of FCC decisions in 1940s & 1950s intermixing UHF & VHF, a 4th TV network can't be created without major changes in channel assignments. Agency failed badly in predicting long-range effects of those decisions and the best way to correct situation is to shift all TV to UHF.

On PTV: Satellites "can resolve many of the tensions" of PTV by creating programming centers "outside the PBS/CPB axis." Once this happens, PBS & CPB will get "the extra measure of power they need to act efficiently and it is hoped responsively." Report concludes: "It may now be possible for the system at last to act in the service of diversity."

Satellite broadcasting reports to come focus on common carrier-broadcast regulatory dilemma for high-powered 12-GHz satellites, value and scarcity of spectrum and orbit for direct-to-home service, impact of satellite data networks. Cable, STV & MDS reports were released earlier (Vol. 20:5 p4).

Olympic boycott picked up international support last week when China, Japan, Kenya, Malaysia & Zaire announced endorsement of boycott, bringing total number of countries supporting U.S. position to 20. West Germany & France are seen as key countries which haven't yet joined movement, may do so. Meanwhile, AP-NBC poll found that 73% of Americans aware of USSR invasion of Afghanistan support boycott. NBC faces ticklish problem with U.S. govt. if Games go on as scheduled: Commerce Dept. can deny network USSR-export licenses for videotape and satellite uplink equipment under "high-technology" embargo.

NAB will join Ia. Assn. of Bestrs. in asking FCC to reconsider ruling that lowest unit rate applied to stations for Ia. caucuses (Vol. 20:2 p2). Their chances aren't considered good.

FERRIS HITS BLACK BUZZSAW: Media Forum—newly formed group composed of black actors, producers, directors & writers—erupted in anger in L.A. Feb. 4 after listening to FCC Chmn. Ferris speak (Vol. 20:5 p4) and answer questions. Questioning by panel of newsmen—on EEO, deregulation, etc.—was hostile.

Similar questioning came from floor, leading actor-dir. Ivan Dixon to tell Ferris he had offered "essentially nothing to help us in any way crack the system. . . What this man said [to audience] is that 20 years from now your children will be sitting right here asking questions of some other white chairman of the FCC. . . Get off your asses and light a fire under [Ferris's]."

Dixon comments brought response from Comr. Brown, who until then remained silent. Brown told audience they represent one of most affluent & powerful black communities in any major U.S. city, yet they were totally disorganized. FCC has opened doors for blacks, he said, but "we can't do the whole job and won't."

(Note: Due to typographical error, Ferris was misquoted in report of Feb. 1 San Diego speech [Vol. 20:5 p4] as terming NAB's "regular pronouncements of dismay at FCC actions" as evidence that "they were now somewhat dumb." He actually said "they were now somewhat numb.")

FCC is rapidly outgrowing 1919 M St. hq building and all nearby space it can rent, is searching for ways to consolidate in single building—but that's probably 5-6 years away. When law judges, FOB, Review Board and Best. Bureau Hearing Div. move into 2000 L St. this summer, agency will occupy 380,000 sq. ft.—only 220,000 sq. ft. of it in main building. Last week, 3 divs. of Common Carrier Bureau moved to 2555 M St. When Commission moves (probably into building not yet built), it wants to stay as close to present location as possible in northwest Washington—where lawyers, engineers, lobbyists, trade assns., etc., migrated after FCC moved from 1300 Pa. Ave. in Dec. 1967. In early planning for consolidation, bureaus & offices have been asked to estimate future needs. Predictions are, too, that agency personnel will show major increase—particularly in Common Carrier Bureau.

Best. Rating Council, while waiting for TV rating services to study viewing patterns in "group quarters," said it will allow Arbitron to continue using those living in such places (dormitories, barracks, mental institutions, etc.) in its demographics until Oct. 1981. Nielsen doesn't include such groups. BRC's position is that—if viewing in such groups differs from household viewing—group-quarter residents should be included in samples or rating projections should exclude them. (Incidentally, BRC's PR duties have been assumed by NAB—Marilyn O'Connor.)

FTC's 'UNFAIRNESS DOCTRINE': Popular pastime at AAF-FBA advertising law conference in Washington last week was attacking FTC's proposed children's TV ad restrictions. Sessions were taking place—and FTC Chmn. Michael Pertschuk was speaking at lunch, although he steered clear of children's TV—at exact time Senate was stripping FTC of authority to go ahead with children's rulemaking (see p. 1).

"There's certainly substantial substance to the charge that the FTC considers itself a national nanny," attorney James Rupp charged in session on language in FTC act which permits agency to move against "unfair or deceptive" practices. He said that children's programming & TV advertising are better left to individuals (parents) & Congress, that such matters "are none of the Commission's business."

About FTC's only defender—Andrew Schwartzman of Media Access Project—said it "would be a terrible mistake... short-sighted and ultimately counter-productive" for Congress to attempt to shackle Trade Commission. He said: "Public confidence in the corporate sector, which has never been great, will diminish even more if American business persists in standing up for its supposed right to cheat, bludgeon and film-flam the consuming public."

Ex-FTC Chmn. Miles Kirkpatrick, commenting on Justice Dept. antitrust suit against NAB TV Code, said: "[It's] ill-founded... I shudder to think of the consequences if there is no self-regulation... Somewhere there may be some favorable comment on the suit, but I have yet to find it." While suit is on firm legal ground and govt. may win, he said, as a matter of policy it should never have been filed.

Sen. Packwood (R-Ore.)—who led Senate fight against stripping FTC of power—said agency hadn't exceeded its authority, that it had often used "unfair" in statute to move against business practices long before children's TV. "Now we're going to stop them, but we didn't for 5 years when we knew they were doing it," he said.

Pertschuk had some good things to say about advertising as "the critical lubricant of a competitive marketplace [and] as a powerful inflation fire extinguisher." He said FTC is "cheering advertising on to greater levels of performance, usually from the sidelines but sometimes on the field... Of course, our mission is not only to make sure that the stream of commercial speech flows freely but to see that it is unpolluted as well."

ITV-2 would start in Britain by end of 1982 under bill put before Parliament by Conservative govt. Second commercial network would have heavier emphasis on news and public affairs. Fifteen companies which program ITV-1 will also provide material for 2nd network; they're providing working capital of \$160 million. New service would cover all UK except Wales, would be limited to 1/3 entertainment.

Jerry Perenchio and Tandem Productions have bought KMUV-TV Sacramento for \$8 million from Ch. 31 Inc. (Andrew Bartolini, pres. & 14.4%). Station has STV permit, originally was to be sold to Universal STV.

NATPE BURSTING SEAMS IN CAL.: Annual gathering of TV program executives under aegis of NATPE continues to grow & grow, and Feb. 16-21 conference in San Francisco will be another record-setter by far. In fact, some 246 distributors with hospitality suites have so taxed Hilton Hotel facilities that TV networks have been forced to move to nearby St. Francis.

Among principal speakers: Keynoter Richard O'Leary, ABC-owned stations pres.; Producer Garry Marshall; NAB TV Chmn. Robert King, Capital Cities; PBS Pres. Lawrence Grossman; Ellen Sachar, Goldman Sachs & Co.; NAACP Exec. Dir. Benjamin Hooks; NTIA chief Henry Geller; ex-FCC Chmn. Richard Wiley; FCC Comrs. Anne Jones, Abbott Washburn & Joseph Fogarty. Commissioners and House Communications Subcommittee Chmn. Van Deerlin (D-Cal.) will be quizzed at 10 p.m. press conference Feb. 17.

Major meetings with network brass are planned by affiliated stations (including PBS) and independent outlets. General sessions are titled: "Sex & the Single Girl," "New Trends in Syndication," "A Decade of Prime Access," "TV 1990."

Satellink of America plans to announce Feb. 11 the availability of 3 "Flying Saucer" air-transportable satellite uplinks, compatible with cross-polarized transponders on Satcom & Westar systems, 2 units based in Washington, one in L.A. They have 4.6-m dish, transmission equipment for one video and 3 audio signals. Saucer signal must be re-transmitted by larger, intermediate uplink; portable units can't be used for direct service to other small-aperture antennas. Packaged in 11 containers, 4,050-lb. units fit on cargo pallet of DC-9. Equipment is made by Microwave Assoc., Burlington, Mass., price not disclosed. Satellink is talking to ABC & CBS as contract customers, and discussions also have been held with others and their use is expected at political conventions. Operation will be under FCC special temporary authority. Commission has said it wants 10-day notice when possible but will expedite approvals for special news events. Tariffs, subject to FCC approval, range from \$7,000-per-use on contract basis to \$12,000 for occasional use.

Arbitron estimates, as of last fall: (1) Color sets, 64.4 million, in 85% of all TV households, up 2.8 million in year. (2) UHF sets, 71.6 million, in 95% of TV homes, up 2.3 million. (3) Multi-set homes, 37.6 million, in 50% of TV homes, up 1.75 million. (4) Cable homes, 14.2 million, in 19% of TV homes, up 1.8 million. (5) Total TV homes, 75.8 million, up 1.9 million.

Newspapers received 29.3% (\$14.5 billion) of U.S. ad dollars in 1979, up from 28.9% in 1978, according to NRBA. TV garnered 20.5% (\$10.2 billion), compared with 20.4%; radio was down slightly from 6.9% in 1978 to 6.8% (\$3.38 billion) last year, and magazines remained at 5.9% (\$2.9 billion).

Copyright Tribunal has rejected NAB request for stay of royalty distribution (Vol. 20:2 p2), saying "judicious results" would follow. Justice Dept. & MPAA have filed opposition to NAB's challenge of decision in D.C. Appeals Court.

3 NEW TVs, TOTAL NOW 1,014: Independents WBTI Cincinnati and WUHF Rochester, along with non-commercial KSRE Minot, N.D., have gone on air, raising operating U.S. stations to 1,014. Of total, 736 are commercial, 278 educational.

WBTI (Ch. 64) also is STV station, using ON-TV, owned by Buford TV. Robert Buford is pres., Errol Kapellusch gen. mgr. Buford also owns 3 other TVs, several cable systems and is seeking STVs in Baltimore, Kansas City & Minneapolis-St. Paul.

WUHF (Ch. 27) is owned by Malrite TV (WCTI-TV New Bern, N.C.); Milton Maltz is pres., Jerry Carr gen. mgr. KSER (Ch. 6) started Jan. 25, is owned by Prairie Public TV, will be satellite of KFME Fargo.

President Carter has decided against debating Sen. Kennedy (D-Mass.) in Presidential primaries, said Rosalynn Carter, because debate would give appearance of U.S. "disunity" to foreigners during Middle East crisis. Kennedy has offered to debate Carter 34 times in 22 different states, last week staged "simulated" debate using cassette recorder with taped Carter statements on Middle East, inflation. Republican primary debate coverage: N.H. in Manchester Feb. 21, 8:30-10 p.m., with all 7 candidates, will be carried in full with half-hour delay by PBS, with 3-hour delay by CBS. PBS will carry Feb. 28 Columbia, S.C. debate between Baker, Bush, Connally & Reagan live 9:00-10:30 p.m. NBC remains undecided on coverage; ABC plans series of 5-6 specials on primaries to be aired 11:30 p.m. during late Feb.-early March.

Warner won "Super Bowl of Cable," according to Pres. Gustave Hauser, as Pittsburgh council voted 8-1 to give company franchise, against competition of 3 largest groups—Teleprompter, ATC & TCI. Hauser said Warner will begin "immediately" to build 700-mile system to pass 180,000 homes. He said city is "one of the last classic cable cities" because of numerous hills & valleys. Consumers will be offered 78 channels; additional group of channels will serve institutions. There are many systems in suburbs, none in city itself.

Five FCC members go to China May 5-15 at invitation of Chinese Ministry of Post & Telecommunications to discuss matters of "mutual concern": Ferris, Lee, Fogarty, Brown & Jones. Ferris, Lee & Fogarty were in Honolulu last week for Joint Board (common carrier) meeting; Ferris & Fogarty also go to London for Feb. 20-21 meeting on international common-carrier matters.

RCA Americom indicates it will accept AT&T offer for up to 11 transponders on Comstar satellite system—opening way for start of 2nd cable satellite in Sept. Likelihood is that new cable TV services will be put on Satcom II, with data and Alascom traffic shifted to AT&T's system. RCA expects soon to present claim to Lloyds for loss of Satcom III.

Rehearing in family viewing case—sought by Tandem Productions and Writers Guild—has been denied by 9th Circuit Appeals Court, San Francisco.

Western Union's plan to share PBS earth stations won informal support at FCC recently, but formal action was delayed until staff prepares item dealing more specifically with status of PBS under proposed arrangement. In long discussion, Comrs. Fogarty & Brown questioned wording of staff-prepared document authorizing sharing (Vol. 20:4 p7), Fogarty saying he wanted more information to support staff conclusion that sharing would not, in effect, make PBS a common carrier. Comr. Quello strongly supported WU-PBS proposal—calling sharing analogous to use of broadcast station subcarriers by Muzak. Chmn. Ferris, Comrs. Washburn & Lee also expressed support. Comr. Jones was silent on issue. Although large delegation of WU and PBS officials attending session expressed disappointment that FCC didn't complete action, they were heartened by apparently unanimous support for concept of sharing. Comments of Fogarty & Brown made it clear they didn't oppose sharing per se—only manner in which staff handled common carrier issue.

Pay-TV viewership is subject of 2nd study by Gallup, which will also examine interest in and ownership of VCRs & videodisc players. Gallup says that since first survey in 1977, "proportion of households receiving pay TV and/or basic cable service has grown significantly," as has transmission technology giving consumer "whole new range" of programs. New effort will have about 15 subscribers at start, is based on survey of 3,900 households in 6 markets, including those with one or more pay services, basic cable, STV & Qube. Price of study, under way late this month, is \$17,500; results will be reported in summer. Arbitron & Video Probe Index "new electronic media" study (Vol. 19:48 p7) has received go-ahead with 10 subscribers, including 2 networks, major cable operators.

Non-entertainment uses of cable and "other electronic home delivery systems" will be studied by Payment Systems Inc., subsidiary of American Express. Starting in spring, project "will include an update on the state of the art as well as in-depth information developed from focus groups, decision leaders and in-home consumer interviews." Participants are invited—at \$15,000 until March 17, \$20,000 after. Interviews with 1,400 consumers will be conducted by Yankelovich, Skelly & White, with Douglas Dittrick, NCTA chmn., serving as advisor. Chmn. of Payment Systems is Dale Reistad; William Adcock, senior vp; Anne Moore, vp—100 Peachtree St., Atlanta, 404-525-1593.

Coming off its biggest luncheon crowd in history (FCC Chmn. Ferris as speaker), FCBA follows with Watergate reporter Carl Bernstein, new head of ABC Washington News bureau, Feb. 25 or 28. FCC Comr. Jones is set for June 19; AT&T Chmn. Charles Brown speaks at unspecified date in March, while April & May are open. FCBA also plans March 8 seminar on securities law and how it relates to broadcasting, to be conducted by members of Wilmer & Pickering firm.

FCC's RKO decision (Vol. 20:4 p1) inspired Fortune magazine to send reporter Peter Dworkin to quiz commissioners, et al., last week.

Personals

William Lilley, new CBS Washington vp (Vol. 20:2 p5), also appointed network's rep on NAB TV board... **Carol Bauer**, ex-KGO-TV San Francisco, moves to parent ABC-owned stations as vp-creative services... **George Hiltzik** promoted to NBC gen. attorney... **Stephanie Falvey**, ex-KXLY-TV Spokane, appointed promotion mgr., KREM-TV Spokane.

Dallin Oaks, Brigham Young U. pres., named PBS chmn., succeeding **Newton Minow**... **Kym Grinnage** promoted to mgr., affiliate relations operations, NBC; **Stephen Stander** named NBC gen. attorney... **Lionel Monagas**, ex-FCC Bcst. Bureau official, joins WRBV-TV Vineland, N. J. as station mgr... **Robert Nohe** named southeastern mgr., Nielsen Station Index... **Roland Ulloa** joins Golden West Bcstrs. as asst. counsel... **James Parker**, retiring CBS telecommunications consultant, will receive 1980 Engineering Achievement Award at NAB convention; FCC Comr. **Robert Lee** keynotes April 15 engineering luncheon... FCC Comr. **James Quello** speaks at March 13 Capital Press Club lunch.

Raphael Etkes, ex-Universal Pictures, elected pres.-chief exec. officer, Filmways' subsidiary American International Pictures, succeeding **Samuel Arkoff**, resigned... **Aubrey Groskopf** advanced to NTA pres... **Charles Keys**, ex-Key TV Sales, appointed western sales mgr., ITC Entertainment... **Allan Yasny** resigns as chief exec., QM Productions, will remain as chmn. until July; Pres. **Merrill Karpf** succeeds Yasny as chief exec.

John Ward, ex-NBC, joins Cable News Network as operations dir.; **Ed Kessler**, ex-Cabletrends, becomes corporate communications dir... **Sherman Miller** promoted to vp & chief operating officer, Comtech Antenna subsidiary of Comtech Telecommunications... **Daniel Shields** joins United Cable as gen. counsel... **Edward McGuire**, ex-Mass. Board of Higher Education, named Comcast vp-corp. development... **Mashiko Morizono** promoted to Sony (Japan) mgr.-broadcast equipment; he's also pres. of subsidiary Sony Technology Center, Palo Alto.

Karen Kershner promoted to Mutual vp-advertising & promotion; **Orrin McDaniels**, WCFL(AM) Chicago gen. mgr., also named Mutual vp... **Ragan Henry**, BENI pres., elected NRBA at-large dir... **Shearon Grierson** promoted to client services dir., Air Time; **David Hoffman**, project dir... **Deborah Striner**, ex-WMAL(AM) Washington, appointed asst. promotion dir.-broadcast, U.S. Chamber of Com-

■
VCRs may increase size of broadcast audience in short run, and even if pre-recorded program sales increase markedly over long term there may still be little change in total TV viewing, according to new NAB research report. Another analysis of VCR's impact has been released by FCC in connection with its network inquiry. Both are summarized on p. 11.

FCC money process starts in Senate this year with hearings before Appropriations Subcommittee Feb. 18; House appropriations hearings are slated March 6. FTC fiscal 1981 appropriations hearings begin in House March 3, Senate March 5.

"Cable-Pay Edition" of TV Guide, first such, will be published separately from regular edition in New Mexico-El Paso area, starting with Feb. 23 issue. They'll be priced same, sit side-by-side at checkout counters, etc. Cable-pay edition will carry about 100 editorial pages vs. some 75 for regular issue. New edition will include 33 program sources vs. 18 off-air signals for regular issue. Only cable systems above certain undisclosed size will be covered. According to John Hayes of TV Guide, market was chosen because "it's complicated, and if it works well there it should work anywhere."

Equipment notes: Ampex increased prices 8-10% on full line of professional audio & video equipment... Sharp cuts prices on 3-tube vidicon & saticon cameras, ENG unit at 12.1 lb. dropping to \$3,145 less lens, modular EFP camera with 4" electronic viewfinder \$3,645, modular 3-saticon EFP unit with 4" viewfinder, \$6,570, saticon 12-lb. unit at \$6,750... Quantel will premiere Digital Library System, 700-frame still-picture storage device, at NAB, along with Multiple Inputs Digital Production Effects System... Harris will introduce IRIS, electronic slide & TV frame-storage system.

"We're receiving very, very good reports," NAB Senior Vp-Gen. Counsel **Erwin Krasnow** said of 37 political broadcasting legal clinics held across U.S. last week. About 1,100 broadcasters attended and more than 80 Washington lawyers donated their time & expenses to answer questions. **Milton Gross**, FCC political broadcasting chief, stood by in Washington, answered 5 "stumper" questions by telephone. Lawyers who participated were full of commendation for preparation for clinics by Krasnow and Asst. Gen. Counsel **James Popham**.

House Communications Subcommittee has rescheduled to Feb. 27 hearing on bill proposed by Rep. **Mottl** (D-O.) to require public disclosure of station financial information. No rescheduling date has been set on bill proposed by Rep. **Rose** (D-N.C.) to bar political uses by anyone of TV coverage of House.

Rep. McGuire (D-N.J.) is circulating letter to N.J. colleagues, intended for President, seeking signatures opposing reappointment of FCC Comr. **Quello**. Opposition is based on Quello's comments on efforts to secure VHF channel for N.J., and reportedly half-dozen members of Congress have signed. Quello has response drafted.

PTL TV Network and its Pres. **James Bakker** have been taken to court by FCC in effort to force Bakker to comply with subpoena. Commission is investigating PTL fund-raising activities over WJAN Canton, O. and whether money was used for purposes stated. PTL has refused to honor 3 subpoenas, charged they are "nothing less than further harassment and still another illegal intrusion into PTL."

Investigations into alleged illegal activities of Sen. **Cannon** (D-Nev.), Commerce Committee chmn., and Rep. **Murphy** (D-N.Y.), member of Communications Subcommittee, are being conducted by FBI. Murphy was implicated in FBI "Sting" operation, while Cannon's activities on trucking legislation are being investigated.

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STATE OF THE INDUSTRY

Sales to dealers (total market), from EIA, for week ended Jan. 25 (4th week of 1980):

	Jan. 19-25	1979 week	% change	Jan. 12-18	Jan. 1980	Jan. 1979	% change
Total TV	334,844	307,649	+8.8	307,158	961,692	967,716	-0.6
color	221,225*	204,956	+7.9	202,400	636,316	622,111	+2.3
monochrome	113,619	102,693	+10.6	104,758	325,376	345,605	-5.9
Home VCR	17,519*	8,086	+116.7	9,620	40,443	23,330	+73.4

Note: Radio data delayed due to possible category changes.

Color TV 5-week moving average: 1979-80-160,318; 1978-79-165,646 (down 3.2%).

Home VCR 5-week moving average: 1979-80-10,106*; 1978-79-5,205 (up 40.2%).

*Record for period.

MANUFACTURERS VIEW JAN. SALES SURGE: Retailers underestimated Christmas demand for color sets, were caught with their inventories down. That's almost unanimous explanation by TV set makers for record Jan. sales (Vol. 20:5 p7). Several expressed opinion that more discretionary dollars are being funneled into home products as result of consumer boycott of new cars. Although they still see downturn in offing, some manufacturers now are putting it off until March or April.

Official Jan. sales-to-dealers figures are summarized in State of the Industry table above. Not only did color set all-time Jan. high, but home VCR sales were up 73.4% over Jan. 1979. Consensus of manufacturers is that dealer ordering will continue strong through at least most of Feb. Momentum continued through first week of Feb. at least, with sales of some 198,300 color sets up 5.2% from same 1979 week, bringing color's 5-week moving average ahead of year earlier for first time since early Aug. 1979. Home VCR sales at 12,400 were 31.3% ahead of 1979 in opening Feb. week.

"We're not dealing with an aberration," said RCA Consumer Electronics Vp-Gen. Mgr. Jack Sauter. "From observing the consumer, we've stated clearly for the last 2 years that there's been a definite inclination to upgrade sets. There's a big pool of older sets. Put the consumer in visible contact with the merchandise and you make the sale. The price is the closer—the consumer doesn't go away in shock." Sauter added that dealers were selling at higher rate than they were buying in 4th quarter, they're still reordering, and RCA is working off back orders, with shortages in some 13" & 19" models, plus few console categories. He pointed out that Jan. weather was good virtually nationwide, with none of disruptions to deliveries which usually occur that month.

"The figures are surprisingly strong," said GE Mktg. Mgr. Lud Huck—"not at all indicative of an industry in the throes of a depression." Retailers, anticipating downturn, "were running with very controlled inventories. They're replenishing now, and this is feeding back into the system, and carrying over into Feb." He expects Feb. to be "good," but thinks slowdown will begin this month—"not as deep or as bad as we had expected." More people are staying home, he theorizes, putting more money into home entertainment. "The business has basic strength & demand."

"Extraordinary" was comment from Quasar Pres. Alex Stone. "Nobody anticipated it would run that strong." As manufacturers did, dealers cut back 4th-quarter inventories, he said. They had big Dec., and are now restocking. "Feb. looks excellent," he added, "we find dealers

very optimistic. We think money has been funneled from automobiles to other consumer products." However, Stone expressed concern that console sales in first 3 weeks of year dropped by 14.8% to 22.5% of mix from 26.3% year earlier, with remotes—hottest console sales area—also dipping.

"Retail sales were better than we envisioned," said GTE Entertainment Products Senior Vp Thomas Shepherd. "We regard it as an adjustment in retail inventories. Feb. so far looks pretty good, and we see business continuing good through March. It's been a pleasant surprise, but this doesn't change our view that some downturn is coming. Some retail customers think it's going to be better than we do."

Industry is trim & slim in inventory dept. At end of Jan., factory plus distributors' stocks totaled about 2,027,000 color sets, down 7.6% from year earlier—8th consecutive month of year-to-year inventory declines. Factories are extremely low; at 1,053,000, they're off 22.3% from end of Jan. 1979, while distributors' stocks at 974,000 are up 15.5%. During Jan., total color inventories increased 1.1%, factory inventories dropping 0.2%, distributors rising 2.5%.

VCR Jan. sales were hot, and there apparently are plenty available to sell. Distributor plus factory inventories totaled 151,700 at end of month, up 50.3% in year and 14.2% in month of Jan. At factory level, there were about 88,000, up 25% in year, 2% in month, while distributors held 63,700, rise of 92.4% in year, 41.6% in month.

Jan.'s 10-million annualized color sales rate was heralded by Conference Board's Dec. survey of consumer buying plans (Vol. 20:5 p8), which showed 7.3% of polled families planned to buy color sets in next 6 months—record figure for year—compared with 6.5% in Nov. and 5.2% in Dec. 1978. This statistic bodes well for months immediately ahead.

MORE MOVIE MAJORS IN TAPE/DISC PLUNGE: Videodiscs & cassettes are beginning to get avalanche of new major-studio movie releases, with these developments: (1) UA signed deal to release 100 features on RCA videodiscs. (2) MCA is issuing 24 titles on videocassette. (3) Columbia Pictures is going nationwide with movie cassettes. Long big holdout, MGM (which released some films earlier to RCA for videodisc), may be planning big deal with CBS for movies in Selectavision format.

MCA is establishing own retail video sales network for cassettes, only one of major studios to do so, will add 20-30 people to sell to TV-appliance & video retailers, sell to record stores through existing record sales force. MCA has chosen Bell & Howell and Magnetic Video to duplicate more than 100,000 copies of 24 titles, including "Deerhunter," "Seduction of Joe Tynan," "Electric Horseman," "1941," "The Jerk," "Jaws," "Jaws II," "The Sting," "American Graffiti," "Psycho," "Dracula," "Frankenstein."

Columbia moves from 14-state effort to all 50, reserving 4-state SE area for rental test, has added "Emmanuelle" & "Midnight Express" to line. UA hasn't yet decided about full-fledged cassette effort, says earlier commitment to Vidamerica's Video Corp. of America rental subsidiary hasn't produced results it had hoped.

UA-RCA videodisc deal includes such titles as "Rocky," "Coming Home," "Annie Hall," "Semi-Tough," "West Side Story" and 20 which either haven't been produced or released, 30 from library of Warner oldies which UA owns. Non-exclusive deal, understood to involve \$5-\$10 million, gives studio opportunity to strike other tape & disc deals. Announcement of CBS videodisc program plans—which are believed to include deal with MGM—is expected in several weeks. (These & other software developments are reported in detail in our new publication, Video Week.)

* * * *

Videodisc proponents continue to woo TV manufacturers for their respective system, with Zenith the major plum. Zenith says it still hasn't chosen system, expects to make no major announcement at this week's distributor meeting, but choice will be made in "near future"—presumably by early spring. One American manufacturer, after listening to pitch by Matsushita, laid down 2 conditions under which it would adopt VHD system: (1) There is large amount of available software and system somehow is made compatible with RCA's; or (2) Zenith chooses VHD.

VCR prices continue to slide inexorably below existing videodisc players and toward magic \$500 price for planned units. Following Sanyo's reduction of single-speed Beta-2 VCR to \$695, Sears priced similar unit in new catalog at \$735. Sylvania 6-hour VHS was advertised last week in N. Y. area at \$639.

TV IMPORTS OFF 9.3% IN 1979: Despite quota holding down color imports from Japan, Taiwan & Korea, climb in incoming shipments of color chassis & kits, combined with continued strength in b&w, turned 1979 into 2nd biggest TV import year in history. In video, both VCRs & color cameras set new full-year records as b&w cameras declined.

Commerce reports Dec. color VCR imports, including both consumer & commercial-industrial models, jumped 86.2% to 47,100, putting total for year at 599,300, up 24.9%. Color camera imports dropped 2.5% in Dec. to 12,500, closed year at 96,000, up 64.5%. Color gain apparently was at expense of b&w cameras, which dropped 48.4% in month to 4,900, for 12-month total of 67,100, down 37.9%. Combined total of 163,200 TV cameras were imported last year, down 2%.

Total TV imports were off 7.8% in Dec. to 754,300, as color fell 26.5% to 295,700, while b&w rose 10.3% to 458,600. For full year, total TV imports were down 9.3% to 9.87 million, color at 3.96 million, off 19.6%, b&w at 5.91 million, down just 0.7%. All totals were 2nd best to records set in 1978, which saw imports of 10.87 million TVs, including 4.83 million color, 5.95 million b&w.

Singapore emerged as 3rd largest color source country in Dec., supplying 53,100 (only 4,900 complete; 48,300 chassis), dropping Taiwan, with 49,500, into 4th place. Hitachi & Toshiba are understood to be producing chassis in Singapore. On full-year basis, Singapore ranks 5th as supplier, trailing Mexico (chassis only), Taiwan, Japan & Korea.

Imports of 73,800 complete color sets in Dec. were down 70%, and 12-month total was down 50.7% to 1.37 million, a 4-year low. Color chassis & kit imports rose 41% in month to 221,900, putting total for year at record 2.6 million, up 20.5%.

In complete color, full-year imports were down for all screen sizes, except 20"-&-over, which rose 14.5% to 59,800, to account for 4.4% of total color imports, up from 1.9% in 1978. That gain was all provided by shipments from Canada, mainly 25" consoles for Panasonic, which rose 40.5% to 45,100. Results for other color screen sizes: 10"-&-under, 145,300, down 39.3% for 10.6% share (down from 8.2%); 11-12", 164,000, down 48.3% for 12% share (up from 9.1%); 13", 365,600, down 39.4% for 26.7% share (up from 15.5%); 14-15", 123,300, down 39.3% for 9% share (up from 8.7%); 16-17", 19,500, down 69.7% for 1.4% share (down from 3.7%); 18-19", 491,100, down 63.5% for 35.9% share (down from 46.7%).

Full-year b&w import results by screen size: 10"-&-under, 777,700, down 27.8% for 13.3% share (down from 18.2%); 11-12", 4.43 million, up 8.7% for 75.6% share (up from 68.8%); 13-17", 165,600, down 24.8% for 2.8% share (down from 3.7%); 18"-&-over, 485,700, down 12.4% for 8.3% share (down from 9.3%).

Videodisc scored high in survey by Video Probe Index among 612 families in Lake County, Ill. for client MAI Cablevision. VPI Pres. Robert Schultz says 29% knew about player, 16.3% were considering purchase. Results showed 3.4% already own VCRs, 93% knew about machine, 27.6% are at least somewhat interested in buying one. Schultz notes response to similar "community probe" conducted in Philadelphia area in Sept. was in "same ballpark."

SBE plan to reorganize under Chapter 11 calls for unsecured creditors to receive 20¢ plus 0.4 share of common for each \$1 of debt. SBE said it plans to raise \$750,000 through sale of 3 million shares to private investors. When filing bankruptcy petition last year, SBE listed assets of \$1.6 million, debts of \$1.88 million.

Videodisc players will be part of complex worldwide computer system to be installed in American Express travel offices. Discs will be used to display hotel rooms, tour highlights, etc., to prospective customers as well as for employee training. Timetable and number of players to be used haven't been revealed. Players are expected to come from Universal Pioneer via Discovision Assoc.

No major pricing action is expected at RCA & Zenith distributor meetings this week, but new color & monochrome sets are scheduled and Zenith will introduce new radios. At regional meetings, RCA will debut b&w, some 13" color and new 19" model. Zenith is expected to revamp 23" color, add other models, at Scottsdale, Ariz. convention, changing pricing points only in new-set introductions.

ELECTRONIC GAMES: Renewed scramble for chunk of booming electronic game market starts with opening of Toy Fair in N. Y. this week. Market was worth \$25 million to manufacturers last year, according to Coleco, which claims its \$70-million volume ranks it No. 2, just behind Mattel and ahead of Milton-Bradley. Hand-held sports games were biggest last year, accounting for \$200 million, including \$100 million for football, \$50 million for baseball and \$50 million for soccer, hockey, basketball, etc. Non-sports action games were pegged at \$125 million, play & learning devices at \$75 million, with remaining \$25 million coming from miscellaneous toys. Totals exclude video games, computers, other sophisticated products.

Coleco will unveil new products in all major areas at show, including baseball & soccer hand-helds at \$35-\$40, Star Trek-themed action game at \$20-\$25. Electronic Learning Machine, programmable computer-like device for 3-10-year-olds features keyboard, sound & light displays, will sell at \$35-\$40, program cards \$10 per pack. Coleco says it will stay in market niche it has carved out, limiting offerings to prices under \$50, with most in \$25-\$30 range.

Other developments: Atari has exclusive rights from Japan's Taito to use of Space Invaders name on non-coin-operated electronic games & computers, says it plans to move against other toy manufacturers who have been using name of popular arcade game without authorization. Atari also announced 5% factory price boost on programmable video game, effective April 1. It hiked cartridge prices last month. . . Conic of Hong Kong has filed countersuit to invalidate Mattel patent covering hand-held LED games. Mattel has infringement suits pending against Conic, Coleco and others, most of which have brought counteractions (Vol. 19:41 p8, 19:51 p14). Conic took out ad in Wall St. Journal last week to inform game buyers it would indemnify them against any action brought by Mattel resulting from their purchase of Conic products. . . Electronic games market is getting own magazine, Leisuretime, in May, from Charleson Publishing, which publishes Toy & Hobby World. It also will cover home video devices.

Mattel picked Technicolor's Audio-Visual Div. as supplier for keyboard accessory that turns Intellivision game into home computer. Game is being assembled for Mattel by Hong Kong's Radofin and Sylvania Circuit Products Div. CPD, which also makes game for Sylvania, had bid on keyboard contract. Mattel expects to have keyboard out in May, retailing at about \$500. It was originally intended to sell for same price as game, which goes for about \$275. Sylvania hasn't announced keyboard sales or sourcing plans, though it says it does plan to offer one. Mattel last week asked FCC for waiver of Class I TV device rules so new Intellivision model can be sold as certified device under proposed rules establishing separate standards for TV interface devices & computers issued last fall (Vol. 19:40 p7). Current Intellivision model has been type-accepted under existing rules. FCC granted similar waiver request for Texas Instruments' home computer last year.

SEARS' TV LINE: Color console prices are up \$10-\$50 in Sears spring-summer catalog from those in fall-winter book, but, like Ward & Penney (Vol. 20:4 p13), increases don't extend to portables & table models. Most of Sears color sets, mainly made by Sanyo, are tagged "imported parts; assembled in U.S.A."

Color line (changes from spring-summer book, if any, in parentheses) starts with 13" at \$290 (replacing 12" at same price), step-up at \$320, touch-button remote model at \$430 (up \$10); 19" at \$300 (90-day warranty—all others have year), step-ups at \$330 & \$370 (model at \$390 discontinued); one-knob-tuning model \$420, pushbutton set \$450 (replacing scan-tuner model at \$460), former \$470 push-button model is discontinued; new scan-tuned remote is \$530, touchbutton remote \$540 (\$570 model with on-screen time & channel discontinued); quartz-tuned set with calculator remote, LED time & channel display, is \$590.

Consoles begin at \$470 (down \$20), new single-knob step-up at \$520, scan-tuned models at \$600, \$620 (new) & \$640 (up \$20), 3 touchbutton sets at \$750 (up \$50), remote versions \$820 (up \$20); 3 double-sided remote scan-tuned models are \$870 (up \$20), top-end calculator-tuned remote with on-screen time & channel \$950 (up \$30).

Monochrome sets start with 5" AC-DC at \$135, with AM-FM \$165; 10" AC-DC \$115; 12" AC at \$79 (up \$12), \$88 (up \$10) & \$98 (up \$3), with new AC-auto 12" at \$98 (top-end \$115 model discontinued); 19" models are \$130 (down \$10), \$155 (down \$3) & \$170.

Sears continues 3-hour Betavision recorder made by Sanyo, cuts price to \$735 from \$885, adds 4-1/2-hour model with Betascan & freeze-frame at \$985. Camera prices are unchanged at \$298 for b&w, optical color at \$800, electronic-viewfinder model at \$1,145. Catalog features Atari Video Arcade cartridge game system at \$149, Atari 400 personal computer \$549, Atari 800 at \$999.

Catalog is first to offer "Telecaption" captioning decoder for deaf (Vol. 20:3 p10), available for delivery after March 15 at \$250. Description indicates device is usable as teletext decoder, stating it has "built-in capability to receive & display those future broadcasts."

Control Data forms new div. to produce & market neon gas plasma display panels as alternative to CRT displays for computers and other alphanumeric applications. Planned are displays with 512-line resolution, including 12" with 4,000-character capacity, 6" with 2,000. Displays also can be used for graphics. They'll be thinner, brighter, more energy-efficient, than comparable CRTs, but will cost nearly 4 times as much. Company hopes to cut price differential 50% in 5 years. Production is slated to start in Nov.

Varo & Sony cancelled \$3-million contract calling for Varo to develop & produce integrated color TV flyback transformer assembly. Varo said it ran into cost problems when turning out sample quantities.

FCC LOOKS AT VIDEO: Although VCR list prices drop to \$695 for Sanyo and \$735 for Sears, with forecasts of street prices under \$600 before year's end, new FCC-sponsored study by network Inquiry staff forecasts continuously rising prices of VCRs, tape & disc players, with units priced at \$1,000 in 1979 rising to \$1,600 in 1985. Study by Don Agostino & Assoc., released for factual purposes only, not intended to reflect opinion of FCC or staff, sees "little likelihood in the next 5 years of cost savings of VCR designs on the market due to technical breakthrough, increased production, price competition, consumer demand or subsidization."

The 80-page report makes other puzzling statements, at variance with other surveys and reported developments such as: (1) "Disc software can be profitably developed for very small special-interest groups. Prices for discs without rights cost may be as low as \$3, 1/5 of current prices." (2) "About half [of home VCR recording] is of regular network series, about 30% is of movies... Playback of these self-recorded programs usually occurs in non-prime-time hours."

Study forecasts 5.5-6.8 million VCRs in use (6.2-7.7% of homes) by 1984, sales leveling off at about a million per year, with eventual penetration of 10-14% of U.S. households. Blank tape sales for 1979 are estimated at 8.6-11 million, typical user buying 12 in first year. Only 22.7% of owners report using pre-recorded tape, 2/3 buying them, the rest borrowing or trading. Pre-recorded tape sales in 1979 are put at 1.6 million units, of which 2/3 are X-rated. Little evidence of library-building is seen, with over 55% reporting they intend to save fewer than 10 tapes, although typical owner has 32 cassettes. About 60% record commercials when making off-the-air tapes. Study forecasts that if Philips Video 2000 format is successful, other manufacturers may be forced to adopt it.

* * * *

VCRs may increase total size of TV audience, according to NAB research report based on May-June 1979 Media Statistics study. Study concludes that pre-recorded tape viewing is small (average home owned slightly more than 4, and 2/3 hadn't bought any); average household made 4 off-air recordings a week, playing back 3 or 4 previously broadcast shows, less than one pre-recorded cassette. Contrary to FCC study, NAB says "favored hours for replaying... tapes of previously broadcast programs are weekday prime time."

As viewers devote more of time to watching pre-recorded programs, there still may be very little change in total TV viewing, NAB reasons, the greater viewing time for pre-recorded shows being offset by continued rise in number of TV households. Mediastat's 16-market survey showed average 1.5% penetration of households by VCRs, N.Y.-area leading with 2.5%, followed by L.A. 2.2%, Denver-Boulder 2%, Dallas-Ft. Worth 1.8%. Copies of report, "Home Video Cassette Recorders," are available from NAB, 1771 N St. NW, Washington 20036.

ITA reports complete registration sellout for audio-video seminar March 2-5 in San Diego.

RCA SELLING RANDOM HOUSE: RCA continued disposition of unwanted operations last week (Vol. 20:5 p10), announcing agreement in principle to sell Random House to Newhouse publisher for \$65-\$70 million. RCA acquired RH in 1966 for 812,000 shares then valued at about \$40.2 million. Same shares are now worth about \$18 million.

In U.K., bidding war over Decca is raging between Racal and GEC. Racal, whose stock & cash tender offer of \$147.5 million, had won approval of Decca board (Vol. 20:5 p10), found itself in fight last week when GEC came in with \$188.3-million proposal. Racal, which claims it already owns 6% of Decca voting stock and says it has lock on 17.2% held by family of Decca's late chmn. Sir Edward Lewis, responded with \$210.2-million offer, and at week's end GEC hiked ante again, this time to \$225 million. GEC's offer is contingent on completion of planned sale of Decca's music business to Polygram.

Like Racal, GEC says it's primarily interested in Decca's military-commercial electronic business. Racal has stated it will seek to dispose of Decca's TV-audio operation if it gets control. While GEC hasn't discussed plans for Decca's consumer electronics unit, in 1977 it sold TV business to joint venture formed with Hitachi, presumably has no intention of getting re-involved.

In other merger activity, Thorn of U.K. says it has no plan to sell off recently acquired EMI music business. Company was responding to report 20th Century-Fox was negotiating to buy EMI's record operation... Siemens acquired power semiconductor assets of FMC's Semiconductor Products Div., price undisclosed... Tandberg A/S, subsidiary of Norsk Data, is putting Tandberg's international audio marketing operation back together. Last year, it acquired units in U.S., Sweden & Germany, now has picked up U.K. branch.

U.K. color sales to distributors by domestic producers & importers totaled 1.7 million first 11 months last year, up 6% from same 1978 period, BREMA reports. Total excludes sales of U.K.-made receivers by Sony & Matsushita. Assn. says shipments of reporting domestic manufacturers were down 2.1% to 1.24 million, while imports jumped 35.8% to 467,000. In b&w, total shipments were up 15.2% to 1.33 million, with domestic-made up 5.3% to 672,000, imports up 27.4% to 659,000. Total VCR deliveries jumped 110% to 168,000. Totals for other products: Portable radios, 4.85 million, up 17.8%; stereo systems, 874,000, up 7%; phonos, turntables & changers, 675,000, up 45.8%; AC-only radios, including hi-fi & tape combinations, 416,000, up 32.5%.

Everything you need to know about European video industry and its products—and then some—is contained in Video Yearbook 1980, with over 5,000 separate entries, 600 photos, index of almost 2,000 companies. Compiled by Angus Robertson, it's published by Blandford Press, Link House, West St., Poole, Dorset BH15 1LL, England (price about \$34.50 plus shipping).

Financial Reports of TV-Electronics Companies

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

Company & Period	Revenues	Net Earnings	Per Share
AT&T			
1979-year to Dec. 31	45,408,078,000	5,674,248,000	8.04
1978-year to Dec. 31	40,993,356,000	5,272,606,000	7.74
Canadian Cablesystems^a			
1979-qtr. to Nov. 30	15,967,000	6,836,000 ^b	.83
1978-qtr. to Nov. 30	9,575,000	3,733,000	.46
Columbia Pictures Industries			
1979-26 wk. to Dec. 29 ¹	296,975,000	16,164,000	1.64
1978-26 wk. to Dec. 30 ^c	242,085,000	18,060,000	1.86
1979-13 wk. to Dec. 29 ¹	164,288,000	7,197,000	.73
1978-13 wk. to Dec. 30 ^c	122,463,000	6,865,000	.71
Conrac			
1979-year to Dec. 31	137,169,000	1,239,000	.42
1978-year to Dec. 31	117,910,000	1,660,000	.63
1979-qtr. to Dec. 31	36,595,000	1,984,000	.92
1978-qtr. to Dec. 31	30,927,000	(1,246,000)	--
Emerson Radio			
1979-9 mo. to Dec. 31	66,100,000	1,557,000	.78
1978-9 mo. to Dec. 31	58,997,000	2,751,000	1.42 ^d
1979-qtr. to Dec. 31	27,747,000	340,000	.17
1978-qtr. to Dec. 31	26,109,000	1,250,000	.64 ^d
Harte-Hanks Communications			
1979-year to Dec. 31	242,997,000	19,204,000	2.07
1978-year to Dec. 31	184,560,000	15,737,000	1.73
1979-qtr. to Dec. 31	70,663,000	6,434,000	.69
1978-qtr. to Dec. 31	55,297,000	5,122,000	.56
Masco			
1979-year to Dec. 31	726,430,000	73,060,000	2.80 ^e
1978-year to Dec. 31	585,660,000	60,180,000	2.30 ^e
1979-qtr. to Dec. 31	172,940,000	16,460,000	.65 ^e
1978-qtr. to Dec. 31	160,670,000	14,100,000	.54 ^e
North American Philips			
1979-year to Dec. 31	2,409,003,000	81,731,000	6.28
1978-year to Dec. 31	2,184,011,000	68,034,000	5.26
1979-qtr. to Dec. 31	663,434,000	26,407,000	2.03
1978-qtr. to Dec. 31	610,289,000	24,887,000	1.92
Time			
1979-year to Dec. 31	2,504,060,000	143,922,000	5.15 ^e
1978-year to Dec. 31	1,697,585,000	125,742,000 ^b	5.61 ^e
1979-qtr. to Dec. 31	716,955,000	43,127,000	1.54 ^e
1978-qtr. to Dec. 31	541,970,000	37,092,000	1.51 ^e
Times Mirror			
1979-year to Dec. 31	1,647,476,000	146,493,000	4.31
1978-year to Dec. 31	1,427,931,000	142,399,000 ^b	4.13
1979-qtr. to Dec. 31	444,163,000	37,135,000	1.09
1978-qtr. to Dec. 31	362,953,000	47,801,000 ^b	1.40
20th Century-Fox			
1979-year to Dec. 29	678,420,000	57,303,000	6.92
1978-year to Dec. 30	625,889,000	58,390,000	7.25
1979-qtr. to Dec. 29	182,166,000	10,768,000	1.28
1978-qtr. to Dec. 30	156,759,000	6,988,000	.82
Washington Post			
1979-year to Dec. 30	593,262,000	29,468,000 ^f	1.89
1978-year to Dec. 31	520,398,000	49,720,000 ^b	3.06
1979-qtr. to Dec. 30	173,235,000	14,691,000	.98
1978-qtr. to Dec. 31	149,344,000	15,969,000	.99

Notes: ^aIn Canadian dollars. ^bIncludes special credit. ^cRestated. ^dAdjusted. ^eFully diluted. ^fAfter special charge.

Japan Electronics Bureau, U.S. representative of EIA-Japan, moves office to 1 Penn Plaza, 250 W. 34th St., N.Y. 10001.

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with
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Consumer Electronics Personals

Philip Cunningham promoted at RCA Sales from west dist. mgr. to southern vp; **Andrew Sigler**, Champion International chmn., named RCA dir., increasing size of board to 15... **M. Morita** advanced at Sony to senior managing dir., TV & home video; **Fumio Kono**, TV & home video gen. mgr., named a dir... **Robert Huff** promoted at Bell & Howell from senior vp to exec. vp, responsible for video, micro-imagery & business equipment.

John Mitchell, Motorola asst. chief operating officer, advanced from exec. vp to pres., succeeding **William Weisz**, who moves to new post of vice chmn., continues as chief operating officer; **Mitchell, Weisz & Robert Galvin**, chmn.-chief exec., named members of new chief exec. office... **William George**, Texas Instruments Metallurgical Materials Div. mgr., and **Robert Keener**, Legal Dept. licensing services mgr., advanced from asst. vps to vps... **Donald Richard** advanced to Commodore International vp with responsibility for international systems business.

David Wolf promoted to Radio Shack component parts & multitester buyers... **James Edwards** joins Electro-Voice as commercial sound product mgr. & educational product mktg. mgr... **Steve Shelton** appointed JBL finance vp.

Kenneth Yontz, ex-Chemetron, joins Allen-Bradley as vp and Electronics Div. gen. mgr., succeeding **Stanley Kukawka**, resigned... **Frederick Gibbs**, ITT vp, named to new post as telecommunications & electronics exec. dir... **John Peterson**, ex-Corning, named Sicon Optical Cables pres... **David Luther** advanced at Corning from Information Services Div. dir. to personnel vp.

Japan's IC output should hit \$2 billion this year, up 25% from 1979, EIA-J estimates.

WEEKLY

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SUMMARY-INDEX OF WEEK'S NEWS

Broadcast

FCC ON EEO BINGE: Rules tightened on employment of women & minorities for renewal applicants. Networks to be quizzed with emphasis on minorities involved in program decisions. (P. 1)

DITTRICK SEEKS 2ND TERM: NCTA chmn. stresses continuity; contest seen only for vice chairmanship. Proposed \$2.3 million budget reflects emphasis on technology. (P. 2)

HISPANIC SOUGHT FOR FCC by broadcasters. Quello rapped by N. J. congressmen, Consumer Federation. (P. 3)

PETRY ASSAYS TV FUTURE: Study sees minor impact of new video technologies on networks, broadcasters spending more to meet challenge. New video media seen taking only 2.4% of ad dollars in 1985. (P. 4)

BLACK TV NETWORK SOUGHT: Angela Shaw group applies for 10 developmental translator stations. Says network will have potential 2 million minority viewers. (P. 5)

Consumer Electronics

JVC SHOWS VIDEODISC prototype using 10.2" two-hour disc, plans deliveries next year at about \$500. RCA schedules technical seminar in Indianapolis for

Japanese licensees. Magnavox adding 5 videodisc markets. (P. 8)

U.S. COLOR OUTPUT squeaked to record in '79; declining imports held total supply below '78 level. Total TV supply of 16.6 million was off 4.5%. (P. 9)

SHARP MEMPHIS PLANT now turning out 20,000 19" & 13" color sets, 6,000 MW ovens monthly; company to double color market share in 1980. (P. 10)

RCA LABOR CONTRACT, just made available, shows workers get 50¢ hourly wage hike, 44-1/2¢ over life of agreement. (P. 11)

ZENITH & RCA PRICES up \$10 on new color models, unchanged on holdovers. New 23" tube & line from Zenith; 7-1/2 lb. removed from RCA chassis. New RCA b&w sets up \$5-\$10. (P. 12)

U.S. COLOR MAKERS expected to be no-shows at March 5 ITC hearing on color quota extension. Session may run at least 2 days. (P. 12)

ELECTRONIC GAME manufacturer shakeout expected this year. Toy Fair shows too many firms offering same games. (P. 13)

GTE NET TRIMMED by European consumer electronics losses. Sanyo Mfg. & Advent return to black in latest quarter. Warner cites Atari profits. (P. 13)

FCC ON EEO BINGE: Broadcast licensees will find it much harder in future, when applying for renewal, to satisfy FCC on EEO matters under more stringent rules adopted last week. And, not very far away, most Commission observers are convinced that application of EEO rules directly to networks is just around corner. This was made plain last week when Commission authorized Bcst. Bureau to make EEO inquiries of TV networks—with particular emphasis on minorities' roles in programming decisions.

Chmn. Ferris (pro) & Comr. Washburn (con), with Comr. Jones supporting Washburn, clashed over jurisdictional issue. Ferris argued that direct jurisdiction over network EEO practices is "implicit" in mere fact that Commission approved inquiry. Staff had first proposed that formal letter be written to ABC Pres. Elton Rule, CBS Pres. John Backe and NBC Pres. Fred Silverman; commissioners opted instead for direct approach to "the appropriate officials at the networks" by Bcst. Bureau Chief Richard Shiben.

In letter, Commission proposed to ask each network for "all current fulltime employees... by department indicating their sex, race ethnicity, job title [and] category and date of hire." Networks also would have been asked to state which employees have responsibility in program-

making decisions, and it's assumed Shiben will ask same questions. FCC plans to conduct network interviews in N. Y., said "network employment practices must be considered to evaluate the responsiveness of programming service to local and national TV audiences." Annual employment reports—"in view of the size and complexity of the networks"—don't provide "a clear picture of which employees are involved in the network decision-making processes in programming," Commission said.

In separate statement, Ferris (joined by Fogarty & Brown) said query of networks "brings the Commission closer to understanding network program organization and the progress of minorities and women along those pathways. That understanding, in turn, will aid the Commission in insuring that affiliates are relying on program departments that are not exclusive white male enclaves..."

For renewal applicants, Commission changed rules to require: (1) With 5-10 employees, at least 50% minority-women workforce must be employed, 25% in top-4 job categories. (Percentages are fractions of minority-women employment in each community workforce.) Such stations previously were subject to review only if they had no women or minority employees. (2) With 11-50 employees, ratio must be 50% of work force in all categories; it formerly was 50-25% (same as that which now applies to 5-10 employees). (3) EEO programs of stations with 50 or more employees automatically will be reviewed by Bcst. Bureau. Continued exempt from EEO requirements will be stations with fewer than 5 fulltime employees.

Commission said that ideally "a complete review of all renewal applications remains the goal. This expanded oversight is a significant step in that direction... The use of processing standards enables the Bcst. Bureau to focus on those renewal applicants having the worst EEO performance records." Washburn & Jones dissented to new standards being applied to stations with 5-10 employees, Washburn calling it "not realistic... counterproductive."

FCC was active in individual EEO cases last week, too, granting Ted Turner's WRET-TV Charlotte short-term renewal "subject to filing reports on fulfillment of its EEO program." Agency said station—which is being sold to Group W—wasn't within court-mandated "zone of reasonableness" in minority employees during 1975-78 license term. Station met requirements shortly before filing 1978 renewal, Commission said, primarily because it acquired NBC affiliation. In separate case, FCC found that KPOI(AM)-KDUK(FM) Honolulu had fulfilled EEO commitments, granted stations full renewals.

DITTRICK SEEKS 2ND TERM: NCTA Chmn. Douglas Dittrick is seeking re-election, would become first to serve more than one term in almost 20 years, taking advantage of 1978 rule change allowing more than one term.

Dittrick, who heads Douglas Communications, last week notified other board members of intentions, told us he wants 2nd one-year term because traditional advancement of vice chmn. (now William Bresnan, Teleprompter) to chmn., won't take place since Bresnan is too busy, doesn't want job. Dittrick added: "Obviously, I think I'm being helpful and am supportive to the staff. Also, there's a continuity question. You find it takes 6 months here to learn what happens."

Dittrick said he has heard of no one also seeking chairmanship when board meets Feb. 28-29 in Sarasota, elects new officers. Only contest shaping up so far is for vice-chairmanship, where Richard Loftus, AmVideo Corp., and Allen Gilliland, Gill Cable, are in contest. John Saeman, Daniels Properties, is running for treas.; Jerry Lindauer, Times Mirror, secy.

Board expects to spend considerable time during meeting on Washington issues—legislation, copyright, retransmission consent, FCC. Proposed budget of \$2.3 million, up \$200,000, will also get going over.

Pres. Thomas Wheeler said budget reflects increasing emphasis being placed on new technology and non-programming services such as banking, security, etc. He said recent videotext seminar (p. 4), plus hiring of Christopher Weaver as engineering vp, also reflect this emphasis. "We'll be seeing more in science & technology and frankly this is because I think that our public policy position is tied to the success in delivering the services we have promised."

NCTA's budget also reflects growth of industry in recent years. Proposed new 1980-81 budget is 92% larger than 1976-77 figure of \$1.2 million. In contrast, NAB has seen its budget rise 26% during same period to projected \$7.1 million in 1980-81. NCTA's proposed budget calls for adding 3 employees (one in technology), bringing total to 43. That compares with 136 employees projected by NAB in 1980-81 budget.

HISPANIC SOUGHT FOR FCC: Some broadcasters concerned about chances of FCC Comr. Quello being reappointed have turned attention to finding Hispanic candidate acceptable to industry. White House is said to be interested in appointing an Hispanic, while some believe Administration plans to wait until election is over before announcing anything, hoping to alienate nobody.

Search stems from growing concern that Quello won't be renominated. Adding to that concern last week was letter signed by 7 N. J. congressman opposing Quello (Vol. 20:6 p6). Letter to President Carter from Reps. Thompson (D), Maguire (D), Courter (R), Hollenbeck (R), Howard (D), Roe (D) & Minniss (D) complains about Quello's stand on VHF for N. J. (name notably missing from letter was Rodino (D), who has signed letter backing Quello as Italian-American).

Quello has written N. J. congressional delegation in response to letter, complaining that quotations attributed to him were "out of context or mischaracterized] my actions. . . I flatly deny any insensitivity to the needs of the people of New Jersey. . ." Aside from N. J. delegation, Quello also last week took beating from Consumer Federation of America, which opposed his original appointment. Federation last week passed resolution opposing him again because he has shown "a predisposition toward commercial broadcast interests. . . and frequently expressed opposition to public participation in Commission meetings."

Quello last week told us he sees his chances now at "50-50," far better than he says they were several weeks ago. "Reports are that I'm a very viable candidate."

International Olympic Committee rejected U.S. suggestion to move Summer Games out of USSR, said they will be held in Moscow as scheduled. President Carter then reaffirmed Feb. 20 deadline for Russian pullout from Afghanistan if U.S. is to join Olympics. Meanwhile, IOC announced that journalists of countries boycotting Summer Games in Moscow won't receive accreditation.

Satcom users learn this week how RCA will restore transponders lost with Satcom III. Leading scenario: Cable Net II will start in Sept. on AT&T's Comstar II, at 95° west. Earth station manufacturers say they expect no difficulty supplying 2nd dish to cable systems for \$3-\$6,000.

Rosalynn Carter plans March White House reception for those involved in closed TV captioning, will invite major figures in communications, manufacturing & govt.

"Children's TV: Growing Together" is theme of June 25-27 NAB-NATPE joint conference in Washington. Pre-registration is \$110.

Distress sale policy clarification, sought by Booth American, was denied by FCC. Booth, whose WJLB-WMZK Detroit are subject of show-cause order, asked Commission to tell what would happen to Booth's other stations if it elected to go distress-sale route in Detroit situation. FCC said that it can't prejudge what might happen; that each renewal or sale must be considered on its merits; that Commission isn't foreclosing possibility of designating all Booth licenses for hearing because of misconduct in Detroit stations. FCC is questioning WJLB-WMZK on charges of delegation of licensee responsibility, payola-plugola, conflict of interest, misrepresentation, lack of candor. Commission also denied Booth's request that a multiple owner be permitted to receive initial decision before making distress-sale decision. Said FCC: "This procedure would completely nullify the objective of the policy which requires prehearing election in order to conserve administrative resources."

NBC has turned down request for time by Sen. Kennedy (D-Mass.) to reply to President Carter's press conference Feb. 13. NBC noted: (1) Carter conference was news event, not campaign speech, therefore didn't require equal time. (2) Kennedy has had ample time to get views across on NBC news programs. Meanwhile, Kennedy campaign staff wants FCC to require WCVB-TV Boston to sell half-hour prime time to candidate. Commission action is expected in next day or 2 because N. H. primary is week off. Station counsel Benito Gaguine says station will comply if FCC says so, but policy is to sell only spot commercials. He said station offers free time to all candidates, argued that's fairer to all, rich and poor. FCC is expected to take Kennedy's side.

CBS 1979 earnings were up 1% with net income totalling \$200.7 million (vs. 1978 income of \$198.1 million), but income would have been down if not for new accounting procedure. Earnings per share were \$7.21, up 6¢. Total revenue was \$3.73 billion, up 13%. Paper earnings were up due to 4th-quarter change in CBS accounting using new rule capitalizing certain interest costs; new procedure added \$3.6 million (12¢ per share) to 4th-quarter and annual income figures. Broadcast Group had 12% operating profit increase, 15% increase in revenue; CBS Records profits were down 46% though revenue was up 10%; Publishing Group profits advanced 3%, revenues 7%.

Gannett-Combined Communications merger (Vol. 19:24 p4) was upheld by FCC which denied reconsideration petition by public interest groups. Groups said merger resulted in national concentration of media. Merger is largest approved by Commission, included Gannett sale of WHEC-TV Rochester to black group.

PETRY ASSAYS TV FUTURE: Broadcasters will be paying more in promotion & advertising to offset challenges from new video technologies in next decade, but networks will continue to dominate scene, Petry TV study says.

Based on survey of broadcasters and ad executives and other research, study reflects cautious optimism for Big 3. Networks will produce more news, sports and documentaries to hold audience but are expected to reduce compensation to affiliates because of less network revenue growth. After 1985, networks may program fewer hours for affiliates and offer some programs on fee basis, study adds.

Report predicts new video technologies will capture only 2.4% of advertising in 1985 but expects big rise afterward, in CATV particularly. Cable advertising, study says, has been limited by: (1) Audience size and unreliable measures. (2) Lack of ad sales acumen among cable operators and cable buying skills among ad agencies. (3) No sales rep firms. (4) Cable operators' preference for subscription fees rather than advertising.

Survey doesn't see VCRs or discs, teletext or satellite-to-home as significant in near future, calls Comsat's 1983 direct-to-home date "extremely optimistic" and labels superstations "primitive cable networks" that may give way to more sophisticated cable networks. Total ad spending is expected to hit \$92.5 billion, 2.1% of GNP, by 1985. TV viewing will keep increasing, report says, because of population growth, more leisure time.

Schedule of FCC workshops designed to increase public participation: March 21, Miami, U. of Miami Law Library, with Comrs. Quello & Jones; March 24, New Orleans, Xavier U. Student Center, Comr. Brown; April 17, Tucson, Plaza International Hotel, Comr. Washburn; April 19, Seattle, Seattle Central Community College, commissioner not designated. Morning sessions: "How to Make Your Voice Heard in FCC Rulemaking" & "How to Find Out What the FCC is Doing When You Don't Live in Washington." Afternoon has common-carrier session. Informal discussion is set for evenings.

"I'm absolutely convinced in years to come that you will find productions for pay TV subsequently utilized for broadcast TV & syndication," says Viacom Chmn. & CEO Ralph Baruch. Baruch sees almost as bright a future for videodisc, although he's "a little bit less" convinced about disc's superiority, with increasing number of competing systems. By his timetable, disc should overcome VCR's lead between 1983 & 1985. Viacom's interest, in any event, is limited to software.

National Academy of TV Arts & Sciences N. Y. chapter has scheduled forum entitled "TV Enters the '80s: A Decade of Choice & Viewer Lib" at Sherator Centre Feb. 25. Panel includes Marilyn Watts, RCA staff vp; Herbert Granath, ABC Video Enterprises vp; Ned Gelband, Case & McGrath Advertising media vp; Tony Hoffman, Bache, Halsey, Stuart, Shields media & entertainment analyst. Moderator is David Sheehan, L. A. film & TV critic.

NCTA videotext seminar in Orlando this month drew 40 cable executives, each paying \$375, and about as many speakers, including experts on British, French & Canadian systems. Also on program were Jerrold, demonstrating Playcable, and Dow Jones, N. Y. Times & Mead Data Central. According to NCTA Science & Technology Vp Christopher Weaver, 2-3 R&D deals were made between videotext suppliers & cable companies, one for as much as \$5 million. Another system operator reportedly promised field trials in 8 months. Cable is "very important" to success of such projects as Southern Satellite Systems Cabletext service, Weaver says. Next such meeting has been scheduled for Feb. 1981. Among companies represented at this one were Teleprompter, Warner Amex, UA-Columbia, Viacom, HBO, United Video, Cox, Sammons.

Attacking cable in comments prepared for delivery at NATPE, MPAA Pres. Jack Valenti said telecasting "is an endangered species" because of distant-signal imports. He urged FCC & Congress to reimpose signal-carriage limitations, retain syndicated exclusivity. "I am fighting each day," he said, "to try to bring some sanity to the provisions of the new Copyright Act which force program suppliers to subsidize an almost-2-billion-dollar cable industry."

Nationwide presidential campaign telethon was held last week by John Connally. Hour show entitled "Freedom from Crisis" was shown in 21 markets at cost of \$160,000. Production costs were paid for with \$500,000 loan. Meanwhile, Common Cause has called for cancellation of 2-man Republican primary debate in N. H. Feb. 23. Planned debate between George Bush and Ronald Reagan, sponsored by Nashua Telegraph, was described as "inherently unfair."

Video Probe Index Oct. survey of cable systems with at least 10,000 subscribers shows 66% take HBO, 20% Showtime, 4% Prism, 3% Warner Amex Movie Channel, 10% other pay services. Fifty-five percent have at least 5,000 pay subscribers, 81% their own earth stations; 78% of those without receive-only dish expect to install one in next 6-12 months. Almost 2/3 plan to upgrade receive capacity during same period.

HBO will spend "tens of millions of dollars" on pre-buys of 100-plus films playing over next 5 years, Programming Vp Michael Fuchs told theater operators at ShoWest convention in Las Vegas. He stressed "common interests," said theatrical identification of films is big selling point for pay TV.

One of TV's favorite pastimes—speculation over who succeeds Walter Cronkite at CBS—was squelched as network selected Dan Rather as "Evening News" anchor & chief. Rather, 48, takes over from Cronkite, 63, after Jan. Presidential Inaugural.

FCC has delegated authority to chief, Office of Plans & Policy, to extend time for comments "in any docket items over which authority is not delegated to any other FCC bureau or office."

BLACK TRANSLATOR NETWORK: Black broadcast network of translators proposed by Applied Communications Technologies (ACT) would serve 9 states, 39% of black elected officials, 65% of black colleges, 59% of black children aged 9-12. Principals in ACT are Angela Shaw, N. Y. attorney; William Johnson, owner of KBLE, Columbus, O. minority cable franchise; Nate Long, head of TVAC production house.

ACT would own 10 developmental translators in Atlanta, Birmingham, Nashville, Raleigh, Greensboro, Columbia, Norfolk, & Jackson, Miss. "Since there are no currently licensed telecommunications facilities available that have been able to offer 'special audience' programming of a black communicative nature (unlike Spanish and religious programming), we maintain that the potential of TV translators to provide this service is ripe for testing," said group in FCC filing.

Chinese TV will accept commercials from foreign advertisers for first time. Chinese TV network has held talks with ad agencies from U.S. and other countries, selected Chicago-based Transplex as agent for North & South America, Britain, France & Australia. Transplex Pres. Waysun Liao said Chinese will allow 15 min. of commercials per day, with 5 min. to come from Transplex. Rate cards haven't been issued yet. Official estimates place number of sets at 5 million, viewers at 200 million.

Voice of America is increasing broadcasts to Islamic countries to boost U.S. image. Agency says \$1.7 million expansion was motivated partly by embassy seizure in Iran. Targets are Iran, Afghanistan, Soviet Union, Turkey, India, Pakistan, Bangladesh. One snag is lack of native-language-speaking broadcasters. VOA official is on recruiting trip in Europe and Mideast.

New FCC post has been created to help handicapped get broadcast jobs. Coordinator will run information clearinghouse, part of Public Affairs Office. Commission didn't put handicapped under EEOC rules—though requested by citizens' group—believing its authority to do so is doubtful.

National Indian Media Conference May 12-14 in Anaheim, Cal. is planned by Native American Public Bcstg. Consortium and American Indian Film Institute, open to public. Details: NAPBC, Box 83111, Lincoln, Neb. 68501.

Cable News Network will use road-transportable uplink announced by United Video last week. Unit has 5-m antenna, can simultaneously uplink 2 video channels, will be used at Democratic & GOP conventions.

NAB state presidents' conference Feb. 27-29, Four Seasons Hotel, Washington, features speeches by Sen. Schmitt (R-N.M.) and unnamed Administration official, informal visits at FCC and Congress.

Canada will host 1980 conference of International Institute of Communications in Ottawa Sept. 7-11.

VCI Satellite Ltd. has been created as subsidiary of Video Communications Inc., Tulsa, parent company Pres. William Blair announced. He said VCI Satellite's transponder on Westar III would be used to feed 4 simultaneous signals (2 video, 2 audio). Gene Dennison, VCI Satellite pres., said one audio-visual signal would be dedicated to motion pictures for non-theatrical market, with other available solely for business communications, including employee training & teleconferencing. Starting June, programming will be on 24-hour daily schedule, he said.

Australia is shopping for domestic satellite system, and direct broadcasting capability is central to its plans. Postal & Telecommunications Dept., in charge of project, estimates 500,000 Australians are without TV service, with 120,000 having little hope of receiving terrestrial broadcasting service; additional one million only get "impaired" TV service. Also, 375,000 live beyond range of Australian Bcstg. Commission radio stations.

Alleged price fixing by 3 Marinette, Wis. stations—WMAM(AM)—WLST(FM), owned by Frank Lauerma, and WCJL(AM), Leon Flech, majority owner—has caused FCC to set their renewal applications for hearing. Hearing will determine whether stations "engaged in anticompetitive practices by combining or conspiring to price fix their... rates by setting them at the same level."

Central Chinese TV will receive 10-min. daily feeds from UPITN, via Intelsat. CCTV's domestic satellite system is scheduled to start 1984 to network of translators equipped with earth stations. Network is expected to grow to thousands of stations. U.S. satellite vendors are in Beijing this month negotiating deal for space satellites.

FCC research grants: \$115,000 for AM channel spacing; \$50,000 for Automatic Transmitter Identification System (ATIS); \$35,000 for various projects, including survey of station ownership by women. Commission still has \$63,000 of uncommitted research funds for current fiscal year.

Storer board will sell 2 million new shares of common to pay for expansion in cable. Stockholders at annual meeting April 29 are expected to approve release of their pre-emptive rights so public offering can proceed. New shares increase Storer outstanding stock to 13 million.

Broadcast editorial writer guidebook, prepared by NAB & NBEA, covers areas such as defamation, invasion of privacy, political editorials, FCC rules. "Editorial Director's Desk Book," to be mailed to NAB & NBEA members, is available to others for \$3 from NAB.

Chief SEC enforcer Stanley Sporkin lashed out at anti-regulatory movement in talk to public interest lawyers. He said consumerism "may not be dead but what's happened to the FTC is evidence that condition is, perhaps, critical."

Second home satellite exhibition sponsored by Satellite TV Technology in Miami Feb. 5-7 drew about 700 attendees, 25 exhibitors and estimates of about \$2.8 million in hardware sales. Bulk were to distributors setting up in business, possibly including Heathkit, which reportedly was seeking manufacturer quotes on 1,000-unit order. Biggest single sale, says Satellite TV Technology Pres. Robert Cooper, was to Australian company which purchased 2,500 systems for Pacific islands, plans to lease 6 hours daily of transponder to put up own programming. Cooper says meeting resolved nothing about rights & responsibilities of home satellite owners in program reception, but feeling among hardware dealers was that "you've got to do it legally." Cooper says installed system costs \$7,500-\$10,000, but do-it-yourselfer can buy necessary parts and build home unit for as little as \$1,000. He estimates about 7,500 of latter now in use, doubts they provide decent signal. There are about 1,500-2,000 of better quality, more expensive, earth stations operating, and Cooper says number could grow to 4,000-5,000 this year.

Meeting ad competition from radio & newspapers is topic of 5 upcoming TvB regional sales seminars: March 11, Seattle, Seatac Red Lion; March 13, San Francisco, Sir Francis Drake; April 8, Kansas City, Hilton Plaza; April 10, Washington, Loew's L'Enfant; May 13, Chicago, O'Hare Hilton.

Adults over 55 watch more TV than any other age bracket, according to series of articles in winter Journal of Bcstg., published in Feb. Articles conclude that, with elderly community growing, it's vital for broadcasters to understand relationship between TV and elderly.

"The current move to deregulate radio is unacceptable," says Consumers Union in 1980 policy statement. On network inquiry: "The Commission should not rely on anticipated developments in technology to resolve the questions raised in [network] inquiry."

J. Walter Thompson bought Hill & Knowlton, world's largest PR firm, for \$28 million in cash & stock. Thompson spokesman said H&K will be independent subsidiary. H&K had revenue of \$28 million in fiscal 1979.

ABC Radio has set up National Market Development unit to "increase awareness of radio as an effective advertising medium and deliver additional revenue to ABC-owned radio properties." Staff will be announced soon.

TVL Productions has been formed by National TV Log to develop programs for all video media. Eugene Scott, former independent producer, is chief operating officer.

RTNDA awards deadline is March 14. Details: 1735 DeSales St., Washington 20036, 202-737-8657.

Cable royalty 1980 collections are predicted to reach \$14.5 million.

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Group W Productions plans to have Vidsat program distribution service operational in top 25 markets by Sept., another 25 markets by end of year, more than 100 markets by first quarter 1982. Programs will be transmitted scrambled on Westar system. Group W Vp George Sperry said: "We will be able to deliver TV programs at simulcast TV tape rates. Our system is going to work a lot differently from the RCA SMARTS system. By Sept. 1, we will be able to deliver to TV stations whether they have an earth station or not. If stations have an earth station, obviously we don't have to tie into AT&T. If they don't, WU will deliver the signal to the toll board in each market." He said Vidsat isn't in competition with Blair TV's Blairsat service, which will specialize in commercial distribution. Nor is Group W tied only to use of Westar: "We've also talked to RCA and we're hopeful that we will be able to offer service via RCA in the future." Group W is installing two 10-m antennas at uplink site near Pittsburgh.

Avery-Knodel TV named rep for WBTI Cincinnati, WQRF-TV Rockford, Ill., and WGNN Winston-Salem, all new independents... Taft's WKRC-TV Cincinnati & WTVN-TV Columbus, O. appoint Tele-Rep, making that firm rep for all 6 Taft TVs.

D-B Electronics has been formed by former staffers of Broadcast Electronics to make broadcast audio equipment. David Durst, Thomas Jones & Mary DeSimone head new firm at 7851 Airport Dr., 201, Gaithersburg, Md. 20760, 301-977-7048.

All-digital worldwide TV standards are goal of SMPTE working group established at Toronto meeting Jan. 31. Group is developing draft for composite NTSC standard, hopes to make it compatible with PAL & SECAM also.

Personals

Jack Landau, head of Reporter's Committee for Freedom of Press and Newhouse Supreme Court reporter, speaks at FCBA luncheon Feb. 28, replacing **Carl Bernstein** (Vol. 20:6 p5), ABC News Washington bureau chief, rescheduled for April... **Ernest Barnes** named chief administrative law judge, FTC... **Barbara Kreisman** named chief, Renewal Branch, FCC Renewals & Transfer Div.; **Stuart Bell** chief, Transfer Branch; **James Green** chief-policy analysis, Policy & Rules Div.; **William Hassinger**, engineering asst. to Bcst. Bureau chief; **Thomas Campbell** assoc. exec. dir.-operations, new post... **Jason Berman**, Warner consultant, named vp-public affairs, based in Washington... **Michael Senkowski** named partner, McKenna, Wilkinson & Kittner, Washington law firm; **Dennis Corbett** joins as assoc.

John Bayliss, pres., Gannett Bcstg. Radio Div., resigns, is acquiring 2 radio stations, his successor to be named soon; **Richard Clapp** named dir.-compensation & benefits... **James Safert**, ex-Peters, Griffin Woodward chmn. & pres., appointed vp-corp. development, Cosmos Bcstg... **Jim Ross** named sales mgr., WIBC-TV Pittsburgh... **Peter Sang**, ex-independent, designated advertising mgr., WNBC-TV N.Y... **Jess Chalker**, ex-Petry TV, appointed national sales mgr., WBTV Charlotte.

Spencer Kaitz appointed gen. counsel-exec. secy., Cal. Community TV Assn., succeeding late father **Walter Kaitz**... **Beverly Land** promoted to vp-corporate development, Storer Cable Div... **Phyllis Kornegay**, ex-scientific Software, joins ATC as dir.-company services; **David O'Hayre** promoted to treas., is succeeded as controller by **Robert Niles**.

Joe Valerio, ex-ABC-TV & N.Y. Post, named dir., program planning & development, ESPN... **Gaye Brooks** promoted to dir. operational financial analysis, Times Mirror Cable TV; **R.W. Fensterbush** to regional engineer... **Charles Kersch**, ex-Communications Corp. of America, joins Daniels & Assoc. as group controller for limited partnership activities.

Vance Wingo joins Cox Cable as dir.-financial analysis... **Marlo Daniolos** promoted to sales exec. Time-Life TV... **David Dreiling** promoted to assoc. gen. counsel, Viacom International, with responsibility for Enterprises & Showtime; **Roger Kirman**, **David Meyer** & **Henry Schleff** promoted to Viacom asst. gen. counsels.

Stan Thomas, former asst. to HBO Chmn. N.J. Nicholas, named HBO dir. of national accounts; **John Redpath**, ex-chief counsel-programming, appointed asst. gen. counsel; **Leslie Jacobson** promoted chief counsel-programming; **Jody Crabtree**, mgr., hotel/motel sales; **John Waller**, regional mgr., mid-Atlantic; **Gae McGregor**, affiliate communications & creative services dir.; **Jeff Krolik**, asst. to vp-regional operations; **Judith Feldman** & **Nell Pennella**, assoc. dirs., business affairs-film programming.

Allen Kasiewicz, ex-Rank Precision Industries, appointed marketing administrator-fiber optics, General Cable... **Anthony Scuder** promoted to in-

formation systems dir., Comtech... **Sidney Sheinberg**, MCA pres., addresses TV Academy forum Feb. 22, Century Plaza, L.A... **Greg Moloznik** promoted to group sales mgr., Petry TV... **Henry Gonzalez**, ex-WFAA-TV Dallas, joins Katz American TV Dallas office... **Les Einhorn** advanced to Blair TV ABC Red Sales Team, N.Y.

Roger Morcomb, ex-Control Data, moves to subsidiary Arbitron as vp-finance & planning; **Gary Donohue** promoted to Arbitron southwestern radio sales mgr., Dallas... **Thomas Tilson**, Metromedia TV pres., named to TvB TV Industry Rating Policy Committee... **Dan McKillen**, & **Meg O'Brien** named client service execs., Nielsen TV Index.

Frank Drendel adds chmn. post to pres. & chief exec. duties at Valtec... **John Leonard** promoted to pres., Moseley Assoc.; **John Moseley** becomes chmn... **James Van Eaton** becomes dir.-engineering, Vidtronics.

Allen Sabinsen, ex-corp. business affairs administrator, named program commitments dir., NBC Entertainment... **Linda Francaville** advanced at ABC Bcst. Operations & Engineering to N.Y. film services business mgr.; **Bill Sanders** promoted at ABC Entertainment to east coast prime time series development mgr... **Ronald Werth**, ex-Focus Group, joins Mutual Bcstg. as research dir.

Glen Hagen, ex-United Artists TV, named east div. sales mgr., Group W Productions... **Robert Miggins**, ex-TeleRep, joins Petry TV as operations vp-west coast... **Barry Cherin** named MCA TV west coast publicity dir... **Diarmuid White** named vp-gen. mgr., Video Time div. of Air Time... **Joe Kivlehan** promoted to asst. booking service mgr., Warner Bros. TV.

FCC Chmn. Charles Ferris speaks at NPR Radio Programming Conference, Kansas City March 16-20... **Rick Jones**, ex-pres. & gen. mgr., WNPE-WNPI-TV Watertown, N.Y., appointed asst. gen. mgr., Penn. Public TV Network... **Robert Wine** named board vp, Kansas Public Telecommunications Services... New members of NTIA Public Telecommunications Facilities Div.: **Joann Anderson**, program officer, engineering; **Brooks Leffler**, ex-CPB, dir. of planning & evaluation; **Pauline Masterton**, ex-Fla. State Educational Commission, to study women in public telecommunications; **Jean Rice**, ex-N.Y. Commission on Cable TV, program officer.

"Seminar on Communications Law" in Aspen, Colo. March 30-April 2 features: FCC Comr. **Fogarty**, former NCTA Pres. **Robert Schmidt** & communications attorneys **Seymour Chase** and **Donald Zeifang**. Registration is \$350. Details: Seminars on Communications Law, Woodbridge Conference Center, Box 6160, Snowmass Village, Colo., 800-525-9402.

Three high-ranking black lawyers at FCC have resigned to form company to enter communications: **Samuel Cooper**, asst. gen. counsel-legislation, **Booker Wade**, asst. to Comr. Brown, and **James Winston**, asst. to Comr. Lee. They'll practice law meanwhile, hope to buy stations.

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 Feb. 1 (5th week of 1980):

	Jan. 26- Feb. 1	1979 week	% change	Jan. 19-25	1980 to date	1979 to date	% change
Total TV	325,468	318,330	+2.2	334,844	1,287,160	1,286,046	+0.1
color	198,289	188,438	+5.2	221,225	834,605	810,549	+3.0
monochrome	127,179	129,892	-2.1	113,619	452,555	475,497	-4.8
Home VCR	12,442*	9,477	+31.3	17,519	52,885	32,807	+61.2

Note: Radio data delayed due to possible category changes.

Color TV 5-week moving average: 1979-80—166,921; 1978-79—162,110 (up 3.0%).

Home VCR 5-week moving average: 1979-80—10,577*; 1978-79—6,561 (up 61.2%).

*Record for period.

JVC SHOWS DISC, RCA WOOS JAPANESE: JVC demonstrated pre-production version of Matsushita empire's bid for standard videodisc in Japan last week and indicated it hoped to match RCA as closely as possible in debut date & price. Meanwhile, RCA has invited its Japanese videodisc hardware licensees to technical seminar on subject in Indianapolis, and Magnavox announced 5 new markets for its Magnavision optical disc player.

Thus battle intensified for videodisc licensees. Biggest objective still is Zenith, committed to videodisc but so far uncommitted to any of 3 leading systems (VLP-Discovision optical, Matsushita-JVC's VHD, RCA's Selectavision). Pres. Revone Kluckman mentioned subject only briefly at Feb. 11 distributor meeting in Scottsdale, Ariz., stating Zenith will make decision soon among the 3 systems.

JVC said that it was keeping eye on RCA's progress, and that it too could have players on market next year at about \$500, with discs selling for around \$15. If JVC gets "support" from other manufacturers—presumably meaning agreement on Japanese standard—company officials said they could be in production this year.

System demonstrated was improvement on one shown last June in Chicago (Vol. 19:24 p7), presumably similar to model demonstrated privately here in Nov. (Vol. 19:47 p9). It's still grooveless capacitance type, still revolves at 900 rpm, but hour-per-side disc has been shrunk to 26 cm (about 10.2") vs. 30.16 cm for Philips/MCA disc & 30 for RCA (both about 12"). Track pitch has been reduced in width to 1.35 microns from former 1.4, and JVC claims material needed to make disc has been cut by 25%. Compact player resembles RCA's in appearance, uses similar loading system; disc encased in plastic album cover is slipped into slot, cover removed for playing.

JVC showed basic player, which provides fast-forward & backward play as well as conventional motion, has dual soundtrack for stereo or 2 languages. Dial scale on player indicates elapsed time in min. & sec. It demonstrated accessory to provide random-access, slow-motion & still-frame features, and another to convert player to digital audio phono. Same basic unit is aimed at both home & industrial markets.

Among points made by JVC: Broad stylus, 10 times thickness of that used in RCA system, can be sapphire or diamond, latter having 2,000-hour life vs. estimated 300 hours for RCA

stylus (RCA said it couldn't give data on stylus life because it's constantly being extended). Making major pitch for software licensees, JVC said its discs were encoded to prevent piracy by VCRs, demonstrated unsuccessful attempt to copy disc onto cassette. (Philips spokesman told us optical discs could be similarly encoded, if desired. RCA wouldn't discuss matter, except to say it was "cautious about introducing non-standard signals"). Discs can be mass-produced on existing audio record presses, 200,000 copies obtainable from single master. Cost of producing disc was estimated at 20-30% higher than audio record.

Top engineers of Japanese licensees are flying to U.S. for RCA's seminar, which will be conducted in Japanese & English at Rockville Rd. disc & player plant in Indianapolis. In answer to our question, RCA said sessions & plant tour will "provide the participants with current information relating to the technical aspects of the capacitance videodisc system." RCA has been granting licenses under virtually no-cost terms (until actual production begins), but Japanese licensees have chafed at lack of information to date. Among them are Clarion, General Nippon Electric, Mitsubishi, Pioneer, Sharp & Toshiba. (Sharp is also Philips optical-system licensee; Pioneer is partner with DVA in manufacture of optical players; General is Telefunken-Decca TED licensee.) RCA doesn't announce names of its licensees, so there may be others. Non-Japanese licensees include BSR & Plessey of U.K.; there are no known U.S. hardware licensees.

Magnavox & MCA, which now market optical players & discs in Atlanta, Seattle-Tacoma & Dallas, at week's end announced schedule for adding new markets: Feb. 29—Cleveland & Phoenix; March 7—Pittsburgh & Minneapolis-St. Paul; March 14—Buffalo.

U.S. TV SUPPLY DROPPED IN 1979: U.S. color factories set production record last year and made first share improvement in overall TV market since imports became factor, as overall new supply (production plus imports) declined 4.5% from 1978, our analysis of available EIA & Commerce data shows.

New color output mark, which eclipsed 1973's record by fewer than 2,000 sets, was reached with help of U.S.-based Japanese factories, including those of Hitachi & Sharp which went on stream in 4th quarter. Color's total new supply for year was 3rd highest in history, trailing record of 1978 by 5.9% and falling 28,000 short of 1973 results.

Final-quarter color production total tied record high for any quarter, set in 4th quarter 1973, and sharp output jump can be attributed, in part, to catch-up production at Sanyo's Forrest City, Ark. plant, which had been closed by strike. B&w imports set 4th-quarter record, but were well short of all-time quarterly high of 1.72 million set in 3rd quarter 1978. Quarter also marked 2nd period this year that indicated U.S. b&w production dropped below 100,000. It was at 36,000 in 2nd quarter, but that abnormally low total appeared to be result of statistical aberration.

Figures indicate domestic factories accounted for 56.5% of total new TV supply in 1979, up from 50% in 1978, with color share at 86.4%, up from 74%, b&w share at just 10.8%, down from 11.9%. For quarter, U.S. factories contributed 55.6% of total supply, up from 48% in same 1978 months, with color share rising to 88.7% from 71.7%, b&w dropping to minimal 5.8% from 11.9%.

Commerce import data indicates that 29.9% of U.S.-made color sets were assembled from imported kits and essentially complete chassis, up from 27.3% in 1978. That would raise import share to 39.4%, still an improvement from 47.6% for 1978. On estimated-value basis, an additional 36.6% of domestic color production was put together from imported subassemblies & circuit boards, for overall import share of 71.1%. On same basis, imports captured 81.4% of total new color supply in 1978.

Here's TV supply breakdown for year & quarter. U.S. production includes sets assembled from imported chassis & kits; imports are complete-sets only.

1979 U.S. TOTAL TV SUPPLY

		U.S.- Produced	% change	Imports	% change	Total Supply	% change
Total TV	1979	9,386,000	-7.9	7,233,000	-16.9	16,619,000	-4.5
	1978	8,701,000		8,706,000		17,407,000	
Color TV	1979	8,674,000	+9.2	1,369,000	-50.7	10,043,000	-5.9
	1978	7,899,000		2,775,000		10,674,000	
B&w TV	1979	712,000	-11.2	5,864,000	-1.1	6,576,000	-2.3
	1978	802,000		5,931,000		6,733,000	

4TH QUARTER

Total TV	1979	2,380,000	+9.1	1,895,000	-19.9	4,275,000	-6.0
	1978	2,182,000		2,368,000		4,550,000	
Color TV	1979	2,282,000	+16.4	290,000	-62.6	2,572,000	-6.2
	1978	1,960,000		775,000		2,741,000	
B&w TV	1979	98,000	-54.6	1,605,000	+0.8	1,703,000	-5.9
	1978	216,000		1,593,000		1,809,000	

SHARP CRANKING UP IN MEMPHIS: It's Osaka-on-the Mississippi in Memphis area where new Sharp color TV and microwave oven facility has gone into operation, only about hour's drive from Sanyo Mfg. across river in Forrest City, Ark. About same distance separates hqs of their respective parents in Japan.

We attended first open house at Sharp plant last week, thrown mainly for local VIPs, found it operating with impressive efficiency. And it better, because Sharp's U.S. marketing arm is making major color sales expansion plans based on plant's early showing.

Here are Sharp Memphis vital statistics: Current investment \$30 million; land 88 acres, with 20 about to be acquired for expansion; plant size, including warehouse & parts storage, TV 244,400 sq. ft., microwave oven 265,900 sq. ft., administration 38,800 sq. ft.; employment 400 now, 1,000 by fall, about 1,300 next year.

TV plant opened last Oct., has 2 complete color lines going, producing 20,000 monthly. It now makes four 19" models, including one with electronic tuning, one remote; output of 13" remote started last week. It's basically assembly operation, with frame-inclusive chassis imported from Japan. Imported tuners, flybacks & yokes are added, along with U.S.-made tubes (Sylvania) & cabinets. Sharp says sets have 50% U.S. value in parts & labor. There's room for 3rd line, which could be added in year, raising monthly rate to 30,000. Oven plant opened last month, now turns out 6,000 monthly, using one of 2 installed lines, is due to hit 30,000 monthly around midyear.

Familiar Japanese obsession with quality control is very much in evidence at plant. Paul Hagusa, pres. of manufacturing, says quality of Memphis-made sets is identical to that of TVs turned out in Japan. After burn-in and 24-hour testing of samples from each day's output, 2nd sampling from approved lot is sent to Sharp's regional office in Cal. for another round of tests—"and we have not yet had one set rejected," Hagusa claims.

Plant opening resulted in major increase in buying interest by Sharp's customers, we were told by Exec. Vp Charles Daigneault. "We saw a dramatic change in attitude at the Winter CES. We didn't know how to read this, but 45 days have passed, and now we know it's not a fly-by-night thing. Our problem now is not 'can we grow,' but how much can we produce so we can grow." He said Sharp is committed to "maximum production for the rest of 1980." Plant will provide 90-95% of Sharp's U.S. color requirements this year as firm aims at doubling 1979

market share, according to Robert Whitehouse, TV & VTR Div. gen. mgr. Asked how Sharp was going to do that in period of expected declining industry sales, he said, "we'll just have to take it away from others."

While Sharp has been welcomed warmly into Memphis, and co-operation of local officials has made project flow smoothly, there's strong undercurrent of community skepticism, not of Sharp per se but of TV industry in general, it was evident in queries from local newsmen about Sharp's long-range commitment. Ill-will is legacy from RCA, which built \$20-million TV plant there in 1964, had as many as 4,000 on payroll. Plant had history of labor & racial problems, was shut on short notice at end of 1970, putting 1,600 out of work and creating still-existing resentment.

* * * *

International Trade Commission last week issued preliminary determination that domestic microwave-oven manufacturers are likely to be suffering injury if Japanese are dumping here. Ruling gives Commerce go-ahead to investigate dumping complaint filed by AHAM last July (Vol. 19:31 p9). ITC finding wasn't surprise. Agency made same determination in same case last Sept., but had to go through 2nd round as result of regulations shifting antidumping-law enforcement from Treasury to Commerce Jan. 1. In Memphis, Sharp (U.S.) Pres. Takao Sugawa, said changes in formula U.S. uses to reach value determinations makes it impossible to tell how case will be decided by Commerce. As for injury issue, he pointed out that imports' share of U.S. MW oven market dropped from 60% in 1972 to 30% in 1978. During same period, he noted, Japanese prices rose 141%, while those of U.S. producers went up only 106%.

Among items highlighted this week in our sister publication Video Week: U.S. Video, new force among duplicators, probably will replicate Disney cassettes of 10 live-action films for rental test, already produces cassettes for Paramount, Fotomat, ABC, Sports World. USV has 300 slave units, produces 40,000 cassettes monthly (Magnetic Video has 500 slaves, Bell & Howell over 400, Columbia over 300)... Philips is mastering about 12 videodisc programs in Eindhoven for U.S. market, has run into problems. First disc may be baby-care course by Caravatt Communications, which probably will be 6 months behind target... TV syndicators & CATV producers have strong plans for videocassettes & discs. Group W has been discussing releases with RCA for disc. Four Star has had requests for cassette rights to some of its former TV programs. New Video Time subsidiary of Air Time Inc. is exploring sponsored cassettes & discs... Vlacom will release 2nd original cassette—on magic—at June CES... Prototype of film-based videodisc system will be delivered to Army by Atlantic-Richfield Development (Ardev) within 18 months... "Non-fiction" videocassettes, including video art, will be test-marketed by Bell & Howell and Chicago Editing Center, independent video producer group, in 4-month program... PBS Video Program Service catalog lists 88 new cassettes available for rental. (For information on Video Week subscriptions, call or write Circulation Dept., Washington hq, 1836 Jefferson Pl. NW, Washington, D.C. 20036, 202-872-9200.)

Ad notes: Toshiba launches first spot TV campaign, featuring color TV, demonstration of futuristic voice-activated set shown at Winter CES... J. Walter Thompson agrees to acquire PR firm Hill & Knowlton for \$28 million in cash & shares... Philips Business Systems appoints Geer, DuBois for \$1.5-million dictation equipment account... 3M

audio tape promotion, starting March 17, offers 25% off on Scotch 8-track twin-pack, 30% off on 3 C-90 cassettes... Inovision, consumer electronics sales subsidiary of Electronic Data Systems, appoints Bozell & Jacobs SW... Video Corp. of America videocassette software sales club VidAmerica plans magazine campaign with theme: "Your videocassette recorder is not just an expensive toy."

RCA labor contract details, just made available, show workers got immediate 50¢ hourly wage hike, plus 44-1/2¢ over life of 4-year agreement, along with cost-of-living increases. Benefits include 3-week vacation instead of 2, cash payments for unused sick days, company-aided dental plan, higher pensions for current & retired workers, guaranteed minimum \$600-monthly pension for qualified 30-year employees. Contract was ratified last Nov., is effective Jan. 1, 1981, but can be reopened in Oct. 1982, just as current contract, which runs through this year, was reopened last Oct.

Canadian Admiral has halted TV production & sales but may re-enter market. CA was acquired from Rockwell last year by York Lambton, which more recently bought McGraw-Edison's Canadian major appliance operation. York now owns 6 major appliance plants in Canada, is in process of rationalizing appliance production. At same time, it's continuing exploratory talks with both domestic & foreign TV manufacturers which could lead to purchase of complete TVs for sale under Admiral name or sourcing of chassis to permit resumption of TV assembly.

Hitachi is investing \$5.3 million to set up integrated IC plant in West Germany. NEC is currently only Japanese IC manufacturer with European IC plant.

ZENITH & RCA FIRM PRICES: Price tags on Feb. color drop-ins by RCA & Zenith generally are \$10 above sets they replace, but carryovers' prices are unchanged. Both companies introduced new features at distributor conventions last week. Zenith fielded new line of 23" color, featuring for first time the 100⁰ tri-focus tube in that size, with all features of advanced System 3 line except Color Sentry (Chromatic one-button control instead), including modular chassis.

RCA introduced new XL-100 chassis in one 19" set—extremely compact, weighing 7-1/2 lb. less and containing 76 fewer components than previous model, "smallest & lightest 19-in. ever offered by RCA"—with some Color Trak features, including digital key-board tuning and automatic contrast/color tracking. This model (at \$500), as well as new 13" & 17" remotes, are designed to tune to 11 midband CATV channels as well as regular channel, new feature for RCA. RCA also introduced new b&w sets, mostly up \$10 from predecessors, headlined by 9" AC-DC series of new vertical design.

Zenith's new 23" series has table model at \$590 and 4 consoles at \$640. Company also introduced 7 new monochrome sets, all open-list, said to be priced same as predecessors—one 16", three 19", one 22" table model, 3 consoles. Eight new Zenith clock & portable radios are \$40-\$65, top model being clock radio with 4-hour reserve battery for power failures.

RCA's new color models start with 13" open-list (factory price unchanged from predecessor), step-up at \$350 (unchanged), remote \$460 (up \$10); open-list 17" leader is unchanged, remote \$520 (up \$10). Leader 19" table is open (unchanged), others \$450 (up \$10), new keyboard model \$500 (up \$20 from less-delux predecessor), remote \$560 (up \$10), new 19" Colortrak leader at \$510 (\$10 below former leader).

In b&w, new 9" AC-DC without battery is \$120 (up \$5), battery-equipped step-up \$180 (up \$10); 12" leader & step-up are open, 3rd model (formerly open-list) is \$120, AC-DC version \$130 (up \$10); 16" leader open, step-up \$160 (up \$10); 19" line starts with open leader, others at \$170 & \$180 (both up \$10).

Videocassette sales totaled just over 11 million units last year, will grow 28% annually to 49 million through 1985, as opposed to 18% growth in VCR shipments, according to upcoming study by Venture Development Corp., Wellesley, Mass., entitled "Home Video Recording & Playback Equipment." Study forecasts Matsushita won't enter U.S. market with VHD disc system immediately, but later may "reevaluate just what kind of a disc system would be most successful in the U.S." Consultant David Butterfield (Management Analysis Center, Cambridge, Mass.) is expected to forecast at this week's NATPE convention in San Francisco that VCRs & videodisc players will be in 8-12% of TV homes by 1985.

Matsushita won multi-million-dollar order to supply audio entertainment equipment for 767 Boeing jets due for delivery in 1981. Contract includes firm order for 200 systems, option for additional 100.

ITC QUOTA HEARING: No individual domestically owned U.S. TV manufacturers are likely to appear at March 5 International Trade Commission hearing on COMPACT's request that quota on color imports from Japan, Taiwan & Korea be extended past scheduled July 1 expiration date.

None of U.S. producers—not even Sylvania or Zenith, which supported COMPACT's successful 1977 request for import protection—was on hand to ask for appearance time during pre-hearing conference last week. Even so, hearing schedule will be full, could run more than 2 days if ITC grants all time requests. Planned presentation by COMPACT will take full day. Separate presentations will be made by representatives of industries in Japan, Taiwan & Korea, and 3 Japanese manufacturers with U.S. plants (Sanyo, Sharp & Matsushita) intend to appear individually.

ITC has mailed special quota questionnaires to domestic color producers asking: (1) Whether they favor extension of color import quota. (2) If so, should quantity levels or definition of what's covered by quota be amended. (3) Details of how they have used 3-year relief period to improve their ability to compete against imports.

RACAL GETTING DECCA: Racal apparently won bidding war for U.K.'s Decca last week with \$259 million offer, topping \$225 proposal by rival suitor GEC. Acquisition will cost Racal 75.5% more than its \$147.5-million original offer made at start of month (Vol. 20:5 p10). Racal says it owns 12.5% of Decca voting shares, has irrevocable sale pledge from holders of 38.1%, giving it lock on 50.4% and making it unlikely GEC will pursue matter. Racal takeover isn't expected to meet serious govt. opposition. Racal has said it will try to dispose of Decca's TV-audio business after merger.

In other activity, Superscope opened negotiations to sell most of its assets outside U.S. & Canada to unidentified buyer, proceeds to be used to increase working capital, reduce bank debt. Superscope has manufacturing facilities in Taiwan, owns 50% of Marantz Japan (formerly Standard Radio), has distribution operations in Belgium, Germany & France... Unitrode suit to block possible takeover by Dynamics Corp. of America was dismissed by Boston federal court. Similar suit still pending in N.Y. DCA owns about 17% of Unitrode.

Zenith's Heath Co. was understood to be seeking quotes on 1,000 home satellite receiving stations at recent 25-exhibitor home satellite exhibition in Miami, attended by about 700, said to have produced about \$2.8 million in equipment sales. Biggest single sale was to Australian firm, which bought some 2,500 systems for new Pacific island program system. Satellite TV Technology Pres. Robert Cooper estimated 1,500-2,000 expensive home earth stations now in use, with possible increase to 4,000-5,000 this year. In addition, he estimates some 7,500 home-made systems. Former cost \$7,500-\$10,000, latter as little as \$1,000.

Copper prices topped \$1.41-per-lb. last week, breaking previous high of \$1.407 set in 1974.

ELECTRONIC TOY BOOM: It should be combination of boom & bust for electronic toy & game industry this year. Boom will come from sales, expected to be in \$800-million-to-\$1-billion range in 1980, or about double estimate for retail activity in 1979. Bust is expected to stem from too many manufacturers selling essentially same items in market already showing signs of intense price competition.

Just how crowded? At annual Toy Fair in N. Y. last week, one trade book, Toys, Hobbies & Crafts, published incomplete list of 220 self-contained games & toys, including 72 sports (14 football, 15 baseball), 36 battle, 22 mimic, 13 gambling, 7 pinball, 70 miscellaneous. Show directory listed 74 electronic game companies—and that was far from comprehensive rundown. Actual game total was closer to 400.

Compounding problem is existence of significant leftover Christmas inventory at retail, caused by combination of late deliveries by manufacturers and Dec. sales sag. Delivery problems stemmed from shortage of IC chips for new games, and similar pattern already seems to be shaping up for 1980. Toy industry appears to be heading into same situation that destroyed most early video game, watch & calculator companies which couldn't keep up with rapid product advances that made even their newest items obsolete.

Among product highlights: First electronic talking toy is Milton from Milton-Bradley. It speaks half a phrase in response to pushing one of one set of buttons. Object is to select button from 2nd set that will get it to complete phrase correctly. . . Split Second hand-held LED game from Parker Bros. plays variety of maze games, auto race, space war, all with multiple skill levels. . . Mattel & Entex both added hand-held gin rummy. . . Bandai entered with own-brand line, Vanity Fair & Fisher Price fielded first electronic toys. . . Kenner introduced unique hand-held auto race with full action sound, LED football with large uniformed action figure, instead of dots, to show what's going on. . . GAF's initial electronic is Melody Madness, musical game of concentration doubling as 24-note instrument. . . Programmable computers for children from Entex & Logix. . . Atari put \$34 wholesale price on LCD video-like hand-helds, Milton-Bradley added baseball & sea battle to cartridges available for its similar, but programmable, Microvision unit. . . Texas Instruments introduced First Watch, an LED that teaches children how to tell time.

TV receiver improvement rules received strong backing from RF Monolithics in comments to FCC: "It would be unfair to the public to continue to tie up 40% of the spectrum space from 0-1,000 MHz by continuing to distribute TV receivers with such poor interfering signal handling capability. . . Critics quote the \$30 retail cost increase per receiver from the TI report and multiply that cost by millions to show a cost of billions to the public. . . The \$30 retail cost of the TI receiver was estimated from a rough engineering model, not from a cost-effective production model." Company said of its own research to further improve TI receiver specs that "present indications are that all of the goals will be met."

GTE RESULTS: Unfavorable results from international operations, particularly in Europe where severe price competition exists in color TV & stereo markets, was blamed for full-year loss posted by GTE Consumer Electronics. Unit includes Sylvania, Philco & picture tube operations in U. S., Saba in Europe. GTE said CE had \$9.27-million loss for year, against \$18.3-million profit in 1978, as sales rose 7.8% to \$1.16 billion. In final quarter, CE sales were up 17.5% to \$396.5 million, but net fell 75.2% to \$2.31 million.

National Semiconductor declared one-for-2 stock dividend.

Sanyo Mfg. Co., 25%-Sears-owned U. S. manufacturing subsidiary of Japan's Sanyo, returned to profitability in final 1979 fiscal quarter after 4 successive quarters of losses, ended up with loss for year. Sales in 4th quarter more than tripled, as SMC played catch-up in wake of strike which closed Forrest City, Ark. plant for 8 weeks in Aug. & Sept. Sales for year were down 7.9%. SMC said strike, with resulting quick boost in production to meet pre-Christmas orders, was main cause of loss for year. Also cited as adverse factors were high interest rates, start-up costs for microwave oven & TV yoke production.

Advent reported profit in quarter to Dec. 29, despite 14.9% sales decline; for 9 months, sales were down 22%, but loss was trimmed 27%. Advent said video projector sales were down 29.9% to \$11.9 million for full period, fell 31% in quarter to \$4.46 million. Audio equipment volume was down 11.6% to \$11.4 million for 9 months, posted 11.4% rise to \$4.39 million in quarter.

Consumer Electronics Personals

Stanley Porfido appointed RCA environmental & facilities services staff vp; **Tony King** advanced at RCA Records to creative services dir. . . **Thomas DeMaeyer**, Teletronics Video Services (Chicago) vp-gen. mgr., named vp of parent Video Corp. of America. . . **Anne Lieberman** appointed Magnetic Video Consumer Products Div. west region mgr.; **Milt Neifach** named for Midwest, **Barry Loche** for East. . . **George Sheehan** advanced at Sony Video Products to NE region mgr.

K. Oeda, Nikko Audio chmn., adds post of pres., succeeding **Kay Sato**, resigned. . . **Stanley Grossman**, former Rectilinear Research pres., forms Advanced Mktg. Concepts, N. Y.-area rep firm, will handle Toshiba hi-fi. . . **Cindy Morgan**, ex-Hi-Fi Trade News, joins Merchandising March 1, as assoc. editor, audio equipment.

Tom Nugent promoted at Panasonic to portable data systems national sales mgr., new post, with responsibility for mktg. & product development of new hand-held computer line, Electronic Data Center & calculators. . . **Robert Carlin** promoted at Amperex to national sales mgr. . . **Robert Schieber** promoted at Stackpole from electronic products group vp to pres., new Stackpole Components Co., in consolidation of electronic components operations.

Financial Reports of TV-Electronics Companies

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

Company & Period	Revenues	Net Earnings	Per Share
Advent			
1979-39 wk. to Dec. 29	23,313,000	(666,000)	--
1978-40 wk. to Dec. 30	29,894,000	(912,000)	--
1979-13 wk. to Dec. 29	8,850,000	61,000	.03
1978-13 wk. to Dec. 30	10,405,000	(1,474,000)	--
Ampex			
1979-9 mo. to Jan. 26	334,879,000	27,995,000 ^a	2.45
1978-9 mo. to Jan. 27	272,675,000	18,766,000 ^a	1.65
1979-qtr. to Jan. 26	118,873,000	10,627,000 ^a	.93
1978-qtr. to Jan. 27	92,949,000	6,241,000 ^a	.55
Audiotronics			
1979-6 mo. to Dec. 31	10,408,000	380,000	.40
1978-6 mo. to Dec. 31	9,332,000	392,000	.42
BBDO International			
1979-year to Dec. 31	141,800,000	11,461,000	4.56
1978-year to Dec. 31	120,600,000	11,283,000	4.49
1979-qtr. to Dec. 31	42,500,000	4,457,000	1.77
1978-qtr. to Dec. 31	36,200,000	3,963,000	1.58
Buckbee-Mears			
1979-year to Dec. 31	75,101,000	4,339,000	1.41
1978-year to Dec. 31	64,131,000	2,605,000	.85
1979-qtr. to Dec. 31	20,581,000	1,460,000	.47
1978-qtr. to Dec. 31	17,166,000	511,000	.17
Capital Cities Communications			
1979-year to Dec. 31	414,890,000	63,758,000	4.68
1978-year to Dec. 31	367,476,000	54,033,000	3.80
1979-qtr. to Dec. 31	115,109,000	18,636,000	1.39
1978-qtr. to Dec. 31	101,571,000	14,833,000	1.06
CBS			
1979-year to Dec. 31	3,729,701,000	200,707,000	7.21
1978-year to Dec. 31	3,290,052,000	198,079,000	7.15
1979-qtr. to Dec. 31	1,109,572,000	63,978,000	2.29
1978-qtr. to Dec. 31	987,056,000	56,496,000	2.04
Chyron			
1979-6 mo. to Dec. 31	3,139,000	351,000	.28
1978-6 mo. to Dec. 31	1,863,000	245,000 ^a	.20
Comsat			
1979-year to Dec. 31	262,635,000	40,185,000	5.02
1978-year to Dec. 31	211,114,000	34,238,000	4.28
1979-qtr. to Dec. 31	69,467,000	7,538,000	.94
1978-qtr. to Dec. 31	58,394,000	9,784,000	1.22
CTS			
1979-year to Dec. 30	187,950,000	10,990,000 ^a	2.40
1978-year to Dec. 31	164,820,000	10,750,000	2.37
1979-qtr. to Dec. 30	44,667,000	2,037,000	.45
1978-qtr. to Dec. 31	39,207,000	2,195,000	.48
GTE			
1979-year to Dec. 31	9,957,817,000 ^b	645,070,000 ^b	4.20
1978-year to Dec. 31	8,732,066,000	622,187,000	4.17
1979-qtr. to Dec. 31	2,779,858,000 ^b	176,164,000 ^b	1.14
1978-qtr. to Dec. 31	2,439,818,000	160,305,000	1.06
Grey Advertising			
1979-year to Dec. 31	88,709,000	6,433,000	10.34
1978-year to Dec. 31	76,303,000	5,438,000	8.73
Interpublic Group			
1979-year to Dec. 31	373,718,000	21,589,000	4.89
1978-year to Dec. 31	310,259,000	18,046,000	4.11 ^c
1979-qtr. to Dec. 31	111,913,000	6,989,000	1.57
1978-qtr. to Dec. 31	91,128,000	6,589,000	1.51 ^c

E. F. Johnson			
1979-year to Dec. 31	44,010,000	2,435,000 ^a	.94
1978-year to Dec. 31	41,201,000	1,505,000 ^a	.59
1979-qtr. to Dec. 31	11,832,000	770,000 ^a	.30
1978-qtr. to Dec. 31	9,565,000	398,000 ^a	.15
Motorola			
1979-year to Dec. 31	2,713,795,000	154,296,000 ^d	4.96
1978-year to Dec. 31	2,219,744,000	125,182,000	4.04
1979-qtr. to Dec. 31	762,774,000	36,259,000 ^d	1.16
1978-qtr. to Dec. 31	635,558,000	33,477,000	1.08
Ogilvy & Mather			
1979-year to Dec. 31	223,077,000	13,473,000	3.30
1978-year to Dec. 31	181,674,000	12,599,000	3.16
1979-qtr. to Dec. 31	69,104,000	5,765,000	1.41
1978-qtr. to Dec. 31	53,884,000	4,823,000	1.19
Pioneer Electronic^e			
1979-qtr. to Dec. 31	293,300,000	25,000,000	.58
1978-qtr. to Dec. 31	231,700,000	12,500,000	.29
Sanyo Mfg.			
1979-year to Nov. 30	146,172,000	(2,108,000)	--
1978-year to Nov. 30	158,667,000	1,545,000	.35
1979-qtr. to Nov. 30	64,067,000	179,000	.04
1978-qtr. to Nov. 30	13,803,000	(423,000)	--
SBE			
1979-year to Oct. 31	3,094,789	(3,569,866)	--
1978-year to Oct. 31	6,563,000	309,530	.26
Storer Bcstg.			
1979-year to Dec. 31	170,357,000	30,263,000 ^a	2.93
1978-year to Dec. 31 ^f	145,206,000	19,171,000 ^a	1.95 ^c
1979-qtr. to Dec. 31	47,752,000	11,186,000 ^a	1.08 ^c
1978-qtr. to Dec. 31 ^f	43,174,000	7,347,000	.74 ^c
UA-Columbia Cablevision			
1979-qtr. to Dec. 31	12,043,000	1,147,000	.35
1978-qtr. to Dec. 31 ^f	8,744,000	995,000	.30 ^c
Viacom International			
1979-year to Dec. 29	107,389,000	11,898,000 ^a	2.99
1978-year to Dec. 30 ^f	81,043,000	7,132,000	1.88
1979-qtr. to Dec. 29	30,130,000	3,331,000	.78
1978-qtr. to Dec. 30 ^f	22,841,000	2,191,000	.58
Warner Communications			
1979-year to Dec. 31	1,648,027,000 ^g	200,747,000 ^a	9.85
1978-year to Dec. 31 ^f	1,243,134,000 ^g	87,421,000	4.60
1979-qtr. to Dec. 31	468,139,000 ^g	125,395,000 ^a	5.90
1978-qtr. to Dec. 31 ^f	387,038,000 ^g	27,842,000	1.43
Wometco Enterprises			
1979-year to Dec. 29 ^h	307,248,000	19,130,000 ^a	2.22
1978-year to Dec. 30 ^f	277,359,000	18,781,000 ^a	2.20
1979-16 wk. to Dec. 29 ^h	97,297,000	5,329,000 ^a	.61
1978-16 wk. to Dec. 30 ^f	87,923,000	5,259,000 ^a	.61

Notes: ^aIncludes special credit. ^bRecord. ^cAdjusted. ^dAfter special charge. ^eAt yen's current rate. ^fRestated. ^gFrom continuing operations. ^hPreliminary.

Computer agreement for home & school has been signed by Atari & Scientific Research Assoc. under which SRA will develop educational course for use on Atari computers for marketing by Atari, and SRA will market Atari personal computer products to educational community... "Eliza," exercise in simulated artificial intelligence, is available in program cassette for Radio Shack TRS-80 computer at \$14.95. Eliza can carry on conversation with computer operator either through printout or in voice (by use of TRS-80 voice synthesizer).

Japan produced about 300,000 home video cameras in 1979, expects to double figure this year. Matsushita & Toshiba plan to increase production of home color camera tubes by 30%, while Hitachi has targeted production at 100,000.

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SUMMARY-INDEX OF WEEK'S NEWS

Broadcast

NATPE SURPRISE—NO SERIOUS SNAFUS develop at San Francisco conference attended by record 3,939. Children's TV, new technology, sex & nudity dominate discussions. (P. 1)

RCA CABLE PLAN SHOCKS: 'Cable Net II' plan using AT&T satellite to replace lost Satcom III angers several cable programmers. CNN loses Satcom I channel, may sue RCA. (P. 4)

NATPE OFFERS more of same programming, game, talk & variety dominating as usual. Satellite delivery via Vidsat for 2 programs. Interest, but no money for fresh ideas. Producers being 'pushed' into new media? (P. 5)

BCST. IN SENATE BILL: GOP & Democrats agree to include broadcast provisions, including radio deregulation. (P. 5)

STAGGERS TO RETIRE: Ends career which saw 2 key battles with broadcasters; Dingell probable successor. (P. 6)

GE IS BACK, selling Canadian GE equipment, starting with VHF transmitters. (P. 6)

NATPE SURPRISE—NO SERIOUS PROBLEMS: Despite continuing burgeoning growth which has caused major problems at past NATPE conferences, last week's 17th annual at San Francisco Hilton Hotel went off with minimum of foul-ups & snafus. "I'm amazed that there have been so few problems," outgoing Pres. Chuck Gingold told us. Just about everybody agreed with his evaluation—syndicators, panelists, delegates, reporters and even hotel personnel.

Biggest problem everybody found was getting into San Francisco because of heavy wind & rain—and it rained every day of Feb. 16-21 conference but one. Nearly everybody who flew in Feb. 15 arrived hours late, missed meetings or appointments of one kind or another. Many were rerouted to other cities. Major foul-up was elevator stuck Feb. 16 for 1-1/2 hours with 16 aboard, including several syndicators & reporters.

"This is by far the most important broadcast meeting of the year," according to Jack Moffitt of WUAB Cleveland, because it gives broadcasters an opportunity to see & know what product is available. Eugene McCurdy, WPHL-TV Philadelphia, agreed, said that stations are now often "sellers" as well as buyers and that UHF independents now can compete successfully with VHF's for product in a market as competitive as Philadelphia (6 stations).

Voting station members were in good mood, too—doubling their dues to add \$150,000 to budget for N. Y. office (see Personals), adding a seat to board to give assoc. members 3rd dir. and changing bylaws to permit PBS stations to become voting members.

Consumer Electronics

RCA TELLS SOME (but not all) to videodisc player licensees, including Sony and Korea's Gold Star. Attendees disappointed by lack of full release of specs. Canon plans VCR entry. (P. 8)

U.S. COLOR PRICES at factory rose average of just \$1.16 to \$342.22 in 1979, as mix shifted away from consoles to lower-priced portables, ITC reports. Domestic output at record for year. (P. 9)

WHAT'S KODAK UP TO? Patents reveal several areas of video effort—one-piece compact camera-VCR, solid-state pickup device, LVR, simplified color system, electronic still camera. (P. 11)

NEW GTE PRICES, effective Jan. 1, are up \$20 for most color sets in Sylvania & Philco lines, although top end is up as much as \$55. (P. 12)

RCA & ABC VIDEO among home video distributors at NATPE convention. Jockeying for tape & disc programs prime preoccupation. (P. 12)

ZENITH SALES topped \$1 billion last year, but net declined. Pioneer's sales breakdown. E. F. Johnson keeps CB on hold. (P. 13)

On program side, words most often heard were diversity and new forms. Rep. Van Deerin (D-Cal.), chmn. of Communications Subcommittee, said: "The opportunities for diversity are all about us." He predicted that, in just 3 years, "there's no way" TV networks will continue to dominate as they do now. Syndicators generally were happy (see p. 5); many more sales were made than expected, although suites were much smaller than in past.

Most unhappy of programmers was MCA—which didn't like its suite location or size. "There's no way you can do any business under these conditions," MCA exec. said. Among popular suites—in addition to those with useful, novel or expensive giveaways—were Paramount (which put up large tent on swimming pool deck, greatly increasing capacity) and Metromedia (which had different gourmet lunch each day). Time-Life TV built a BBC Club, installed projector to flash its product on side of building across street.

One of liveliest and best attended NATPE panels dealt with "Sex and the Single Station," moderated by Phil Donahue. It opened with clip from "Saturday Night Live" with titillating sex, no nudity. This was followed by excerpts from PBS, including "I Claudius" bedroom scene showing nude woman from back, also exposed breasts. NBC's Herminio Traviesas said nude scene would never make it on commercial TV but PBS Program Vp Chloe Aaron said scene had been telecast several times and "there's been virtually no flak." She said that, handled properly, it could be shown at 9 p. m. on WNBC-TV N. Y.

Ann Marcus of Columbia Pictures asked why it would be necessary to censor "the beautiful back" of a girl and "what about the bare bottom is so offensive," yet networks offer so much titillating material in comedies and detective shows. She charged that broadcasters complain about sex & violence yet buy shows containing both because they "get the numbers."

"What's the difference between the bare bottom and the bare face," George Gerbner of U. of Pa. asked. He said programmers seem to think it's all right to show sexism on TV at any hour but it is not all right to show sexuality, and he presented long discussion of difference. Gerbner said that only about 10% of public is likely to complain about sex and that broadcasters mustn't give in to outside pressures.

Applause of audience, prompted by Donahue, showed few receive complaints about sex & violence, prompting Traviesas to say: "I'm a little surprised... That isn't what the [stations] say when they call." NBC affiliate in Milwaukee said his station gets less than 5 complaints monthly about sex or violence. He said he preempted Billy Jack movie, got 2 letters of praise, a great many saying "how dare you censor."

Asked by Donahue what responsibility broadcaster has to "the unattended child," Traviesas noted that NBC put advisory on "Skag," was widely applauded when he said: "But we certainly cannot be the baby sitter of the world." He said movie "10" was hard to edit for TV "but I certainly enjoyed trying."

Also attracting considerable attention was luncheon panel on children's TV. It was opened by non-panelist Robert King, chmn. of NAB TV board, who said "I am incensed" at FCC press release last fall charging industry has failed in its responsibility toward children (Vol. 19:45 p1). He pleaded for early response to NAB questionnaire to be sent all stations (see p. 7)—including PBS—early in March, promised "unlike the FCC staff, we don't intend to leaf through TV Guide to get information."

Participant Comr. Washburn—who wasn't also panelist because of pending FCC rulemaking—said Chmn. Ferris is "swimming against the tide" of deregulation in Washington, with Commission's proposal. He said agency should redefine a children's program as one "contributing to the learning experience" of children 17 & under.

FCC's OPP Chief Nina Cornell, who was panelist, said Children's TV Task Force had to rely on TV Guide listings because no information existed for 1973-74, and program information filed with FCC since then includes only composite weeks. Charles Winick, City U. of N. Y., said that raising children "is the task of the parent, not the government [and] I object to a government agency moving in on the parent." Naturally, applause was loud & sustained.

ACT Pres. Peggy Charren said her group has "such a highly developed concern for the First Amendment" that ACT has stayed out of programming dispute at FCC. She didn't discuss ACT's position at FTC that TV advertising directed toward children should be banned. She urged TV executives to use FCC rulemaking as catalyst to create better quality children's shows, calling it "a tremendous opportunity."

NTIA Chief Henry Geller warned that dramatic changes taking place in common-carrier industries will "profoundly affect your business" over next several years. He praised FCC's "open skies" decision, sees multitude of outlets for home viewers in future, warned industry not to seek govt. protection because "government will ask for something in return." He said Commission restrictions on cable were wrong, noted most have been struck down by courts. He forecast advertiser-supported cable networks, was applauded when he called for full copy-right liability or retransmission consent because "it is crucial to treat the programmer fairly in the marketplace."

MPAA Pres. Jack Valenti said much same thing on copyright—only much stronger—at 2-hour closing NATPE panel on future developments, saying "free broadcast TV is an endangered species" because of distant signal imports. He said Congress must revisit "the savage inequity" of copyright bill. Following Valenti, NCTA Pres. Thomas Wheeler said "there's more of a market out there than any of us ever dreamed," argued that cable and other new technology won't hurt TV because broadcasters are smart enough to compete.

David Butterfield, Management Analysis Corp., presented NATPE-commissioned study predicting that new technology will command 10-12% of home TV audience by 1985. Other projections: Cable will pass 54% of TV homes, 34% of which will subscribe; half of cable homes also will have pay cable. There will be 26 STV stations in 36 markets, with 9% of homes subscribing. Direct-to-home TV will have no significant impact during decade because it will be so slow developing. Video discs or cassettes will be in 10% of U. S. homes by 1985, and 40% of homes will have access to some form of TV programming other than broadcast. Cable advertising will be slow to develop.

Post-Newsweek Stations' Pres. Joel Chaseman warned industry "to keep an eye on the telephone company because they're going to be in there somewhere." He made same warning about Comsat and its direct-to-home satellite plan. He said new technology won't offer "capability to provide massive audiences day after day after day" and that's why over-air TV will survive as major national ad media.

MCA's James Fiedler said that all major programmers are committed to supplying product for home video business, predicted that both tape & disc systems will survive, that disc record capability is 5-10 years away. Herbert Granath, ABC Video Enterprises, said company is developing many new forms of programming for home video, predicted networks will remain major source of home entertainment in 1980's, with news & information programming showing major increases.

George Koehler, Gateway Communications, said TV is hurting but most stations will survive superstations and increased cable competition. STV will "burgeon" by penetrating major markets ahead of most new technology, but then will "bomb" as cable and home video systems take over, he said.

Elie Abel, Stanford U., moderator of futures session, in addition to panelists, noted that no Comsat representative was present. Abel said Comsat Pres. Joseph Charyk had been invited, declined.

NATPE had paid registration of 2,647 in San Francisco, vs. 2,202 last year in Las Vegas. Official attendance last week was 3,939, compared with 3,375 in 1979. Lucille Salhany, Taft Bcstg., was elected NATPE's first woman pres., succeeding Chuck Gingold, WABC-TV N. Y.; John Goldhammer, KABC-TV L.A., moved up from 2nd vp to first vp-pres. elect, and San Francisco conference Chmn. Steve Currie, KOIN-TV Portland, was elected 2nd vp.

Board was expanded to add 3rd seat for assoc. members—filled by Eugene Swerdloff, PGW—which can't be occupied by syndicator. Also elected dirs.: Ed Jones, WDVM-TV Washington;

Ray Alexander, WBRZ Baton Rouge; Gregg Nathanson, KTLA L.A.; Linda DesMarais, WPLG Miami; Joseph Indelli, Metromedia; Charles Marson, NBC-TV N.Y., who fills Currie's unexpired term.

RCA CABLE PLAN UPSETS USERS: RCA Americom's plan to replace missing Satcom III satellite—which was intended to be backbone of 2nd cable satellite programming network—with 11 leased transponders from AT&T Comstar D-2 satellite produced threat of suit by Cable News Network when announced last week. RCA set March 5 deadline for applications for Comstar transponders; unhappy cable programming services planned ad hoc meeting in N.Y. to discuss possible unified response to RCA plan. Meanwhile, RCA strategy is likely to draw FCC, already saddled with complaints from SIN & Eastern Microwave, deeper into problem of satellite transponder allocation for cable satellite programming.

RCA move that angered CNN, shocked other cable programmers, was decision to deny switch of 2 transponders on primary cable satellite Satcom I from data to video service. One of transponders was to go to CNN, through service from Southern Satellite Systems, to begin its nationwide 24-hour-a-day news service June 1 (other transponder was to go to HBO or National Christian Network). CNN was left with alternative of beginning service on Comstar satellite—which only handful of cable systems have antennas to point at. Instead, company said it had "valid contract with RCA which assures it of 2 transponders on Satcom I"; in 2nd part of double-barreled threat, CNN said "negotiations are also progressing satisfactorily with another Satcom I lessor who will sublet a Satcom I channel to CNN until legal problems are resolved." CNN wouldn't name lessor.

RCA spokesman, fully aware of hostility, suggested everyone should ask: "What's the alternative?" He said that CNN did have contract with RCA, but that since contract was "subject to successful launch & operation of Satcom III," RCA was on firm legal ground. Immediate response of other programmers to RCA offer of Comstar transponders was muted: HBO said it's "evaluating" position. SSS indicated displeasure with announcement. Showtime Pres. Jeffrey Reiss said he was unhappy with RCA tariff restructuring, part of new plan. SCN Pres. Noah Mandell agreed to accept Comstar transponder.

Pressure is mounting for FCC intervention in assignment of satellite transponders for cable TV. FCC is extremely reluctant to open what would undoubtedly be contentious and difficult docket. But fallout from Satcom III loss may force FCC response. To date, war against RCA Americom at FCC has been waged vigorously by Eastern Microwave & SIN. Another complaint against Americom—from CNN carrier SSS—is possible in wake of RCA's action. SSS & RCA made peace only recently in an earlier squabble over transponder assignments.

SIN spokesman said company was prepared last week to ask FCC for stay to stop AT&T-RCA deal. "People are getting tired of Americom changing the rules for transponder assignment all the time," said SIN spokesman. "First it's first-come-first-served, now it's a lottery in 18 months. As for ourselves, we'll be taking a slightly different tack on all of this." AT&T hasn't asked FCC for permission to lease to RCA, but notified Common Carrier Bureau Chief Philip Verveer by letter that it was assisting RCA for duration of Satcom III "emergency".

As part of new sampling procedure FCC plans to institute on license renewals, Bcst. Bureau Chief Richard Shibben is proposing to merge Complaints & Compliance Div. into Renewal & Transfer Div. Under plan to check 5-15% of renewal applications annually, Shibben said there'd be much duplication of functions of 2 divs. Proposal will be presented for Commission approval in March-April, is expected to become effective this fall.

At request of State Dept. and Canadian Dept. of External Affairs, NAB & CAB have formed committees of private broadcasters to meet jointly on disputes between 2 countries, as well as on issues of agreement. Leslie Arries, WIVB-TV Buffalo, will chair U.S. contingent.

NAB has asked FCC to eliminate Form 324—an annual financial report—but chances of success are considered slim to none. Instead, Commission is reworking form to get more information, and staff will propose that each station's financial figures be made public—proposal that's expected to win majority of FCC votes.

Ron Nessen, ex-press secy. for President Ford, would advise NCTA on PR, under proposal to go before NCTA board this week. NCTA Pres. Thomas Wheeler is proposing that association sign year-long contract with Nessen's firm, Marston & Rothenberg. Nessen & Ron Eisenberg would serve as main consultants, have worked for NCTA in past.

NATPE OFFERINGS SMALL: Contrasting bulging attendance at NATPE last week, was the slim pickings when it came to new programming. Prime-time access was dominated as usual by game shows, favorite whipping boy in conversations about TV mediocrity but surefire moneymakers nonetheless. Even in this category, opportunities for new shows are diminished with stations buying Viacom's "Family Feud" for Mon.-Fri. strip.

Also access winner is Group W-sponsored "P.M. Magazine," now scheduled to expand to 80-station co-op this year. Members air mix of own material and that selected from co-op library, have generated consistently high ratings. "P.M. Magazine" is candidate for satellite delivery when enough earth stations are in place. Step already has been proposed for show called "Star Tracks," from syndicator Fremantle, one of several pop music programs introduced at NATPE. Others include George Back & Assoc.'s "Can't Stop the Music" and Paramount's "Solid Gold," distributed by Post-Newsweek stations.

RCA & PNS promoted satellite delivery with SMARTS and Western Union, and Group W Productions TV Syndication Center with Vidsat. SMARTS test using Viacom programs begins in April on 4 PNS stations; Vidsat starts later in year with PNS's own "Agronsky & Company" and "Star Tracks" already committed.

Appearance of several new talk & variety shows, aimed at late-afternoon audiences, was decried. However, format—like game shows—remains durable, convincing Syndicate Services to pick up 18-year-old "Mike Douglas Show" after Group W dropped it in favor of younger host, trendier image. Interest in children's programming was stronger than usual, but station clearances & budgets still are lacking. Standard argument against them in after-school hours is fear that poor ratings vs. usual off-network series & talk shows will hurt local news—stations' most profitable time slot and lead-in to prime-time hours.

Station, producer & syndicator gripes were aired at packed session on "Trends in Syndication." Panelists included Syndicast's Leonard Koch, PNS's Tay Voyer, Time-Life TV's Madelyn Goldberg, Film Service Corp.'s Harvey Seslowsky. Thrust of discussion was what Koch called lack of "gumption" in trying different ideas. Voyer said "sad part" was that failure of recent, more imaginative efforts now made it "virtually impossible" to raise money, urged formation of "groups of [station] groups" to begin again. Seslowsky held out hope that additional stations due on air in next couple of years would broaden market, saw nothing wrong with successful tried-&-true in meanwhile. Goldberg thought Operation Prime Time was promising start, noted TLTV will produce for consortium. All acknowledged promise of pay TV, cassette & disc, media which excite producers. Comment from cartoon producer UPA Productions of America to syndicator panel: "You're pushing us right into their [home video's] arms."

Public broadcasting income for first time passed half-billion mark in 1978, reaching \$552.3 million, latest CPB figures show. That's 14.6% increase over 1977.

BCST. IN SENATE BILL: Senate Democrats & Republicans working out joint communications bill have agreed to include broadcast provisions, which are expected to include radio deregulation among other things.

Minority & majority staffs of Communications Subcommittee, acting under orders from Sen. Cannon (D-Nev.) to come up with bill (Vol. 19:50 p3), have been negotiating for several weeks, recently agreed to include broadcast provisions but have found strong disagreement over spectrum fee and cable issues.

General concept of radio deregulation has been agreed to, and speculation is that legislation will include provisions concerning FCC authority over radio formats, longer TV & radio license terms, and comparative renewals. Negotiations on broadcast provisions still had long way to go, but belief was that draft bill could surface within 2 weeks.

Fact that Senate bill now definitely will include broadcast provisions means additional problems for communications bill on House side; chances for passage there have been considered favorable, partly because bill has no broadcast or cable sections. In past, broadcast provisions have meant controversy, and House measure could suffer in any fall-out over Senate bill. Sen. Hollings (D-S.C.), Communications Subcommittee chmn., had at one time indicated he was not inclined to include broadcast provisions.

New cable royalty schedule will be needed if FCC changes syndicated exclusivity or distant signal import rules, Copyright Royalty Tribunal Chmn. Mary Lou Burg told House Appropriations Subcommittee. She "urgently" requested \$25,000 for outside experts, said FCC action later this year would trigger more complicated rate review proceedings in midst of busier fiscal 1981 schedule. Burg said that without specialists CRT must rely on parties' own studies. Hearings on distribution of more than \$13 million in 1978 cable royalties are set for March & April, must be completed by Sept. 11, Burg said. Proceedings for 1979 distribution begin in July, same time that cable rate review is to begin.

Total deregulation of "superstation" carriers is proposed by group broadcaster Metromedia, alleging that they "are not, in fact, common carriers." Metromedia's suggestion (Doc. 79-252) was in FCC policy review of population-sensitive tariffs, used by SSS, United Video, Eastern Microwave & SCS for feeds of WTBS Atlanta, WGN-TV Chicago, WOR-TV N.Y. and KTVU Oakland-San Francisco, respectively. Metromedia seeks to strip superstation distributors (now classified by FCC as resale carriers) of carrier status, putting them in reach of copyright claims.

Bill authorizing federal funds for individuals, consumer groups and small businesses to argue cases before regulatory agencies was approved by Senate Governmental Affairs Committee. Legislation, sponsored by Sen. Javits (R-N.Y.), limits funds to \$100,000 each.

STAGGERS TO RETIRE: Rep. Staggers (D-W.Va.), Commerce Committee chmn., last week announced plans to retire after 32 years in Congress, ending career which saw him lock horns with broadcasters on 2 key issues. Staggers, 72, is expected to be succeeded by liberal Rep. Dingell (D-Mich.), who some broadcast lobbyists believe may be slightly more helpful to broadcasters than Staggers.

Staggers, Commerce chmn. for 14 years, gained particular attention from broadcasters in 1971 when he led unsuccessful attempt to force CBS to release outtakes from "Selling of the Pentagon." Other members balked at request by Staggers that network be cited for contempt.

Staggers also was man who in 1974 killed intensive 2-year effort by NAB to get legislation passed to extend license terms. He refused to appoint conferees after Senate & House passed different bills. Staggers believed NAB had broken promise on how it would lobby and he thus killed bill.

One broadcast lobbyist called Dingell "tough but fair." Dingell has had little direct involvement in much communications legislation, although he has long been critical of networks. For years, he constantly introduced legislation to regulate networks.

NBC position on Olympics in Moscow remained unchanged as President Carter's deadline for Soviets to be out of Afghanistan passed Feb. 20. Network continued to say that it supported govt., wouldn't cover games if U.S. team doesn't go. Administration kept word, announcing that U.S. wouldn't attend games in Moscow whether Soviets left or remained in Afghanistan. U.S. Olympic Committee College of Delegates meets April 11 in Denver to vote on President's request, though USOC Pres. Robert Kane has said Committee will comply with request to boycott. Meanwhile, Administration officials continued effort to set up alternate games at several sites around world. When asked if NBC would be interested in TV rights to alternate games, NBC spokesman said: "I assume we would be."

GE is back in broadcast equipment sales—5 years after it sold that business to Harris, now that agreement not to compete has expired. Gear is made by Canadian GE, which had continued manufacturing but was excluded from U.S. sales under agreement with Harris. Mgr. of broadcast products is Lewis Page, who headed Harris Washington office. VHF transmitters & antennas are first equipment offered—up to 30 kw transmitters (60 kw in parallel). CGE now makes 2-kw UHF transmitters, will make high-power UHF later. Also planned is FM, no AM or TV cameras. TV equipment will be sold worldwide, in all standards. Company will exhibit at NAB convention. Address: 777 14th St., Washington, D.C. 20005, 202-637-4103.

"Digital Decade" panel at SMPTE convention (April 14, Las Vegas Convention Center) includes William Connolly, CBS; Michael Fisher, ABC; Robert Hopkins, RCA; Miguel Negri, NBC; Roland Zavada, Eastman Kodak.

ABC reported record 1979 earnings of \$159.31 million, up 17% from \$135.57 million in 1978, but said rising news costs and increased network competition may mean only "moderate profit growth" this year. Earnings per share were \$5.67, up 78¢. Total revenue was \$2.05 billion, up 16%. Chmn. Leonard Goldenson said most parts of corporation had good showings, including "outstanding" ABC TV network performance, record revenues for ABC Publishing, and excellent Chilton Co. results. Newly acquired R.L. White Co. had "disappointing" showing. Earnings on continuing operations in 4th quarter were \$44.94 million, up 11% from \$40.48 million 4th quarter 1978 figure which excludes one-time gain from Theater Div. sale.

"I put it down to some very inexperienced commissioners," FCC Comr. Abbott Washburn said of agency's 4-3 vote saying RKO isn't qualified to be licensee (Vol. 20:4 p1). During night NATPE news conference—which also included Rep. Van Deerlin (D-Cal.), chmn. of Communications Subcommittee—Washburn criticized presentation against RKO in closed meeting made by Deputy Gen. Counsel David Saylor—"I was tempted to ask when are we going to hear from the attorney for the defense." Commissioner also said "I'm going to do everything I can" to get FCC to set ownership limits on CATV, including lobbying fellow commissioners.

Advertisers spent \$4.7 billion (up 14.4%) on network TV in 1979, according to TvB-BAR. By dayparts, prime time attracted \$3.1 billion (up 15.3%), daytime \$1 billion (up 10.5%), weekend \$570.2 million (up 17.7%). ABC led networks with \$1.7 billion, CBS \$1.56 billion, NBC \$1.42 billion. For Dec., network advertisers invested \$446 million (up 14.6% over Dec. 1978). Dec. weekend daytime total was \$78.2 million (up 25%), nighttime \$291.4 million (up 15.3%), weekday daytime \$76.4 million (up 3.4%).

Anti-nuclear bias is evident in network news coverage over last decade, says Media Institute study. Study says bias, "probably unintentional," is result of editing, word choices, selection of experts for quotation. Report adds that networks haven't covered basic issues enough, says if they had, viewers would have been better able to judge significance of Three Mile Island accident. Institute, funded by business groups, works for better business news coverage, says no nuclear industry funds went into study.

Operation Prime Time plans to debut first series in Sept. TV station programming co-op announced decision last week after first member station meeting at NATPE. OPT, previously producer only of specials, will begin with weekly one-hour variety music show entitled "Solid Gold."

Assn. of Independent Radioproducers is founded with 40 members, plans to set industry ethics code, technical standards. President is Harry O'Connor, O'Connor Creative Services, N. Hollywood. Contact is Treas. Harvey Mednick, RKO Radio, 6255 Sunset Blvd., L.A. 90028.

Personals

John Kluge, Metromedia chmn.-pres., receives IRTS Gold Medal at March 5 banquet, Waldorf-Astoria, N. Y. . . **Dixon Lovvorn**, ex-WSFA-TV Montgomery, appointed vp-gen. mgr., WDSU-TV New Orleans, succeeding **James Yager** who resigns to pursue other broadcast interests; **John Sander** advances to WDSU-TV station mgr.; **Charles Whitehurst**, Cosmos Bcst., bcast. services dir., succeeds Lovvorn; **Yager** was chmn. of NBC-TV affiliates; **Blake Byrne**, KXAS-TV Ft. Worth-Dallas, has been named acting chmn.

Entertainer Carol Burnett received NATPE's "Award of the Year" at San Francisco convention for her "many achievements in a long and distinguished TV career"; ex-NATPE Pres. **Lew Klein**, Gateway Communications, presented President's Award, only 3rd time it has been given in NATPE's 17 years; consultant & ex-program exec. **George Back** joins NATPE March 1 as exec. dir., new post, N. Y. hq; Secy.-Treas. **Pat Evans** remains in Lancaster; **Neal Harris** hired as consultant for exhibitions.

Kathryn Pelgrift, ex-Philip Morris and CBS, named vp-corporate planning, NBC. . . **Ronnie Lazar** advanced at ABC from organization planning mgr. to corporate staffing dir. . . **Paul Shienfeld** advanced at NBC to dir., European productions, NBC Sports. . . **Frank Stanton**, ex-CBS vice chmn., named chmn. emeritus, American Red Cross. . . **Lucille Salhany**, ex-corp. programming dir., named vp-programming, Taft Bcstg.; **Raymond Rajewski**, ex-dir. of business affairs, appointed vp-business affairs.

Linda Pomillo promoted to national sales mgr., WBBM-TV Chicago. . . **Kirk Varner** named advertising & promotion mgr., WCBS-TV N. Y. . . **Lynn Miller**, ex-NBC, appointed research dir., KPIX L.A. . . **J. Thomas Conners**, ex-WOWK-TV Charleston-Huntington, joins WTAJ-TV Altoona as gen. mgr. . . **Ronald Pelletier** promoted to gen. sales mgr., KHON-TV Honolulu. . . **Tom Schnurbusch**, ex-KRE-AM-FM San Francisco, named gen. sales mgr., KITV Honolulu. . . **Timothy Gilbert** promoted to local sales mgr., KTLA L.A. . . **Richard Hammer** named promotion administrator, WFLD-TV Chicago.

ACT plans March 19-20 seminar in Washington on "TV & Children: The Health Connection." Participants will include Education Secy. **Shirley Hufstедler**, U.S. Surgeon General, FCC Comr. **Tyrone Brown**, NBC Vice Chmn. **Richard Salant**, ACT Pres. **Peggy Charren**, NAB TV Code Chmn. **Michael Kievman**, Everett Parker of United Church of Christ.

FEC was attacked by Rep. **Van Deerlin** (D-Cal.), Communications Subcommittee chmn., for ruling that N.H. newspaper couldn't stage Reagan-Bush debate. **Van Deerlin** said that FEC is choking "robust debate" and that his recently introduced legislation aimed at revising equal-time provisions would open up election coverage.

White House Press Secy. **Jody Powell** has been added as Feb. 29 speaker at NAB state presidents' conference in Washington (Vol. 20:7 p5).

FCC Chmn. Ferris drew praise last week from Sen. **Hollings** (D-S.C.), chmn. of Appropriations Subcommittee, as Ferris sought approval of \$77.1 million budget. **Hollings** told Ferris he is doing "outstanding job." **Hollings** also wondered if FCC plans to get into children's ads, now that FTC can't. **Ferris** said Commission won't add that to children's TV rulemaking underway. Sen. **Weicker** (R-Conn.) asked Commission to study media conglomerates, and **Ferris** replied he would. **Weicker** indicated he wants to hold hearings on subject. **Ferris** testified that Commission has let contract for study on cost to AM licensees of 9 kHz conversion, also will have contractor study several FM issues.

NAB TV Children's Committee is determined to compile every scrap of information available on programming offered to children in attempt to rebut FCC staff contention that industry has failed in its responsibility to children. Every TV station is being sent detailed questionnaire, and TV Chmn. **Robert King** made appeal at NATPE last week for prompt responses (see p. 2). Committee also plans professionally produced 20-30-min. visual presentation for use at FCC, Congress, civic clubs, etc. Project is expected to cost about \$75,000; networks, PBS & INTV will participate. Also planned is resource book for June children's TV conference in Washington.

WCVB-TV Boston can't deny Sen. **Kennedy** (D-Mass.) right to buy prime time, FCC ruled (Vol. 20:7 p3). Station immediately offered choice of several half-hour slots during last week end. **Kennedy** staff instead asked for time this week; station promises to sell it. Time slot will be too late for Feb. 26 N.H. primary, but Mass. primary is March 4. Station also contacted other candidates to explain policy change.

David Warren, chief, FCC Office Opinions & Review, retires Feb. 29 after 34 years in govt. (29 FCC, 5 military), will move back to Maine and "become associated with a boat-building outfit after taking it easy a while." He said that there was no pressure on him to leave, that he just made up his mind "it's time to move on and do some other things while I still can." Successor not yet named.

ABC-TV News confirmed rumors, announced regular late-night news 4 nights weekly (skipping Fri.), starting late March. Show will air at 11:30 p.m., run 20 min. CBS & NBC News announced they'd take wait & see attitude. ABC has received high ratings with nightly news special on hostages in Iran, aired since Americans were taken hostage in Nov.

VIDEO WEEK

Enclosed herewith to all subscribers is latest issue of VIDEO WEEK, our new authoritative newsletter covering the home video field, with particular emphasis on programming. Issue includes intense coverage of home video aspects of NATPE convention.

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STATE OF THE INDUSTRY

Sales to dealers (total market), from EIA, for week ended Feb. 8 (6th week of 1980):

	Feb. 2-8	1979 week	% change	Jan. 26- Feb. 1	1980 to date	1979 to date	% change
Total TV	300,961	289,493	+4.0	325,468	1,588,121	1,575,539	+0.8
color	188,894*	178,974	+5.5	198,289	1,023,499*	989,523	+3.4
monochrome. . . .	112,067	110,519	+1.4	127,179	564,622	586,016	-3.7
Home VCR	15,937*	8,231	+93.6	12,442	68,822*	41,038	+67.7

Note: Radio data delayed due to possible category changes.

Color TV 5-week moving average: 1980—183,431*; 1979—173,898 (up 5.5%).

Home VCR 5-week moving average: 1980—12,434*; 1979—7,407 (up 67.9%).

*Record for period.

RCA TELLS SOME (NOT ALL) TO LICENSEES: RCA's one-day technical session in Indianapolis for videodisc player licensees last week (Vol. 20:7 p8) was more noteworthy for who was there than for what was revealed. Among 11 companies known to have sent representatives to closed meeting were Sony and Korea's Gold Star, neither previously revealed as licensee. Attendees, mostly top engineers who came from overseas especially for event, were disappointed that they didn't receive more specific technical data.

Spokesman for Sony America, in answer to our question, said Sony wasn't RCA licensee, but was specially invited to presentation. However, RCA representative said every company which attended had "signed a paper"—so presumably it's matter of definition of what constitutes license. RCA videodisc license involves no up-front money or obligation.

Sony is Philips optical system licensee, has demonstrated optical player but said its primary interest is in industrial-institutional markets. Attending for Sony were Senior Managing Dir. Masahiko Morizono and videodisc project chief Senri Miyaoka. In addition to Sony & Gold Star, attendees included representatives of General (also TED mechanical system licensee), Hitachi, Mitsubishi, NEC, Pioneer (MCA optical system licensee), Sansui, Sanyo (TED licensee), Sharp (Philips licensee), Toshiba—all previously known to be RCA licensees. British licensees BSR & Plessey didn't attend, presumably will be invited later for session on PAL-SECAM version.

Discussions & demonstrations did break some new ground. RCA demonstrated final pre-production prototype of player for first time. It had been shown previously only in mock-up form, was demonstrated to show improvements since earlier version. Principal among these are servomechanism to control pickup arm and MPU-controlled compensation for "locked groove," utilizing special tracking signal in picture's vertical interval. (Locked groove causes player to repeat self in manner similar to "broken-record" phenomenon in audio.) Styling modifications from mockup were also shown, including pushbutton operation and substitution of digital LED display for sliderule dial to indicate elapsed time.

In addition to demonstration, licensees were given general outline of how system works, tour of Rockville Rd. plant, including production line for prototype players, disc mastering & stamping. RCA spokesman said licensees left with "armloads of material," but acknowledged that there was more which still must be finalized and shipped to them. Some engineers were clearly disgruntled that they weren't given enough material to build RCA-compatible player. "RCA is holding back some key specifications," said one, citing exact dimensions of caddy

which holds discs. There was speculation that RCA—mindful of how fast Japanese manufacturers can move—is making certain no competitor will beat it to market with own product.

CBS is continuing preparations for launch of RCA-compatible discs, meanwhile, current preoccupation being recruiting engineers. CBS Technology Center Pres. Donald McCoy says his Stanford, Conn. staff will be increased by 31 people for pilot mastering-matrixing-electroplating & quality-control operation, while CBS Records' Milford, Conn. lab will add 11 and transfer some existing personnel to pilot pressing operation.

Magnavox announced that Magnavision player would be available in all major U.S. market areas by year's end, covering 65% of TV households. (For list of retailers to sell player in next 4 markets, see p. 12.)

* * * *

Still another non-standard home VCR looms on horizon, this one from photo equipment & calculator producer Canon. Canon (U.S.) Pres. Fujio Mitarai last week termed "premature" Japanese reports that company planned to have 1/4" battery portable VCR and companion compact CCD color camera on market in Japan next year. Report quotes "industry sources" in Japan as saying VCR has one-hour play-record time, is to be followed by VCR-camera combination. While not denying Canon is looking at video, Mitarai says as far as he knows Canon doesn't even have prototype of VCR, and there's no program for market entry over next 2-3 years.

Canon, of course, is now very active in video field as lens supplier to camera manufacturers. Should it decide to offer VCR with unique portable format, it will have lots of company. In Japan, Funai has already started selling its 7-lb. 1/4" portable VCR at about \$800, and Technicolor is expected to handle distribution here (Vol. 19:53 p7); Toshiba is due to have home version of endless-loop cartridge longitudinal-scan VCR (LVR) on market here this year, offer portable version in 1981; BASF has factory to produce portable LVR, using different cartridge, in Fountain Valley, Cal., is slated to announce sales plans in June, has privately shown mockup of 2nd-generation 4-lb. portable (Vol. 19:36 p8).

COLOR PRICING UP SLIGHTLY IN 1979: Although all color TV manufacturers put through at least one price increase last year, and some had 2, apparent 4th-quarter rollback and sagging demand for consoles combined to translate net effect into added revenue of just \$1.16 per average set sold by domestic factories. That's bottom line of just-issued International Trade Commission's full-year report on industry activity.

ITC monitors color TV production & sales of domestic factories, including those of Japanese, on quarterly basis as check on effect of quota restricting incoming shipments from Japan, Taiwan & Korea. Due next month is special annual report detailing profit picture for U.S. color factories, and also covering importers. Next week, ITC will hear at least 2 days of oral argument by domestic & foreign interests on whether quota arrangement should be extended beyond scheduled July 1 expiration date (Vol. 20:7 p12).

Pricing segment of new ITC report shows that while average of all sets sold last year was up 0.3% from 1978, it was down 2.2% from 1977, and was 5.4% below average for final quarter of 1976, first period covered by past ITC surveys. Only major price improvement last year was in 20"-&-over class, with average up 5.6% from 1978; price average was up 2.8% in 18-19", 3.3% in 16-17" and 2.6% in 13". As group, small-screen color (17"-&-under) averaged \$244.91 last year, up 2.4% from \$239.14 in 1978. All 1979 averages also were up compared with 1977, but were well under those of last-quarter 1976.

Domestic factory color shipments rose 7.3% to 8.82 million, and value was up 7.7% to just under \$3.02 billion. Shipment totals include minimal number of imported sets. ITC has separate listing for imports of complete color TVs funneled through factories, showed 376,600 for 1977, 533,600 for 1978, but didn't report figure for full 1979. ITC put total for first 9 months last year at 82,300, down 77.5%, withheld data for final quarter because level was small and releasing it would reveal confidential information about individual companies.

Biggest shipment increase came for 17"-&-under models, up 23.9% to 1.67 million. Shipments of 18-19" rose 16.3% to 4.52 million, while 20"-&-over dropped 11.9% to 2.63 million. Sets 18-19" provided lion's share of sales dollars for first time in 1979, as shipment value rose 19.6% to \$1.36 billion, while results for 20"-&-over fell 7% to \$1.25 billion, shipment value for 17"-&-under models jumping 26.9% to \$409.4 million.

Color production in 4th quarter rose 16.9% from same 1978 period, apparently set new output record for any quarter; full-year production was up 8.8%, also apparently to record—ITC figures cover only 39 months, so presumption of records also is based on other available historic data. Helping boost size of output was resumption of production at strikebound Sanyo Mfg. in Forrest City, Ark., start-up at new Hitachi & Sharp plants. Biggest increase was in 17"-&-under, up 32.8% for year, 52.9% for quarter; production of 18-19" rose 18.1% for year, 27.7% in quarter. Big-screen color output fell 12.5% for year, was off 11.8% in quarter.

As it has since ITC started series of studies, industry turned out increased number of sets with fewer workers. Average production workers employed dropped to 22,470 in 1979 from 23,855 in 1978, and hours worked fell to 44.4 million from 48.3 million. Total employment at factories averaged 26,190, down from 27,600. In 1977, industry had average 24,976 production workers putting in 50.4 million hours, total employment of 29,104. In final quarter, average of 22,937 production workers were employed, down from 23,094 in 3rd quarter, but number of hours worked held level at 11.6 million.

Comparison of employe numbers and working hours to production units or value won't give meaningful picture of industry efficiency or productivity. In 1979, industry continued practice of shifting labor-intensive portions of color production to plants in low-wage areas of Far East & Mexico, leaving little more than final assembly & test operations in U. S. ITC collects, but doesn't release, data showing percentage of TV shipment value represented by U. S. parts & labor.

Here's rundown on quarterly production and average pricing of U. S. color factories as reported by ITC. Pricing covers sets sold direct to dealers as well as through distributors.

U. S. AVERAGE FACTORY COLOR PRICES

	13"	16-17"	18-19"	20"-&-over	All sizes
4th qtr. 1978.	\$218.25	\$290.05	\$297.65	\$469.73	\$348.51
1st qtr. 1979.	218.28	283.92	300.43	470.55	341.09
2nd qtr. 1979.	228.32	302.95	305.41	467.77	343.26
3rd qtr. 1979.	225.97	311.18	304.81	471.28	345.62
4th qtr. 1979.	223.82	306.72	293.78	490.62	339.24
Average 1977.	223.03	289.47	298.79	452.91	350.12
Average 1978.	218.30	291.26	292.47	450.38	341.06
Average 1979.	224.02	300.88	300.67	475.51	342.22

U. S. FACTORY COLOR PRODUCTION

	17"-&-under	18-19"	20"-&-over	Total
4th qtr. 1978.	310,398	1,076,791	794,474	2,181,663
1st qtr. 1979.	399,944	1,082,421	665,048	2,147,413
2nd qtr. 1979.	422,639	1,093,934	691,280	2,207,853
3rd qtr. 1979.	412,878	1,007,031	686,129	2,106,038
4th qtr. 1979.	474,659	1,375,486	700,988	2,551,133
Total 1977.	1,039,949	3,013,792	2,951,293	7,005,034
Total 1978.	1,287,836	3,858,800	3,135,789	8,282,425
Total 1979.	1,710,120	4,558,872	2,743,445	9,012,437

WHAT IS EASTMAN KODAK UP TO? Favorite parlor game in video industry is speculation about Eastman Kodak's plans. Question isn't whether Kodak will enter home video, but when and with what. Kodak once manufactured audio tape, is believed to be preparing to start video-tape production, is deeply involved in video through subsidiary Spin Physics, which conducts research in VTR, makes parts and reconditions heads for broadcast VTRs.

Eastman's security is just a little bit better than CIA's, and company has policy of declining to answer questions about future products & developments. Although it obviously is working on many different video fronts, its consumer video operations are believed to be aimed principally at Kodak's traditional distribution channels—camera stores. Exploitation of substitutes for chemical photography suddenly is made compelling by soaring cost of precious metals—silver, used widely in photography, having increased sixfold since last year. Silver cost skyrocket forced Kodak to post 10-25% increase in consumer film, 50% boost in color printing paper prices.

Search of recent patents in video area by Kodak and its Eastman Technology & Spin Physics subsidiaries indicates clearly that it's working toward simple, lightweight combination camera & VCR, which works & looks like super-8 movie camera. Its patents give evidence, at least, that it has examined—and contributed to—technology of fixed-head longitudinal video recording. It also unquestionably has major effort in solid-state imaging & image-matrixing devices to substitute for tube-type camera. Many of its patents obviously are being withheld, but analysis of those issued so far gives some indications of fascinating directions Kodak may be headed.

One of Kodak's most intriguing patents dates back to 1966, covers principle of simple "magnetic-tape cartridge-loaded portable video camera." Completely self-contained unit accepts miniaturized cassette, avoids necessity of using precision horizontal & vertical sweep circuits in recorder by putting pre-recorded timing information on the tape. "From the standpoint of the video camera user," patent says, "the invention, in effect, substitutes a 'weightless' pre-recorded track for that host of equipment which the user would otherwise have to carry, without sacrifice in system performance." Mini-camera-VCR also has built-in viewfinder-monitor, synchronized by pre-recorded control signals on tape.

There's at least passing nod to LVR principle in 1978 patent on high-density multi-track magnetic head. Another 1978 patent relates to simplified video recorder based on alternating-line principle—recorded signal consisting of wide-bandwidth luminance (b&w) signal information for alternate-field lines, narrow-band luminance plus chrominance (color) information for remaining lines, with one-line time delay device for reconstructing full color signal during playback. Another patent describes similar technique with room for additional signal. Patent granted last year involves "signal processing system for discrete-sample color-video signal using time delay." There's another patent for magnetic head "with thin-film sensor."

Kodak has several patents applicable to solid-state color cameras, many of them involving imaging arrays in unique luminance & color patterns corresponding to color sensitivity of human eye. One interesting low-cost patent is for digital electronic still camera using audio tape cassette & CCD camera. Image can be displayed on TV set using digital-to-analog converter built into playback apparatus, or prints may be made on conventional photographic paper. Eastman Kodak Chmn. Walter Fallon has been quoted as saying that "amateur & professional still photography is not likely to be affected significantly in the decade" by electronic imaging systems. RCA, Fuji & others are also working in electronic still photo field.

Kodak is also exploring videodiscs, has patent on laser-diode recording system in which disc material is sensitive to recording only along signal track.

Whatever Kodak is up to, it's pretty sure bet it won't be known until company is ready to announce it. In case of photographic breakthroughs of past, Kodak's announcements usually have been timed virtually to coincide with retail introduction.

RCA won top TV rating from Consumer Reports 2nd consecutive time, rated highest among 12" b&w sets in March issue, after its color console came out No. 1 in Jan. (Vol. 20:1 p12). Runners-up in b&w were Zenith, Panasonic, Quasar.

Ad notes: Magnavox picks Campbell-Ewald for consumer electronics, replacing William Esty on estimated \$8-million account, effective June 1... Electra Div. of Masco appoints Grey-North to handle market launch for cordless Freedom Phones.

GTE'S NEW PRICES: Most Sylvania & Philco color sets were increased \$20 Jan. 1, current price sheets show. GTE had announced unspecified increases averaging at least 3% at factory (Vol. 19:49 p12). Sylvania's Supersound sets were hiked \$40. Here are current lineups (price comparisons are with those of May 1979):

Sylvania color line (all prices up \$20, except as noted) starts with two 13" at \$320, step-up \$340; new 19" leader at \$420, step-ups \$460 & \$470, GT-Matic model at \$470, electronic tuning \$500 & \$520, remote \$590, Superset model \$550, digital tuning \$570; 21" Superset \$570, Superset Plus \$620, remote \$700; table-model 25" sets are Superset at \$640, remote \$740 (both up \$40). Consoles start at \$600, with 2 at \$620, 2 at \$680; Supersets begin with 2 new models at \$690 (down \$10 from previous Superset console starting point), one at \$720, series of 5 furniture models at \$730 (up \$30), door model at \$760. Three Supersound consoles are now \$820 (up \$40) 3 Superset Plus consoles \$800 (up \$30), 4 Superset remotes \$830 (up \$30), console with provision for VCR storage \$820 (up \$30), unit with matching VCR cabinet \$1,250 (up \$50), stereo combo \$1,450 (up \$55). B&W line is unchanged except for increases of \$10 in 19" models to \$170 & \$180.

Philco line (up \$20 except as noted) has 13" at \$320, 15" at \$350; 19" at \$420, \$450, single-knob tuning \$490, remote \$570; new 21" table \$470, console \$600; 25" table \$600, 2 mechanical-tuned consoles \$620, with new open-list model; electronic-tuned consoles are \$670 (3 sets), \$680 & \$750 (2 sets), 3 remotes \$830; stereo combo is \$1,350 (up \$55). B&W line is unchanged, except for \$10 hike in 19" sets to \$170 & \$180 and addition of 22" table at \$220, 2 consoles at \$260.

Magnavision videodisc dealers to be added in next 5 market areas: Feb. 29—Cleveland; Higbee (4 stores), Halle Bros. (2), Forest City Enterprises (2), May Co. (3), Northeast Appliances (2), Mentor TV, Lowe's Electronics, Home Services, Omega Electronics. Phoenix; Breuner's (2), Mehagian's Magnavox (2), The Broadway (2), Bullock's. March 7—Pittsburgh; Wander Sales (4), Gimbel's (3), Horne's (3), Kaufmann's (3), Gee Bee Magnavox. Minneapolis-St. Paul; Donaldson's (2), Dayton's (2), A.C. Carlson, Kenwood Penn, Robert Paul TV, McGowan's, Digital Den (Burnsville), Village TV (Hopkins), Spring Lake Park TV (Spring Lake Park), Key Electronics. March 14—Buffalo; dealer list not yet final.

Zenith won't enter home or personal computer market for quite some time, despite published report, company says. Indications that it would have under-\$1,000 computer, market it through Zenith Sales rather than subsidiary Zenith Data Systems (ZDS), are reflection of policies covering "what we'll do when the market is ready, if we decide to do it." ZDS, formed last year after acquisition of Heath, last week introduced first Zenith-designed product, electronic typing system at \$3,390, or \$6,500 with optional printer. System is based on small computer ZDS sells with display at \$2,895. Also ZDS line are computer at \$2,595, terminal with display at \$995.

HOME VIDEO AT NATPE: Pitch at National Assn. of TV Program Executives (NATPE) convention for video-cassette & disc programming was readily apparent in corridors & suites of San Francisco Hilton. Paramount Program Mktg. Vp Mel Harris estimated "1/3 of my time" was spent with U.S., European & Mid-east parties interested in home video co-ventures, thinks topic should be "merged" with broadcast-oriented schedule at next year's show in N.Y. Same thought was voiced by George Back, newly appointed NATPE exec. dir.

Major home video producers were well represented, including executives from ABC Video Enterprises, 20th-Century Fox, Vidamerica, Fotomat, RCA Selectavision. Last was seeking deals with smaller syndicators, has 2 nearly complete. One prospect is New Zoo Revue, which produces & markets children's show. RCA says it's also interested in sports & nature programs, is talking with PBS stations and producers of public TV shows for educational segment of catalog. Acquisition made public during NATPE week consisted of 10 episodes of Paramount-produced "Star Trek" and option on other 69, on NBC network in late 1960's and in syndication ever since. Each "Star Trek" disc will contain 2 one-hour episodes.

Major League Baseball Promotion Corp., offering weekly broadcast show, told us it will supply Vidamerica with 2 new 60-min. titles including "Baseball Fun & Games," narrated by Joe Garagiola. Video Corp. of America subsidiary has done "moderate" business with 1975 & 1978 World Series cassettes, says MLB executive Geoff Belinfante, who notes films of every series since 1945 are available to other tape & disc distributors. Paramount's Harris, meanwhile, says company is "proselytizing" for Fotomat on basis of high rental levels, thinks Fotomat might get 1-2 other major suppliers. Its future "is set" if it does, he believes.

Color TV sales to dealers exceeded million units in year's first 6 weeks for first time (see State of the Industry), 3 of the 6 weeks establishing records for period. Estimates for 7th week indicate color's sales rate may be coming down closer to earth, however—about 151,229, still good rate, but 1.6% off figure for same 1979 week and 3.2% below record for that week set in 1973. Color sales for year's first 7 weeks were still at record—nearly 1,175,000, up 2.7% from previous high set last year. Home VCR sales continued out of sight, 12,400 sold in 7th week being more than 2.5 times number sold in same 1979 week (4,781), with sales in year's first 7 weeks up 77.5%. B&W sales receded in 7th week, dipping to 79,300, some 18.7% below 1979 week.

Metal tape capability will be relatively standard feature on all but low-end stereo audio cassette decks this year as Japanese price them at same level as comparably-featured non-metal models. Units now being sold in Japan as low as \$135 will be introduced here this spring. Japanese sources forecast 80% of estimated 2 million decks, and 50% of some 3 million portable stereo radio-cassette combos to be made there this year will be able to handle metallic tape.

Consumer Electronics Personals

Frank Alfieri, ex-Clark Equipment, joins RCA March 1 as vp-chief financial officer, succeeding Senior Vp **Charles Ellis**, who goes on special assignment. Alfieri is slated for election as finance exec. vp at March 5 board meeting. . . **Grant Smith** advanced to exec. vp-gen. mgr., Sony Video Technology Center; **Barrett Gulsinger** named asst. vp-technology dir.; **Stephen Nemeth** mfg. operations mgr. . . **Theodore Sullivan** appointed CBS Video Enterprises finance vp.

Andrew Saxe, ex-Video Corp. of America, becomes home video market consultant to Polygram for entry into U.S. video software field. . . **Paul Eisele**, ex-Time-Life Video, now full-time consultant on mail order operations to Warner Home Video. . . **Hal Jensen**, ex-Swire Intermagnetics, joins Meda-Media Home Entertainment (videocassette duplicator-distributor) as U.S. sales & mktg. vp; **Jerry Nelves**, ex-IV Tape, joins as international coordinator; **Harris Rogers**, ex-GRT, appointed Atlanta region sales mgr.

Victor Hahn, ex-Morse & Panasonic, joins Sony Audio Div. as national hi-fi sales mgr. . . **Robert Morrill**, ex-Phase Linear, appointed Electro-Voice mktg. vp. . . **Allen Questrom** promoted by Federated to chmn.-chief exec. of Rich's, firm's Atlanta Div., succeeding **Joel Goldberg**, now exec. committee chmn.; **James Zimmerman** advanced from exec. vp of Sanger-Harris (Dallas Div.) to Rich's pres., succeeding Questrom. . . **Charles Sizer** advanced at Radio Shack to buyer of TV antennas, clocks, timers & electrical accessories.

Carl Janzen, ex-Digital Equipment, named pres. & chief exec., Nixdorf Computer, succeeding **Klaus Luft**, who continues as chmn. & vice-chmn. of German parent; **Thomas Conway**, former chief exec., named senior vp responsible for new-venture subsidiary; **Michael Philpott**, ex-TI consumer calculator mktg. mgr., joins Nixdorf Computer Personal Systems (hand-held translators & computers) as vp-chief operating officer. . . **Stephen Forte**, ex-General Instruments Microelectronics (U.K.), appointed AMI Microsystems Europe gen. mgr.

Obituary

Chester Sall, 67, who headed RCA technical publications 20 years, died Feb. 21 in Princeton. For more than 20 years, he was editor of Transactions of the IEEE Consumer Electronics Group. Wife & son survive.

New audio recording standards now available from International Electrotechnical Commission (1, Rue De Varembe, 1211 Geneva 20): Methods of measuring equipment recording & reproducing characteristics (#94-3) at \$100 (Swiss francs 60). Minimum performance requirements for hi-fi recording equipment (#581-4) at \$30 (Sf 18).

Toshiba will buy color TV ICs from China, according to Chinese news report, which says output is slated to start in 2 years. Planned factory, which will use technology & equipment bought from Toshiba, is to have capacity to produce 26 million ICs yearly.

ZENITH SALES RECORD: Zenith set sales record in 1979 as volume topped \$1 billion for first time since 1973, and for only 2nd time in company history (see financial table). Volume was up 9.7% from 1978, although pre-tax operating net was down 21.5% to \$32.5 million. Results for quarter, which include operations of Heath acquired Oct. 1, show sales up 16%, pre-tax operating income down 28.3% to \$12.4 million. Operating net excludes \$200,000 gain on sale of land in 1979, land-sale gains of \$3.4 million & \$4.6 million for final quarter and full-year 1978 respectively.

E. F. Johnson is recovering from collapse of CB business, expects 1980 sales & earnings to rise at least 20%, Pres. Richard Horner says. Company is in "hibernation" as far as CB is concerned, will probably stay there for at least year or 2 until market stabilizes as industry sales level off at 2-3 million units annually.

Pioneer, reporting 26.5% sales gain, doubling of net in opening fiscal quarter to Dec. 31 (Vol. 20:7 p14), said bulk of revenue came from foreign market sales, which rose 35.6% to \$181.6 million while domestic sales were up 14.5% to \$114.7 million. In first sales breakdown by product type, Pioneer said home audio rose 22.1% to \$196.4 million, including \$119.4 million foreign (up 34.4%), \$77 million domestic (up 6.9%), other audio (auto & portable) rose 50.5% to \$86.2 million with foreign at \$54.3 million (up 60.4%), domestic at \$31.9 million (up 36.1%); other products down 14.4% to \$13.7 million, foreign at \$7.9 million (down 29.7%), domestic at \$5.8 million (up 22.3%). Pioneer, which stated it produced record 2 million car stereos in calendar 1979, said first-quarter home & auto audio sales were down in U.S., and foreign market improvement came from doubling volume in Europe. Pioneer expects further improvement in audio sales with pending introduction of portable stereo cassette recorder combos, packaged home stereo component systems.

Video fatigue is subject of study project being launched next month by National Institute for Occupational Safety & Health. Study will attempt to pinpoint unusual stress factors placed on workers who use video display terminals for average of 4 or more hours daily. NIOSH says that though such terminals have been in widespread use for past 5 years, little is known about stress & strains placed on operators.

Philips hasn't run into "problems" mastering videodiscs for U.S. market (Vol. 20:6 p11), simply because discs it's mastering aren't intended for market, says North American Philips Vp **Robert Cavanagh**. Mastering program in Eindhoven merely is to give program developers "feeling of what the optical disc will do," he adds, "with no commitment to go into the market."

Minor flap is being caused in N.Y. music circles by *Ovation*, new magazine aimed at classical music listeners. It offers detailed listing of program offerings, including time length of individual recordings, provides tips on off-air recording. Publishers plan to expand magazine to other major markets.

Financial Reports of TV-Electronics Companies

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

Company & Period	Revenues	Net Earnings	Per Share
American Bcstg. Cos.			
1979-year to Dec. 29	2,053,570,000 ^a	159,310,000	5.67
1978-year to Dec. 31	1,783,985,000 ^a	135,575,000 ^b	4.89
1979-qtr. to Dec. 29	631,526,000 ^a	44,946,000	1.59
1978-qtr. to Dec. 31	523,994,000 ^a	45,506,000	1.63
Arvin Industries			
1979-year to Dec. 30	493,211,000	20,422,000	2.88
1978-year to Dec. 31	489,079,000	23,066,000	3.36
1979-qtr. to Dec. 30	132,334,000	7,698,000	1.11
1978-qtr. to Dec. 31	136,662,000	6,951,000	1.01
Bell & Howell			
1979-year to Dec. 31	538,386,000 ^a	(24,852,000) ^d	--
1978-year to Dec. 31 ^c	469,339,000 ^a	12,280,000	2.20
1979-qtr. to Dec. 31	147,189,000 ^a	9,406,000	1.69
1978-qtr. to Dec. 31 ^c	133,472,000 ^a	3,170,000	.57
John Blair			
1979-year to Dec. 31	197,341,000	12,157,000	3.27
1978-year to Dec. 31	170,597,000	10,852,000	2.95 ^e
1979-qtr. to Dec. 31	55,750,000	3,290,000	.88
1978-qtr. to Dec. 31	46,125,000	3,409,000	.92 ^e
Cowles Communications			
1979-year to Dec. 31	16,131,000	5,745,000	1.45
1978-year to Dec. 31	14,443,000	4,953,000	1.25
1979-qtr. to Dec. 31	4,599,000	1,829,000	.46
1978-qtr. to Dec. 31	4,082,000	1,501,000	.38
Foote, Cone & Belding			
1979-year to Dec. 31	137,427,000	13,037,000 ^b	4.99
1978-year to Dec. 31	110,444,000	8,333,000 ^b	3.24
1979-qtr. to Dec. 31	40,920,000	6,362,000 ^b	2.41
1978-qtr. to Dec. 31	30,918,000	2,258,000	.87
Fuqua Industries			
1979-year to Dec. 31	2,056,824,000	66,602,000	5.11
1978-year to Dec. 31	1,643,364,000	29,888,000	2.25
1979-qtr. to Dec. 31	508,146,000	18,986,000	1.46
1978-qtr. to Dec. 31	442,726,000	7,915,000	.59
Lloyd's Electronics			
1979-9 mo. to Dec. 31	73,836,000	88,000	.05
1978-9 mo. to Dec. 31	90,203,000	(68,000)	--
1979-qtr. to Dec. 31	28,426,000	531,000	.28
1978-qtr. to Dec. 31	32,346,000	(401,000)	--
Oak Industries			
1979-year to Dec. 31	281,348,000	11,170,000	2.71
1978-year to Dec. 31	192,181,000	4,850,000	1.45
1979-qtr. to Dec. 31	79,167,000	3,521,000	.70
1978-qtr. to Dec. 31	54,994,000	1,760,000	.44
Reeves Communications			
1979-6 mo. to Dec. 31	18,452,000 ^f	1,497,000 ^f	.62
1978-6 mo. to Dec. 31	12,249,000	856,000	.38
1979-qtr. to Dec. 31	11,455,000	1,194,000 ^f	.49
1978-qtr. to Dec. 31	6,895,000	670,000	.30
Teleprompter			
1979-year to Dec. 31	174,638,000	14,281,000 ^d	.84
1978-year to Dec. 31 ^c	146,447,000	15,796,000 ^b	.93
1979-qtr. to Dec. 31	51,256,000	5,691,000 ^b	.34
1978-qtr. to Dec. 31 ^c	42,126,000	5,563,000 ^b	.33
Tocom			
1979-6 mo. to Dec. 31	4,026,570	(177,317)	--
1978-6 mo. to Dec. 31	3,353,497	191,750	.13
1979-qtr. to Dec. 31	2,061,861	(185,303)	--
1978-qtr. to Dec. 31	1,813,025	127,633	.09
TRW			
1979-year to Dec. 31	4,560,300,000	194,600,000	6.07
1978-year to Dec. 31	3,787,200,000	174,200,000	5.42

Company & Period	Revenues	Net Earnings	Per Share
1979-qtr. to Dec. 31	1,195,100,000	50,300,000	1.56
1978-qtr. to Dec. 31	1,032,600,000	49,300,000	1.53
Video Corp. of America			
1979-6 mo. to Dec. 31	5,434,000	220,000	.19
1978-6 mo. to Dec. 31	4,531,000	281,000	.25
1979-qtr. to Dec. 31	3,027,000	201,000	.17
1978-qtr. to Dec. 31	2,393,000	191,000	.17
Zenith			
1979-year to Dec. 31	1,075,200,000	19,000,000	1.01
1978-year to Dec. 31	980,000,000	23,300,000	1.24
1979-qtr. to Dec. 31	320,800,000	7,700,000	.41
1978-qtr. to Dec. 31	276,600,000	10,200,000	.54

Notes: ^aFrom continuing operations. ^bIncludes special credit. ^cRestated. ^dAfter special charge. ^eAdjusted. ^fRecord.

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Mergers & acquisitions: Ampex has agreed to acquisition by Signal for shares valued at about \$415 million. Subject to holder approval and valuation adjustments based on stock prices, merger could be completed by midyear. Over last 8 years, Ampex underwent total restructuring, which included dropping unprofitable consumer electronics & music business, moved from near-bankruptcy to substantial profitability... Rockwell completed acquisition of Wescom, privately-held telecommunications equipment maker, terms undisclosed... **Pl. Tool Works** is seeking buyer for money-losing precision capacitor unit Emcon... **Allied Artists** said plan to sell several subsidiaries, including Allied Artists Video, to Lorimar Productions, has been approved by N. Y. bankruptcy court.

Microwave oven factory sales jumped 34.4% in Jan. to 243,500, outpacing 11.3% rise for all major appliances, AHAM reports.