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Broadcast

FTC SENDS PEACE FEELERS to ad industry, ends 4-year nutrition ad rulemaking. Regular conferences with ad associations planned. Hill stalemated on FTC authorizing legislation. (P. 1)

9-KHZ AM SPACING 'EFFECTIVELY' adopted for Western Hemisphere at Buenos Aires, Lee claims. Ferris says FCC will prepare for shift under 'accelerated timetable.' AM allocations table being prepared to provide clear channels only 750 miles night time protection. (P. 2)

CBS LOSES ASCAP SUIT: U.S. Appeals Court says ASCAP & BMI aren't violating antitrust laws in blanket payment. (P. 2)

PTV MOVES ON PAY & STV: Public broadcasters explore raising funds through traditionally commercial ventures. Ferris encouraging. (P. 3)

CHARYK HITS NAB: Comsat chief calls NAB obstructionist; says public dividend of satellite TV is diversity. (P. 3)

STRIKE THREATENS NAB convention in Las Vegas. Exhibits are on site, sessions to go 'full-scale' as planned. (P. 4)

FTC PEACE FEELERS: In fight for survival on Capitol Hill, FTC has begun sending out peace feelers to ad industry. Major action came last week with announcement that FTC was dropping 2 parts of 3-part rulemaking dealing with nutrition claims in food advertising. Commission also is embarking on project to get to know ad industry better, with meetings among staff and industry and ad association executives planned.

Food ad decision essentially ended 4-year old rulemaking trying to set standards for nutrition. Studies of vitamins & nutrients standards and ad rules for nutritional value will be dropped, while investigation of calorie & energy levels will continue on limited basis. FTC Consumer Affairs Dir. Albert Kramer said recent activities on Hill had nothing to do with food ad rulemaking decision, but that Sen. Ford's proposal to change Magnuson-Moss advertising regulation wording from "unfair" to "false" (Vol. 19:52 p5) would end much of rationale for potential food ad rule.

"I think it's a good sign," said AAF Pres. Howard Bell. "This food rulemaking decision shows that the FTC is backing away from the extreme statements they've made in the past. Some people think we're out to destroy the FTC, but that's not what we want at all. It's in everyone's interest to have an FTC. But we'd just like for them to return to the areas they're mandated to regulate." He said AAF was continuing to support children's ad rulemaking bias suit

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MAGNAVOX AM STEREO system to be backed by FCC's Office of Science & Technology, but 2 other staff groups will propose multiple systems. FM quad deliberation postponed 2 weeks. (P. 7)

FIRST-QUARTER COLOR sales ran at 10.3-million annual rate. March sales down from '79, but showed no signs of slump. B&w down 11%, VCR up 59% for quarter. (P. 7)

1981 LINES—GE is first with new chassis, 1000 tubes, new scan tuner. New projection TV systems coming from GE, Panasonic, Quasar, others. (P. 7) GE enjoying sales gains, sees good business for year. (P. 10)

OPERATING NET FELL 5.5% last year for domestic color industry, which ended 1979 with \$24.7-million pre-tax loss, ITC report says. (P. 8)

TV SATELLITE RECEIVERS: FCC gets report on satellite equipment regulation options. (P. 10)

SONY TO BOOST plant & equipment outlay 50% to \$200 million in each of next 3 years. (P. 10)

B&W TV SHORTAGE on horizon for U.S. market as Chinese bite into available 12" tube supply. (P. 11)

against FTC Chmn. Michael Pertschuk on "principle."

Bell and others from AAF staff recently held closed "brown-bag" lunch with senior FTC staff, including Kramer, to begin a "serious dialog" between FTC and industry. Kramer said FTC intends to make closed meetings with ad agencies & associations regular occurrences; meetings with AAAA & ANA are planned for this month.

Meanwhile, House-Senate conference on FTC authorizing legislation got nowhere last week as White House issued threatening statement on President's intention to veto bill which would "cripple" FTC. But House & Senate staffers remained confident that legislation would be enacted by end of month, when emergency FTC funding runs out.

9-KHZ SPACING 'EFFECTIVELY' ADOPTED: "I am predicting that we have effectively, but very qualified, adopted 9-kHz spacing" for AM stations in Western Hemisphere, FCC Comr. Lee said at news conference April 1 on recently concluded conference in Buenos Aires (Vol. 20:12 p5). He said Commission will go ahead with necessary paperwork and technical studies looking toward such a shift, although decision was put off until Nov. 1981 by countries at conference.

Lee said U. S. sought firm decision to go with 9-kHz, favored by 13 of 21 countries at conference, but that it wouldn't have been "politic" to force a vote and that U. S. delegation—which Lee chaired—went along with a motion for further study. FCC Chmn. Ferris, also at news conference, said agency will follow "an accelerated timetable" that Lee is expected to recommend on 9-kHz issue.

Also coming out of Buenos Aires is what FCC considers "mandate" to break down remaining Class I clear channel stations, since countries have removed automatic border protection (although footnote permits countries to negotiate such protection). In another action, dealing with secondary service area, nighttime service of U. S. clears would be "protected out to approximately 750 miles," FCC said.

As consequence, Bcst. Bureau has been assigned task of charting "new station inventory" of AMs and cities to which they could be assigned. "It'll almost have to be a table of assignments, city-by-city, like for FM," Commission official said. Bureau will do 2nd inventory, due much later, on 5-year AM needs under 9-kHz spacing. At 1981 meeting, needs of all Western Hemisphere countries will be planned through 1987, and panel of 8 countries (including Cuba) has been formed to "analyze & determine incompatibility." Of 9,000 AM stations in hemisphere, more than half are in U. S.

Responding to NAB letter to other countries urging delay in 9-kHz decision because not enough research had been done (Vol. 20:11 p1), Lee said U. S. was very well prepared but that other countries weren't technically ready to make decision. He said NAB letter "certainly had an impact" on other countries because of their misunderstanding of private broadcast ownership in U. S. as opposed to govt. ownership in most other countries.

Elimination of border protection and new calculation for allowable nighttime interference may cause increased interference to U. S. stations of all classes. While effect may be mitigated through direct negotiations with Mexico & Canada, conference decisions would permit Caribbean stations to increase their power substantially—thus most serious problems are foreseen in south-east U. S. Power maximum of 100 kw day, 50 kw night, was set by conference, although stations currently operating with more power will be grandfathered. U. S. had sought straight 50 kw maximum; Cuba wanted no maximum at all.

CBS LOSES ASCAP SUIT: U. S. Appeals Court in N. Y. has ruled ASCAP & BMI don't violate antitrust laws through blanket fees they charge CBS, reversing decision Court issued in 1977.

Supreme Court had remanded 11-year-old case (Vol. 19:17 p3) to Appeals Court, which last week ruled: "The absence of price competition among songs... does not mean that the blanket license is a restraint upon any potential competition... CBS has failed to prove that the existence of the blanket license has restrained competition." Decision was handed down by Judges Lum-bard, Mooke & Newman.

Latest decision was round 4 in battle over suit filed in 1969. First round consisted of 8-week trial in 1973 in N. Y. Dist. Court in which judge dismissed CBS complaint. Second round concluded with Appeals Court decision finding ASCAP-BMI guilty of price-fixing. Lower court then was assigned job of establishing per-use licensing system. Round 3 came when Supreme Court reviewed Appeals Court decision, found no price-fixing involved, remanded it to Appeals Court for further consideration.

PTV LOOKS TO PAY TV & STV: Faced with prospects of declining governmental support but heartened by opinion of FCC Chmn. Ferris that public broadcasting should look for new means of income, public broadcasters are rapidly getting more involved in money-making ventures thought to be exclusive to commercial sector.

Two upcoming reports within public broadcasting recommend that PTV move even deeper into these areas: (1) Carnegie Commission on Public Broadcasting, which has sent to printer report on public broadcasting and new technologies, will recommend that PTV move heavily into satellite-cable pay TV. (2) Independent consultant doing a study for CPB recommended CPB help finance STV test in Cal.

Major public TV stations—including WGBH-TV Boston, KCET L. A., WNET N. Y. and others—have co-production agreements or are discussing similar arrangements with HBO & Showtime. Deal in past has been that HBO gets to present program first.

Other possibility discussed in public broadcasting circles—now that FCC appears to be encouraging such actions—is turning stations used for ETV during day into STV stations at night, selling movie packages, etc. Other possibility is use of non-commercial allocations for STV. Many exist, although most are in smaller communities where STV could be expected to be less profitable.

Public broadcasters clearly are only in preliminary stages of exploring options, but there's little doubt that they'll be moving in to these traditional areas in next 2-5 years. Because of this, often-heard complaints from broadcasters—that govt. shouldn't be subsidizing their competition—can be expected with renewed fury.

COMSAT CHIEF HITS NAB 'OBSTRUCTION': Comsat Pres. Joseph Charyk says NAB claim that Comsat lacks legal authority to start direct satellite broadcasting is "simply an obstructionist statement." He shrugged off notion that Comsat should offer some special concessions to receive license for service, stating: "I think the public dividend is the greater variety of choice that the American consumer will have, and that ought to be something the Commission is interested in."

Charyk told us Comsat intends to apply for its license as broadcaster—not common carrier: "The ultimate decision as to what is shown would be ours." Service would be "perfectly consistent with what we're trying to achieve in this country—greater versatility for the viewing public, greater opportunities for different kinds of programming.

"The U. S. consumer should have the opportunity to make the choice: If he's willing to buy our programming, we'll be successful. If he's not interested, we'll be a failure—and that's the American system. We ought to be given the opportunity to make the offering, and the consumer ought to be given the opportunity to make the choice," Charyk said. Complete transcript of interview appears in next week's edition of our sister publication Satellite Week.

Union troubles at networks continue with round-the-clock negotiations between networks and AFTRA (which authorized strike vote months ago) over work schedule of news correspondents, soap opera performers, dancers. Meanwhile, ABC & IATSE are battling over ABC's claim that White House threatens to pull back govt. ads & promos unless network holds to wage guidelines in stalemated newsreel negotiations. Union wants to see President's letter, says if ultimatum exists it will insist on negotiating with Carter.

Magnavox AM stereo system will be recommended by Office of Science & Technology when FCC meets on subject April 9 (see p. 7, also Vol. 20:13 p8). Meanwhile, FCC has postponed consideration of FM quad until end of month.

Security service offered by Warner on cable in Columbus (Vol. 20:11 p6) attracted 700 orders before start of formal selling last week, company reports.

STRIKE THREATENS NAB CONVENTION: "As far as we're concerned it's a go situation. . . We're going to have a full-scale convention," NAB Secy.-Treas. Michael Harwood said April 4 in reference to threatened strike of 4,000 Las Vegas hotel workers. Negotiations continued beyond strike deadline of 4 p. m. April 3 and workers stayed on job on day-to-day basis. If strike occurs, it could disrupt NAB's April 13-16 convention.

Contracts of 4 unions—representing 20,000 hotel & casino workers—expired April 1, but major stumbling block is 4,000-member Culinary Union. Along with Bartenders Union, Culinary reached agreement with management but union ballots on acceptance weren't counted because of voting irregularities. Contracts were extended 10 days until April 11. Main stumbling block in Culinary contract is a no-strike clause.

Most of major exhibitors at convention already have shipped equipment to Las Vegas as result of warning from NAB about strike possibility some 3 weeks ago. "We'll be there and ready to go," manufacturer told us.

Other convention highlights: (1) NAB legal dept.—which year ago hired band & cheerleaders to promote legal clinic in Dallas—will be giving away "Have You Hugged Your Communications Lawyer Today" T-shirts & bumper stickers. "Marathon legal clinic & bazaar" goes from 9 p. m.-1 a. m. April 15, features concurrent sessions on programming, commercial practices, renewals & transfers and contests & lotteries. Night before, problems of small stations will be highlighted from 9:30-11:30 p. m.

(2) Spouses have their own programming featuring first annual tennis tournament, Liberace and tour of Liberace Museum, psychic Sallee Rigler and gourmet cooking class.

Harry Shooshan, chief counsel of House Communications Subcommittee, plans to leave this summer to practice law and teach (Georgetown U.) in Washington. He said date will depend on mutual arrangement with Subcommittee Chmn. Van Deerlin (D-Cal.) and that "I'll explore a number of possibilities"—own practice or joining another firm. "I want to stay in communications and I want to stay in Washington."

Rep. Kastenmeier (D-Wis.), Copyright Subcommittee chmn., has no plans to respond to letter from FCC Chmn. Ferris (Vol. 20:13 p2), who rejected Kastenmeier's request that cable deregulation proceeding be delayed. Subcommittee staff member said if deregulation goes through "the only answer may have to be legislation."

D.C. Appeals Court, in 2-1 decision, has affirmed FCC's renewal of WFAA-TV Dallas and denial of competing application of Wadeco Inc. for Ch. 8. Judge Lumbard wrote decision for himself & Tamm; Mikva dissented.

Satellite Program Network claims 2.3 million homes now served, adding 200,000 each month.

Carter Administration stood firm on Olympic boycott policy last week despite widespread criticism. Carter rejected proposals by athletes' organization to allow attendance at Olympics with athletes carrying out variety of protests. Republican Presidential candidate Ronald Reagan dropped support for boycott. Meanwhile, Administration plans for alternate national or international games have drawn little interest from U. S. athletes. U. S. Olympic Committee meets April 11-13 to vote on U. S. participation, but could postpone decision until May 24. Canadian Olympic Committee announced decision to attend Games, while new Liberal govt. hasn't set policy on boycott. Clothing manufacturer Levi Strauss is withdrawing Olympics TV ad campaign.

Service Electric Cable TV and other cable systems owned by John Walson in Pa. carried illegal signals despite FCC orders, expanded service without approval and violated exclusivity provisions, FCC ruled. Commission affirmed 1977 recommended decision, gave companies 90 days to file updated forms. Because of affirmation, Commission has given Service Electric Co. and Penn Service Microwave, owned by Walson & family, 30 days to tell Commission why it should renew applications for 11 common carrier microwave stations used for cable. Attorney Frederick Ford, who represents Walson, said filings will be made, and no appeals are planned.

"Second thoughts" by Capital Cities Communications (CCC) ended proposed joint venture with Oak Industries (Vol. 20:11 p4) to purchase 49% of WSNS-TV Chicago station for STV operation, Oak said. Oak will go it alone after CCC decided it didn't like lack of station control. Under agreement, Video 44, owner of WSNS-TV, retains 51%, has 50% of STV operation. Oak now will have remaining interest, pay Video 44 about \$7.5 million.

"Beulah Land," 6-hour mini-series planned for airing on NBC-TV, "is intensely offensive and degrading to black people and deserves concentrated opposition," several black groups charged. According to protesters, all 15 speaking roles by blacks are "negative and perpetuate the image of the slave as ignorant, oversexed, sloven, dependent on the whim of his master." Series was produced by David Gerber Productions, depicts Ga. during 1827-72.

Landmark Communications is swapping WTAR-TV Norfolk to Scripps-Howard for WMC-TV Memphis (plus \$4.25 million to Scripps-Howard) as part of commitment to FCC to reduce media concentration in Norfolk area. Landmark owns morning Virginian-Pilot, afternoon Ledger-Star, plus AM-FM stations in Norfolk (which it will keep). Scripps-Howard keeps WMC-AM-FM.

First Amendment Insurance now is being offered ANPA-member newspapers by Mutual Insurance of Bermuda. Coverage up to \$1 million for defending or prosecuting First Amendment cases can be obtained. Newspaper-owned broadcast stations also are eligible and NAB now is negotiating with several insurance firms for similar coverage for other stations.

Comsat's direct-to-home TV proposal isn't threat to cable, NCTA said in report declaring: (1) Cost of terminals "could stall or seriously delay" efforts. (2) Urban & mountain areas may have difficulty seeing satellite. (3) Cost of installation will be "at least \$100-\$150" and "many homeowners will consider a rooftop dish dangerous and an eyesore. In high winds, even small dishes could cause serious structural damage." (4) "Piracy of service... could be major problem." Report summarizes: "All available information appears to support the conclusion that the Comsat announcement is premature from virtually every perspective, and that its 1983 target date is unrealistic and probably unattainable. The technical and marketing impediments... remain serious enough to question the viability of such a service until the latter half of the 1980s. Equally serious are the legal and regulatory hurdles to be overcome, which are perhaps more complex for Comsat than for any other satellite entity."

Teletext election returns may kick off WETA-TV Washington's first-of-its-kind U.S. teletext project on Presidential election night Nov. 4. Tentative plans call for separate page for each state with up-to-minute results. Station still is negotiating with 3 systems—Ceefax, Antiope, Telidon—and equipment might not be available in time; starting date could be pushed back to Jan. 1. Station plans to install at least 60 decoders in homes, libraries, congressional offices, plus more later if 2-year, \$800,000 project is successful. Developed by WETA-TV and NYU Alternate Media Center with CPB help, test is first in country to include major decoder installations. Technical teletext tests are being conducted at KMOX-TV St. Louis and KSL-TV Salt Lake City. KCET L.A. also conducted technical test last month.

Lobbying has begun by newspapers to gain same number of floor passes as TV-radio during national political conventions. In 1976, newspapers had 50 fewer floor passes than local TV-radio at Republican convention, 80 fewer at Democratic. This allowed newspaper reporters on floor for no more than 15 min. at a time while electronic media had 30 min.

More than 100 countries, along with 630 program companies, will be represented at MIP-TV April 18-24 in Cannes, France. Booth space in recently enlarged Palais des Festivals was sold out by early Feb. New countries this year include Bahrain, Gibraltar, Panama & Bangladesh.

Five-year event calendar—aimed at avoiding scheduling conflicts—was established by new Inter-Assn. Council of broadcast industry groups, hosted by NAB. Also discussed: First Amendment, de-regulation, spectrum policies. Representatives from 13 groups attended; NRBA wasn't invited.

Scientific-Atlanta introduces new 7-m earth station designed for TV broadcasters at NAB convention in Las Vegas. Model 8572 can be pointed by simple manual adjustments made by nontechnical staff, S-A said. Motor drive is option. Upgrade to transmit capability is possible, pending FCC approval.

FOIA amendments proposed by Justice Dept. would ban release of law enforcement agencies' internal manuals and staff instructions, limit release of records pertaining to organized crime, terrorism, foreign counter-intelligence, and possibly preclude felons from obtaining records under FOIA. Package, still at staff level and not expected to reach Congress for month, also extends 10-limit for agency response to FOIA request, includes non-profit institutions under trade secrets exemption, requires notice to business if confidential information is to be released. JD also wants to close possible loophole caused by Kissinger decision—in which court ruled that once Henry Kissinger sent notes to Library of Congress they were outside reach of FOIA. Proposals may not be considered by Congress this year because of late submission.

"Unsound business practices" by some media buyers have led Time Buying Services to self-regulatory watchdog group to set requirements such as periodic outside audits and full disclosure to clients. Air Time Inc. recently announced severe cash flow problems just as industry was recovering from Media Corp. of America's financial troubles. Time Buying said watchdog group would insure "credibility," could offer guarantees such as group insurance. Time Buying officials will meet with other firms, also seek way of helping Air Time, described by one official as a "good guy" who got into a bind.

Charging "witch hunt" by FCC, TV evangelist James Bakker asked D.C. Dist. Court to overturn FCC subpoena issued in investigation of allegations that Bakker's operation illegally diverted donations for missionary projects solicited over the air. Bakker charged that FCC's contention—it's concerned only with operation of WJAN Canton, O., owned by one of Bakker's corporations—is "transparent sham" and represents "unconstitutional govt. intrusion" into affairs of his Heritage Village Church and PTL Club. Hearing is April 10.

Sen. Kennedy (D-Mass.) has asked FCC to overrule staff decision rejecting his request for free network time to respond to Carter's Feb. 13 news conference. Petition said public has been "misinformed" about Kennedy's positions because of Carter conference, and "this imbalance must be redressed."

FCC rule changes will permit VHF translators to solicit and acknowledge contributions, allow UHF & FM translators to originate emergency warnings. Action erases inconsistencies among services, permits stations to "more fully serve rural customers," Chmn. Ferris said.

NAB fall TV conferences: Sept. 30-Oct. 1, Fairmont Hotel, Philadelphia; Oct. 8-9, Hyatt Union Sq., San Francisco; Oct. 15-16, Hyatt Regency, Phoenix; Oct. 29-30, Omni International, Atlanta.

Cable Ad Assoc., cable sales rep, opens Philadelphia office. Claudia Kienzle, ex-McGavern Guild Radio, is regional director of office, Box 28736, Philadelphia 19151, 215-521-3232.

Personals

Bert Parks speaks at April 12 Best. **Pioneers** breakfast in Las Vegas, will receive **Pioneers** in Bestg. Award... **CBS Chmn. William Paley** will receive **AP Bcstrs.** **Robert Eunson** Award during June 5-7 convention, Denver... **ABC Chmn. Leonard Goldenson** will be presented **NATAS Trustees' Award** April 29, Metropolitan Club, N. Y.

Garrett Blowers promoted to vp-corporate planning office, **CBS**; **Scott Naren**, ex-WCBS-TV N. Y., appointed marketing dir.-retail sales, **CBS TV Stations Div.**... **Alfred Grover**, ex-RCA, moves to **NBC** as dir.-technical systems & planning; **Charles Renwick**, ex-SESAC, rejoins **NBC** as exec. vp-radio network... **Joseph Lock** promoted to vp-internal audit, **ABC**... **Dow Smith**, ex-WPLG-TV Miami, appointed exec. news dir., **WJLA-TV** Washington.

Ronald Steiner advanced to gen. mgr., **WDHO-TV** Toledo... **Melvyn Smith**, ex-WKRC-TV Cincinnati, appointed **KWGN-TV** Denver program mgr... **Terrence Connelly** promoted to vp-news, **Taft TV** stations... **Donald Bowen**, ex-TeleRep, joins **KBHK-TV** San Francisco as sales mgr... **Charles Pittman** promoted to retail marketing dir., **WBTV** Charlotte... **Art Flores**, ex-Paramount TV, appointed personnel dir., **Golden West Bcstrs.**

Henry Gillespie, ex-Gillespie Co. and former **Viacom Enterprises** pres., named pres., **Columbia Pictures TV Worldwide Syndication**... **Carol Strond**, ex-KGO-TV San Francisco, appointed **Group W** research dir., **L. A. hq.**... **William Stakelin**, **WHOO(AM)** Orlando, named chmn., new **NAB** Committee on Communications with Members; **Nancy Marquez**, **Barnett Bank of Miami**, added to **NAB** Minority Investment Fund trustees' board... **Lewis Greist**, ex-RKO Radio Sales, appointed dir.-marketing & research, **RAB**.

James Ewalt, ex-law firm of **John Pelligrin**, and **Godwin Oyewole**, **Georgetown U.** law student, join **NCTA** law dept... **Richard Guilemont** appointed marketing dir., **Warner Amex Satellite Entertainment**... **James Mervis**, ex-Viacom, appointed east coast program development dir., **Showtime**.

H. L. Harrell promoted to regional mgr., **Nielsen Marketing Research Group**, **Westport, Conn.**; **Donald Schultz** named mgr., **Cherry Hill, N. J.**... **George Chernault** promoted to vp-dir. of marketing, **SESAC**... **Maggi Cowlan**, ex-Group W, appointed dir.-entertainment research, **Marketing Evaluations** (**TvQ** ratings of performers)... **James McGillen**, ex-KSBW-TV Salinas, Cal., named **NTA** western sales mgr... **Michael Spitalnick**, ex-Air Time International, joins **Gerber-Carter Communications** as syndication dir., new post.

Joseph Culp promoted to vp-gen. mgr., **Collins Transmission Systems**... **Howard Crispin**, ex-Scientific-Atlanta, appointed vp & a dir., **American TransCommunications**... **Phillip Thoben** advanced to vp, **Firstmark Financial Corp.**... **David Hamilton**, ex-Warner Cable, appointed senior vp-chief operating officer, **Summit Communications** cable systems; **Christ Duquette**, ex-Boston U., named ad-promotion mgr... **Glenn Morgan**, ex-WABC(AM) N. Y., appointed **Mutual** music programming dir.; **Shelley Jackson**, ex-WRC-TV Washington, named press rep.

Setback for press freedom in Britain occurred as high court ordered **Granada TV** to reveal source of confidential **British Steel Corp.** documents used in news documentary, dismissed claim that revealing sources is against public interest, ruled press has no "absolute privilege." Documents revealed high-level discussions that company's losses were result, not just of low productivity as claimed publicly, but also of bad management. **Granada** said it would take case to Court of Appeals then House of Lords.

TV stations in markets over 500,000 won 3 **NLRB**-conducted union elections, lost 4, between May-Oct. 1979 (**NLRB** reports are several months late). Radio stations in same size cities won 6, lost 4; in markets between 100,000-500,000, radio lost 2 without win, **TV** split even in 2 elections.

TIO-assisted prototype for "taking broadcasters' case to the public" is being tested in **Madison** where commercial **TV** stations held meeting with 100 community leaders, plan to meet with smaller groups and will hold town meeting where critics can voice complaints.

National Indian Media Conference May 12-14 in **Anaheim** will be keynoted by **William Hallett**, **Bureau of Indian Affairs** commissioner. Conference is sponsored by **Native American Public Bcstg. Consortium** and **American Indian Film Institute**.

New \$20,000 prize for broadcast journalism has been established by **duPont-Columbia U.** awards program. Award for independent news & public affairs production is largest offered in broadcasting.

WPBN-TV Traverse City, Mich. switches rep from **Adam Young** to **Katz TV Continental**. **WDTV** **Clarksburg, W. Va.** and **KXJB-TV** **Fargo, N. D.** name **Avery-Knodel**.

Time-Life Satellite Network cancels booth at **NCTA** convention, intended to promote "BBC in America" basic cable service—delayed by scarcity of satellite transponders.

FCC Office of Public Affairs telephone number changes to 202-254-7674. Number should be used for inquiries about press releases and agenda items.

Earth station giveaway at **NAB** is planned by **California Microwave**, with drawing for 10-ft. antenna to be held at 10 a. m. April 16 at Booth 156.

New high for daily household **TV** viewing, 7 hours & 22 min., was set in Feb. for 12th month in row, **TvB** reported.

Cable Signal Leakage Advisory Committee has been abolished by **FCC** after issuing its report in Nov.

Dutch TV Network Veronica has appointed **Charles Michelson Inc.**, **Beverly Hills, U. S.** program rep.

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STATE OF THE INDUSTRY

Sales to dealers (total market), from EIA, for week ended March 21 (12th week of 1980):

	March 15-21	1979 week	% change	March 8-14	1980 to date	1979 to date	% change
Total TV	327,452	300,426	+9.0	299,983	3,241,497	3,409,674	-4.9
color	176,809	191,581	-7.7	190,101	2,087,895	2,132,364	-2.1
monochrome	150,643	108,845	+38.4	109,882	1,153,602	1,277,310	-9.7
Home VCR	9,962*	7,935	+25.5	15,051	144,563*	90,893	+59.0

Color TV 5-week moving average: 1980—182,633; 1979—197,821 (down 7.7%).

Home VCR 5-week moving average: 1980—12,659*; 1979—9,015 (up 40.4%).

*Record for period.

MAGNAVOX AM STEREO BACKED AT FCC: FCC's Office of Science & Technology is expected to recommend Magnavox system when Commission meets on AM stereo April 9. However, outcome of FCC deliberations is in doubt—especially since Office of Plans & Policies is expected to join Bcst. Bureau in recommending adoption of any & all viable systems (Vol. 20:13 p8).

Under consideration are 5 mutually incompatible systems—Belar, Harris, Kahn, Magnavox, Motorola. Except for Kahn, all system proponents, as well as most equipment makers & NAB, favor adoption of single system as standard. Meanwhile, FCC has postponed consideration of standards for quadraphonic FM until end of April. Compatible QSI & RCA systems are expected to be chosen.

1ST-QUARTER COLOR AT 10,300,000 RATE: Recession or no recession, color TV sales roared through first quarter at annual rate of better than 10.3 million. At 2,297,000 sets sold to dealers, it was 2nd-best first quarter in history, trailing 1979's record 2,360,170 by mere 2.7%.

Although sales in March lagged behind 1979 by 8.9% (934,400 to 1,026,648), they still represented annual rate of about 10,270,000, certainly no slump from 10,050,000 rate in Jan. and 10,590,000 in Feb. March suffered only in comparison with March 1979, which was wild month with sales rate of nearly 11.5 million. Although each of last 7 weeks trailed comparable 1979 figure, March's pace can't be described as depressed by any stretch of definition.

B&w sales for quarter totaled about 1,272,700, down 11% from 619,477 scored year earlier and were below 1979 in each of year's first 3 months. March monochrome sales totaled some 549,700, down 11.3%, compared with declines of 5.9% in Jan., 14.5% in Feb.

VCR sales boomed steadily through quarter, totaling more than 158,000, up 59% from 99,346 of first quarter 1979, representing annualized pace of 893,000 based on meager historical statistics available. March sales of 62,700 were up 45.4% for 800,000 annual rate; annual rate in Jan. was 961,000, in Feb. 1,098,000. Of year's first 13 weeks, 12 set sales records.

Final week of quarter saw color sales of 209,200 (down 8.2% from last year), b&w 119,100 (down 21.9%), VCR 13,600 (up 60.4%).

1981 LINES—GE & OTHERS: New cost-saving chassis, remote control, CATV tuning, sweep of 100° slot-mask tubes in 25" size, comeback of keypad tuning, innovative TV projectors, new

VCR lines. These are expected to be among major trends in new-model introductions during next 2 months.

GE showed its share of these in press preview last week at Portsmouth, Va. TV Dept. hq. But most titillating part of GE's 1981 line was glossed over. Projection TV wasn't featured at new-line presentation, nor was it in evidence on production line in plant tour. In answer to questions, Mktg. Mgr. Lud Huck briefly summed up GE's plans: "A new product will be in the marketplace next year. Changes will be significant, and it meets all our expectations. It will be a very, very competitive product in technology, style and appearance." It's believed pilot production could start this summer.

Enjoying "highest sales, highest profits and highest market share in our 32-year history" in TV as "fastest-growing major TV manufacturer in the U.S.," GE for 1981 plans to keep on doing what it did in 1980—only more so. Company now has only 2 color chassis—one single-board unit for portables and one new modular for 19" & 25" designed for servicing in home—plus single b&w chassis. In addition to keypad and single-knob 82-channel electronic tuning, GE is introducing new remote scan tuner, easily programmed to tune only wanted channels. All remotes now can tune 9 mid-band cable channels.

GE, which was first to use in-line tubes, now has switched over 25" series to 100⁰ high-voltage bipotential ("hi-bi") slot-mask design, keeps 19" at 90⁰. Three "dual-mode" (keypad & scan) 19" sets and six 25" have audio output jacks, and 2 top consoles contain 10-watt amplifiers, 2-way speakers, separate bass & treble controls. Rapidly-growing 13" size is emphasized with 5 models, including remote. VIR & Color Monitor auto-color systems continue to get major play. Prices won't be announced until formal May showings, but Huck sees "good likelihood of more price increases as the line is introduced" on top of recent \$7-\$10 boosts (Vol. 20:11 p7). GE line will be backed by company's biggest ad campaign. (For GE's view of business prospects, see p. 10.)

In nutshell, GE line is typical of expected new-set trends for spring introduction. Highly integrated new chassis which cut costs while improving performance will be important trend—RCA foreshadowed this in Feb. introduction of single-board chassis 7-1/2 lb. lighter than predecessor (Vol. 20:7 p12). Magnavox chassis code-named "Project Phoenix" may be introduced this spring, but probably will come later in year. Sony is expected to have redesigned chassis, among others.

Significant innovations in projection TV are expected during remainder of year, in addition to GE's new model. Panasonic & Quasar will field one-piece 3-tube rear-projection models. Another TV major will be out with super-bright 2-piece system, but not before fall. Magnavox & Zenith projection introductions probably won't come until 1981.

New models will see some TV makers backing away from super-sound models, some edging closer—depending on where they were last year. Year's experience shows hi-fi sound is expensive, doesn't exactly sell itself—so companies which had them last year will probably have fewer and more expensive models. As an idea of costs, RCA's Dual Dimension Sound consoles now list at \$90 more than same models last year without sound feature.

There'll be almost a complete model change in VCRs. Matsushita-made VHS units will have new look, catch up with Beta by adding high-speed scan feature, could have Dolby noise reduction in some high-end models (Vol. 20:13 p9). Hitachi will show line of compact VHS units and Sony will introduce one innovative new Beta.

ITC REPORT SUPPORTS QUOTA EXTENSION: Strong support for case to extend import quotas on color TV to protect domestic industry from excess competition is contained in International Trade Commission report showing producers here as group had sharply lower gross, operating profits & margins last year despite record unit & dollar sales.

ITC collects operating data from domestic color producers & importers to monitor effect of quota on industry health. It issues quarterly reports on domestic production & sales, annual report covering domestic industry finances and importer activity. Quota currently limits complete & incomplete color shipments from Japan, Taiwan & Korea, is slated to expire July 1,

and agency is considering extension request by labor-industry group COMPACT, is due to report finding to President May 15.

Annual financial report shows domestic color factory sales rose 5.9% to record \$3.2 billion last year, but materials costs jumped 7.8% to \$2.78 billion, so gross profit fell 5.5% to \$416.7 million. Industry belt-tightening was evident in 4.1% drop in sales & administrative costs to \$379.6 million, but it wasn't enough to keep operating net from dropping 17.1% to \$37 million. Figures show 1979 gross & operating profits, as well as margins, were lowest since 1976, first year for which ITC compiled data. Gross margin last year was 13%, down from 14.6% in 1978, 16.5% in 1977 & 17.1% in 1978. Operating margin was just 1.2%, down from 1.5% in 1978, 2.8% in 1977, 3.7% in 1976.

Industry showed pre-tax net loss of \$24.7 million last year, compared with \$1.6 million loss in 1978, profit of \$36.8 million in 1976 (ITC hasn't released net for 1977). Loss figure isn't as significant as operating results, since it includes such factors as plant start-up costs for Sharp, Hitachi, Tatung & MGA, plant closing & consolidation costs of Magnavox.

Domestic color factories operated at healthy 80% of capacity last year, up from 79.6% in 1977, and in final quarter 1979 was using plants at 86.3% rate. Total plant capacity for 1979, based on sum of capacities in each quarter, was up 8.2% to 11,259,000, peaking in 4th quarter at 2.96 million. Capacity record was 2.99 million in same 1976 quarter. Capacity dropped from 2.81 million in 2nd quarter to 2.59 million in 3rd, presumably caused by combination of Admiral plant closing and strike at Sanyo factory. ITC made 2nd revision in 1978 capacity figure. First change, made last Jan., trimmed figures for 1976, 1977 & 1978 by about 6 million each (Vol. 20:3 p9). New change cuts 1978 by additional 1.3 million to 10.4 million.

Spending for new equipment for domestic plants rose 2% last year to \$43.4 million, outlays for buildings & improvement dropped 6% to \$11.4 million and R&D costs of just under \$93 million were down 17.1% from 1978, but above 1976 & 1977 level. At same time U.S. companies increased by 29.6% to \$11.3 million their spending to equip their foreign color plants.

ITC seems to have lost grip on import situation, probably because survey doesn't fully include new group of Taiwan & Korean companies. As result its import pricing data includes disproportionate number of relatively high-priced Japan-made sets. ITC figures show average price of color set sold by importers last year was \$301.50, up from \$295.76, with 18-19" averaging \$341.18, up from \$323.80, smaller sizes averaging \$276.61, up from \$270.92. By contrast, earlier report covering U.S. plants only (Vol. 20:7 p9) showed average 1979 selling price of all color 19"-&-under was \$285.62, with 18-19" at \$300.67, 17"-&-under at \$244.91.

Importers sold 952,100 color TVs last year, down 46.2%, ended year with inventory of 148,300, down 93,200 sets, or 38.6%, from end of 1978, ITC says. Sales & inventory figures show importers covered by report account for 858,800 of complete color sets imported in 1979. Earlier report indicates fewer than 100,000 color imports were handled through U.S. factories, for maximum total of 960,000 color imports covered by ITC surveys. Commerce figures show 1.37 million complete color sets were imported last year, which, even after allowance for 10% error all around, leaves at least 300,000 complete color imports unaccounted for by ITC.

"Homework" is in-home training & work service via computer just launched by Control Data. Initially, CD will install terminals to provide training & information services to medically disabled through phone lines from central computer. Later, terminals will be available to customers who can use them to work at home. CD will offer service first in Minneapolis, where it conducted market test last year, predicts initial national market potential at 4.7 million users. Pricing wasn't announced.

Avco Electronics Div. is latest addition to manufacturers of home subscription-TV decoders, with initial contract for \$7 million worth of Blonder-Tongue units. Other decoder manufacturers include Zenith, Magnavox, Oak, Blonder-Tongue, CTS Knights, Consumer Technology, Electrohome (Vol. 20:3 p10).

GE adds high-brightness professional projection-TV systems, increasing line to 15 units. New color models have modulated typical TV brightness of 650 lumens vs. 280 for standard models, can display pictures up to 25-ft. wide. Prices range from \$51,000 for basic b&w model to \$75,000 for 1,023-line high-brightness color projector.

"New Video Technologies and the Revolution in Home Entertainment" April 19 at USC will discuss legal aspects of video market. Details: Entertainment Law Institute, USC, L.A. 90007, 213-741-2582.

GE VIEWS TV-VIDEO: TV manufacturers' credit terms, always an element of new-product introductory programs, this year will loom among most important features of sales agendas for new lines as normal credit sources dry up or become unreasonably expensive. So said GE TV Mktg. Mgr. Lud Huck at press preview of GE line in Portsmouth (see p. 7). Although he didn't detail any of GE's 1981-line credit policies, he did say that tight-money sales slowdown so far has been largely "dealer reaction" rather than resistance by consumers.

"We don't have enough feedback to say the consumer is reacting," Huck conceded, but said data so far indicate retail sales are still "robust." Industry-wide, he said predicted slowdown possibly is "beginning to take hold," and effect of credit-card restrictions should show up eventually. But in March GE "continued to break records in almost all categories—we haven't seen any signs of a slowdown in our products."

GE's working forecasts for 1980 sales to dealers are about 9.5 million color sets (vs. 9.85 million last year), 6 million b&w (vs. 6.25 million), more than 550,000 VCRs (from 475,000), 60,000 projection TVs (vs. 50,000). Even if credit restrictions begin to affect consumers, Huck forecast they'll "find the money for TV purchases" because spiraling gasoline costs will emphasize that TV is more than ever "the least expensive form of entertainment."

As to GE itself, trade advertising for new line will proclaim its TV sales have increased 83% in 4 years—referring only to sets sold under GE brand-name. If private-label sales are included (notably Ward & Hitachi), "our total TV sales over the same period have almost doubled—up 95%," Huck said. Mktg. Communications Mgr. Gerald Segner said company's TV ad outlay has been increased 22% in 1980 and will continue to rise annually "at a rate above anticipated advertising cost inflation." Ads will be aimed at 25-54-year-olds with incomes of \$20,000 & up and will be coordinated with—but separate from—big Consumer Products Sector campaign geared to "GE Brings Good Things to Life."

GE has now completed transition from "value line" to innovative quality line, said Huck, and advertising will continue to stress performance. Company is proud of quality improvement; Quality & Product Service Mgr. Morris Broyles cited data showing substantial gain in acceptability of products received by dealers, almost 2-to-1 improvement in frequency of repairs in 3 years, 20% reduction in consumer product complaints in 1979, rising ratings of GE service support by dealers & servicers.

GE still hasn't made videodisc systems choice, said Huck, will make announcement "in the next few months," is still studying all systems—but "we do believe that videodisc will be a successful product."

"First complete information service for the consumer electronics industry" will be offered by Venture Development Corp., Wellesley, Mass. Venturecasts is data base containing market statistics & forecasts from wide variety of publications and other sources. Details: VDC, 617-237-5080.

FCC GETS SATELLITE RECEIVER OPTIONS: Study of broadcast satellite policy issues by FCC's Network Inquiry staff concludes that Commission may wish to regulate receivers to ensure that hardware is compatible with more than one satellite system. Report says that licensing of receivers probably isn't necessary, since: (1) Licensing isn't required by Communications Act. (2) It could "inundate the Commission with even more paperwork than it faced during the recent CB radio craze and would be certain to impose substantial expenses on consumers."

Report said FCC may wish to refrain from regulating ownership of receivers or may decide to apply policy now applied to STV decoders: Require lease of receivers "to protect consumers from economic loss in the event of technological obsolescence."

Technical specifications of receivers through certification or type approval is urged to ensure that receivers perform adequately. "The Commission might further be urged to use its regulatory power over equipment standards and specifications to prescribe a single technical system for use in receivers or to require mutual compatibility among the approved systems." Report said "a final technical issue" concerns ability of receivers to receive all satellite channels—to avoid needless duplication. "This approach was taken by Congress with respect to UHF in terms which seem broad enough to permit the Commission to include direct satellite broadcasting in its all-channel requirements... at least if DBS is classified as TV broadcasting."

SONY OUTLOOK: Sony will invest \$200 million in new plants & equipment on worldwide basis this year, maintain that capital outlay level through 1982, representing 50% increase over spending rate of last 3 years, Chmn. Akio Morita told analysts in Chicago last week. Bulk of investments is earmarked for expansion of video product, magnetic tape & semiconductor production, he said.

Commenting on opening quarter results (Vol. 20: 12 p13), he said company's color TV unit volume rose 17% to about 600,000, VCRs were up about 90% to 200,000, videotapes rose about 60%. Comparison of unit sales with dollar totals previously announced indicates average factory price of Sony color receiver was up about 24% in quarter to just over \$400, while tag on average VCR slipped about 5% to \$950.

Morita reports that Sony's San Diego color TV and Dothan, Ala. magnetic tape plants exported \$50 million of product last year. U.K. plant, which accounted for 25% of Britain's color exports in 1979, is being equipped to produce 25" color this year, has been designated as an official supplier of TVs & terminal equipment for Prestel viewdata service now being tested, is currently marketing receivers with Teletext reception capability. On audio front, Morita said Sony has already sold 200,000 pocket \$200 "Soundaround" stereo cassette players (Vol. 19:51 p13), is back-ordered.

Correction: Contingency remuneration of \$261,400 was not actually paid to ex-Chmn. John Nevin by Zenith last year, but instead is part of \$750,000 he'll receive over 5 years under consulting & benefit settlement agreement (Vol. 20:13 p10).

B&W SHORTAGE LOOMS: Developing Chinese market for TV, combined with steady worldwide demand, could lead to shortage of 12" b&w TV in U. S. market this fall. As odd as it may seem in color TV era, in which b&w has been relegated to commodity role, that's way picture shapes up.

Although b&w demand isn't increasing, there's steady shift in sales mix toward 12", which in U. S. rose 9.4% last year to account for 73% of monochrome market, and could post small gain again this year. Pressure comes from China. Mainland produced estimated 1.4 million TVs last year, virtually all b&w, expects to turn out million more in 1980. Most of that growth will be in 12" b&w.

Chinese can't come close to meeting own picture tube needs, won't use Taiwan or South Korean tubes, so will be buying 1-1.5 million from Japan & Singapore this year. Set makers in those countries are, in turn, looking to tube makers in Taiwan & Korea, where glass & tube plants already are operating at near-capacity levels.

There's capacity expansion in Far East, particularly in Taiwan. But in b&w TV area, it's fairly well restricted to 5" & 9" for AC-DC & mini-combo models. Worldwide boom in display terminals for computers, word processors & coin-op video games is aggravating situation. Clinton is completing addition to Taiwan tube plant, but it's for increased production of 12" & 15" display, not TV, tubes.

There's no help immediately forthcoming from U. S. either. Except for limited output by Sylvania, small-screen b&w TV tubes are no longer manufactured here, though there's sizable production of monochrome display tubes. Supply situation is so tight Corning says it's considering reentering mono bulb business it quit in 1975 (Vol. 15:37 p8). There's still b&w TV tube market in U. S.—about 700,000 b&w sets were assembled here last year, mostly by GE, only TV company producing all its b&w TVs in U. S. Assembly by others is limited to handful of 19" portables, 22" consoles. Imports fill most OEM b&w tube demand. Commerce reports 657,200 were brought in last year, down 12.3% from 1978. Any resumption of b&w tube output here would help ease pressure on Far East manufacturers.

"Telemail" electronic mail service will be launched July 14 by GTE Telenet, which filed proposed tariffs with FCC specifying basic charge of 22¢ per min. during normal business hours and 5¢ evenings & weekends. GTE estimates there are more than 1.5 million interactive terminals & word processors in use compatible with Telemail. Telemail will use standard land lines of phone system, also interconnect with Western Union for compatibility with telex & TWX. Telenet Vp John Peters sees electronic mail as \$5-billion industry by 1989, including residential as well as business services.

High-speed duplicator designed for videocassettes will be demonstrated privately by Panasonic at Las Vegas hotel suite during NAB convention next week. System duplicates tape outside cassette, is believed to be production prototype. Developmental open-reel version was shown at 1979 Winter CES.

FCC'S COMPUTER RULES: In face of industry-wide opposition to various aspects of its personal computer interference rules (Vol. 19:39 p7, 19:40 pp7 & 9), FCC backed down on several aspects of its Sept. 9 order establishing separate standards for personal computers (including electronic games) and commercial computers.

Biggest change is postponement of deadline for effectiveness of new standards, originally scheduled to apply to all computers made after July 1, 1980. For personal computers, rules now apply to products manufactured after Jan. 1, 1981; for others, deadline is Oct. 1, 1981 for new models, Oct. 1, 1983 for units in production before Oct. 1, 1981.

Commission dismissed complaints that new emission standards for personal computers are too loose and provide inadequate protection to TV viewers but said it would watch closely the development of new home electronic products and conduct surveys & tests to make certain home reception isn't affected. It also said it would look into potential impact of new rules on automobile electronics and microprocessors & other digital devices used in home appliances. It turned down AT&T request to exempt company-owned equipment in consumer homes as giving unfair advantage to service-provided over owned equipment.

FCC also said it would require certification of peripherals & subassemblies marketed as parts or accessories for personal computers. Tests will be made on complete typical system with peripheral attached. Unlike Class I TV Device rules which they replace, new rules — effective May 12 — apply to all personal computers & electronic games whether or not they're designed to be attached to TV set.

Meanwhile, petition from Atari to rescind waiver of Class I TV rules granted to TI to allow sale of RF modulator (Vol. 19:39 p7) will be considered by Commission in meeting on April 9. Petition isn't expected to pass; FCC has already objected to Atari procedural arguments.

Pioneer videodisc player's cost is susceptible to substantial reduction, according to Pres. Yasuzo Ishizuka. He said current price is high because laser tubes & lenses aren't yet in routine mass production. He said cost has already been reduced 50% since time when industrial player was under development and saw bright prospects for further reduction as result of: (1) Imminence of semiconductor laser. (2) Progress toward mass production of optics. (3) Development of extensive large-scale integration. Japanese plant is producing 2,000 consumer players monthly, to be stepped up to 3,000 by summer—in addition to estimated 10,000 industrial players.

Sharp is selling samples of CCD image sensor at about \$180 (45,000 yen), price expected to decline to about \$120 in mass production. Sensor is claimed to have transmission efficiency of 99.99%, will be produced using new manufacturing technology.

Argentinian color TV assembly venture has been formed by Sanyo and its sales agencies there. Sanyo will hold 50% interest in \$2-million operation.

Financial Reports of TV-Electronics Companies

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

Company & Period	Revenues	Net Earnings	Per Share
Acton			
1979-year to Dec. 31	132,265,000	4,090,000	1.40 ^a
1978-year to Dec. 31	105,988,000	4,883,000 ^b	1.67 ^b
Athena Communications			
1979-year to Dec. 31	12,657,000	26,650,000 ^b	7.24
1978-year to Dec. 31 ^c	8,298,000	4,924,000 ^b	1.14
Corning Glass Works			
1980-12 wk. to March 23	355,544,000	26,305,000	1.49
1979-12 wk. to March 25	330,124,000	33,998,000 ^b	1.92
Movielab			
1979-year to Dec. 29	33,396,641	1,896,450 ^b	1.17
1978-year to Dec. 30	29,370,801	1,212,393 ^b	.75
Sanyo Electric ^d			
1979-year to Nov. 30	3,019,400,000	85,700,000	--
1978-year to Nov. 30	2,642,200,000	74,600,000	--
Superscope			
1979-year to Dec. 31	196,900,000	(14,600,000)	--
1978-year to Dec. 31	205,100,000	(15,500,000)	--
1979-qtr. to Dec. 31	55,000,000	(300,000)	--
1978-qtr. to Dec. 31	67,500,000	(7,300,000)	--
Tektronix			
1980-41 wk. to March 8	715,344,000	60,584,000	3.33
1979-40 wk. to March 3	576,435,000	55,623,000	3.09
1980-16 wk. to March 8	285,933,000	20,767,000	1.14
1979-16 wk. to March 3	237,799,000	23,162,000	1.28

Notes: ^aAdjusted. ^bIncludes special credit. ^cRestated. ^dAt yen's current rate.

GTE SELLS SABA: GTE has agreed to sell European consumer electronics business to Frances's Thomson-Brandt, price undisclosed. Earlier GTE said it was considering purchase offer from T-B (Vol. 20:13 p10). Deal will be closed as soon as French & German govts. give OK, and GTE says it's setting up \$85-million first-quarter reserve to cover loss on sale as well as adjustment to other foreign consumer electronics investments.

Included in sale package is German TV-audio producer Saba, which operated at substantial loss last year, and French component maker Videon. T-B isn't taking GTE's Belgian plant which makes color tubes, components & lighting products. GTE spokesman said plant will be kept going, but as Saba was main tube customer, future of that portion of operation is uncertain.

T-B doesn't need tubes from GTE. It owns 51% of Europacolor, which operates former Telefunken & Videocolor plants, has 2.2 million annual tube capacity and is expanding to 3.5 million next year. T-B & German subsidiary Nordmende produced about million color sets last year, Saba about 400,000, which combined would give T-B about 14% share of European market.

Ad notes: Nikko appoints J. B. Stanton for ad & PR accounts. . . New-Tone Electronics names A. D. Adams.

WEEKLY Television Digest

with Consumer Electronics . . .

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Consumer Electronics Personals

S. David Feir, BSR (U.S.) OEM sales chief, advanced from vp to senior vp. . . **Gene Giaquinto** named pres. of MCA Video Cassette, formed to market pre-recorded videocassette line. . . **Audrey Griffin**, ex-WNET N. Y., rejoins RCA as Selectavision videodisc special programs dir.; **John Bermingham** advanced to vp & gen. attorney.

Irving Katz, Intermagnetics chmn., adds post as pres. of U.S. & Canadian tape mktg. joint venture Swire Intermagnetics; **Russell Greene**, IM vp-controller, named SI operations vp. . . **Len Stein**, ex-Reis & Geltzer, joins Fuji Magnetic Tape Div. as PR rep. . . **Leon Kuby** promoted at Harman Kardon to R&D vp.

Bruce Donaldson promoted at Mattel Electronics from mgr. to dir., field sales. . . **Edward Miller**, ex-Taito America pres., moves to same post to Allied Leisure, replacing **Morton Mendez**, who left last Feb.

Lewis Shiolen, former Mepco/Electra pres., named to same post at Centralab. Both are North American Philips subsidiaries. **Brent Curtis**, M/E exec. vp, adds post of chief operating officer. . . **Robert Penn** promoted at American Microsystems from vp to exec. vp. . . **Howard Hinnah** resigns as CTS Knights to become vp-gen. mgr. of McCoy Electronics, crystal producing subsidiary of Oak; **Larry Shaum**, CTS Knights vp, advanced to gen. mgr.; **Donald Schroeder** appointed asst. gen. mgr.

Kloss Video is producing 75 Novabeam 6.5-ft. projection TV systems weekly, plans to reach full production of 100 a week by spring. Company has increased distribution of its \$2,495 unit to 40 dealers nationwide.

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SUMMARY-INDEX OF WEEK'S NEWS

Broadcast

NO MAIN THEME FOR NAB convention in Las Vegas this week as single major issue isn't expected to surface. Wasilewski & Thurston answer critics. Van Deerlin to report his 'observations.' Ferris to say industry should embrace new competition. (P. 1)

INFLUENCING FERRIS—WHO, HOW: Survey of commissioners and top FCC staffers discloses he's very private person but Brown has most influence among commissioners, Verveer from staff. (P. 2)

SEARS SATELLITE PULLOUT: Drops plans for direct satellite TV broadcasting venture with Comsat, which now is seeking new partner. CPB considering programming deal with Comsat. (P. 3)

PSTV TEST PROPOSED: CPB consultant proposes TV STV test at L.A. station. Block sees 'economic and social merit.' (P. 5)

CBS PROFITS FALL 27% in first quarter even though revenues reach record high. Backe expects earnings turnaround by year end. (P. 5)

COMSTAR LOTTERY: RCA holds drawing for 11 leased AT&T satellite transponders for cable programming. National Christian Network files for new satellite system. (P. 6)

NO MAIN THEME FOR NAB CONVENTION: There just isn't a single major issue which is expected to dominate—as so often in past—this week's largest-ever NAB convention in Las Vegas. Concern over govt. regulation will play major role, of course, as will deregulation, AM stereo, children's TV, new technology and business prospects. But, if any single major story or 2 will develop, it wasn't discernible before yesterday's opening session.

That got underway with message from President Carter sending his "warmest greetings" and praise for industry's participation in Census. "We thank you deeply and sincerely now for a singular demonstration of a private industry's power to accomplish a vital public service," Carter wrote. He also praised broadcasting for "its outstanding coverage of unfolding world events... in this troubled year of international crisis and discord."

Also at opening session—which featured entertainment by singer Mac Davis—DSA winner Donald Thurston and NAB Pres. Vincent Wasilewski probably set tone for broadcasters' comments later in week with some unkind words about industry critics and some actions of govt. They'll be answered later in week by Rep. Van Deerlin (D-Cal.), chmn. of Communications Subcommittee, FCC Chmn. Ferris, others.

Thurston hit opposition to deregulation by United Church of Christ and Catholic Council,

Consumer Electronics

COLOR SALES DOWN only 2.7% in first quarter, but inventories declined 11.7%. Home VCR sales set record in March. First April figures show continued declines in TV, boosts in VCR. (P. 8)

MAGNAVOX AM STEREO system chosen by FCC, which rejected recommendation to let 'marketplace' decide standards. AM stereocasting start seen at least year away. (P. 8)

U.S. COLOR QUOTA promoting protectionist measures in EEC, forcing industry changes in U.S., Far East. Color, b&w TV imports up in Feb. (P. 10)

NEW VIDEO DISC MARKET plan being drafted by MCA. Magnavox to add 8 player markets by May 15. Commerce reports 3,313 disc players imported in first 2 months. 3M to make reflective discs. (P. 10)

PLAYCABLE VIDEO GAME programming by CATV for Mattel Intellivision launched by 2 systems, with 3 more to start soon. Test limited to 1,000 subscribers. (P. 12)

SANYO SET RECORDS for sales & earnings in fiscal 1979 with help of 34% jump in value of overseas production. Superscope cut loss in 4th quarter. (P. 12)

said that they don't understand what FCC is attempting to do and that they're "spreading misinformation and using scare tactics... They ought to be ashamed of that kind of propaganda." He disputed contention of FCC Comr. Lee that Region 2 conference "effectively" adopted 9-kHz AM spacing (Vol. 20:14 p2), again charged U. S. delegation wasn't technically prepared—citing several specifics. "Despite the good face put on the U. S. delegation's report, it was not a U. S. victory," Thurston said. (Note: Lee will speak on same subject at Tues. engineering luncheon.)

Turning to program needs of future, both radio & TV, Thurston said industry can't continue to claim that it's merely reflective of society on one hand "while we continue to try to convince our advertisers of our great ability to influence society... That's hypocritical."

Wasilewski denied that broadcasters are "the heavies... obstructionists in the path of progress"—charge made repeatedly by industry friends as well as critics. "Nothing could be further from the truth... As our system of communications expands, we will be right there on its leading edge. We welcome that challenge... The critics accuse broadcasters of lacking vision, of disregarding the improvements in new technology... They are wrong. It is our vision that foresaw and that fostered virtually every technological development in use. And we are continually looking ahead for ways to improve our system... Critics also accuse us of fearing competition. They are wrong... New competition has been a way of life for us since the 1930's."

Speaking at Wed. joint session, Van Deerlin will take text from Yogi Bear quote "you can observe a lot just by watching." From his observations, he'll hit alleged "enlightened greed" of industry, using some tough words, give overview of radio deregulation, children's TV, MDS, computers, satellites, etc. It's now "Charlie Ferris's Commission," Van Deerlin will say and speculate what that means to industry and Congress.

Main thrust by FCC Chmn. Ferris at Wed. closing lunch will be to urge broadcasters to accept competition from new technology as gateway to get out from under what they consider onerous govt. regulations. He'll say that additional competition should be welcomed as means for industry to gain full First Amendment parity and that communications is changing through its own force and not because of anything FCC has done, is doing or will do. Ferris will take look at promises he made in maiden NAB speech 2 years ago (Vol. 18:16 p1), say he fulfilled commitments not to censor programming and to move toward zero-based regulation.

TV session this morning opens with Q-&-A of Senate Communications Subcommittee Chmn. Hollings (D-S.C.)—with questions to center on upcoming Senate amendments to Communications Act. At engineering lunch same day, Sen. Goldwater (R-Ariz.), ranking minority member of Subcommittee, is expected to say bill still hinges on position taken by Hollings.

As it's wont to do, FCC last week gave conventioners hot topic with approval of Magnavox AM stereo system (see p. 8). NAB has been pushing several years for such a move and subject probably will play major role at Tues. radio session—"The FCC's Crystal Ball"—with Comrs. Brown, Lee, Quello & Fogarty. It's also subject of Mon. engineering workshop.

From equipment standpoint, convention will be largest ever, with 410 exhibitors vs. 330 last year in Dallas, covering 198,000 sq. ft. in Convention Center, with satellite earth station exhibits in Center's parking lot. By sheer size alone, satellite stations probably will make biggest equipment splash, but increasing amount of digital gear could get closest scrutiny by engineers. Despite some mild protestations to contrary, Las Vegas show will put final nail in coffin of quad VCRs, as manufacturers lure stations to change over to new standard Type C 1" helical units. There will be formal entries of new Type C VTRs, including RCA model, NEC unit being sold by 3M and debut of Hitachi studio & portable versions.

Convention still faces "strong possibility" that culinary workers (food handlers, maids) and bartenders will go on strike tonight. If so, NAB officials & hotels expect work stoppage to be only minor inconvenience. Hotel executives will tend bars; remaining luncheons will be served buffet. "They may just postpone it because we tip real good," NAB official said.

INFLUENCING FERRIS—WHO, HOW & WHY: We conducted unique poll last week, seeking answer to question: "Who at FCC has most influence with Chmn. Ferris?"—and though no one seems to have emerged as dominant influence, Comr. Brown appears to be closest among com-

missioners. Common Carrier Chief Philip Verveer looks like winner among staffers, with Gen. Counsel Robert Bruce runnerup, followed by Ferris's chief asst. Frank Lloyd and OPP Chief Nina Cornell. However, many said nobody really influences chairman, that he keeps everything close to his vest.

We promised each person anonymity, of nearly 2 dozen we asked questions, and only Comr. Washburn agreed to be quoted by name, stating as follows: "Oh hell, I don't know... I'd just be guessing." Incidentally, almost without exception, respondents said Ferris has taken hold, is doing much better job today than year ago, or even 6 months ago. Ferris himself told us last week that he likes his job very much, has no intention of going anywhere. While we didn't ask him who influences him most, he said he spends "a lot of time with [Comr.] Bob Lee."

Comments from some who felt nobody really influences Ferris's decisions: "He's sort of like a sponge... He goes around getting a lot of input but it's hard to tell who influences him... He plays it pretty close to the vest." "I don't think anyone... He's a very private person, a very superficially friendly person, and I don't mean that in a derogatory way... He loves Bob Lee, but." "Frankly, I don't think any of them [influence him] but if I had to pick one it would be Brown."

"I would put the question another way. Which commissioner does Ferris influence the most?.. Nobody influences him. Charlie is a loner. He never asks my advice until after he's made up his mind. I'd say he has the most influence on Ty Brown, who sometimes does his legwork."

Brown was seen by many to have influence over Ferris on policy matters, Lee on procedural matters: "He's closest to Brown, followed closely by Lee, and Joe [Fogarty] is right in there." "Brown, I would say. They seem to see eye-to-eye on most issues... There is more of a wall between Fogarty and Ferris. He visits Jones a lot, but that's about it... Quello and Washburn—they're pretty much left out of the circle... He'll go to Bob Lee and say 'Bob, how should we do this' or 'Bob, how does the Commission usually handle this sort of thing.' He rarely, if ever, asks any commissioner how he should vote on any issue."

In evaluating staffers' influence, nearly everyone said it depends on subject, but, overall, Verveer was picked as most influential because of growing importance of common-carrier issues and Ferris's confidence in Verveer and Deputy Chief Thomas Casey, who used to be on chairman's personal staff. Bruce was 2nd because of importance of legal issues across board, along with his close relationship with Ferris. Frank Lloyd rated high because "he's in the chairman's office and has control of scheduling." Bcst. Bureau didn't get much mention. Typical comments:

"Charlie gets tugged in many different ways... Bruce pulls one way, Lloyd another, and that's why he tends to go down the middle... Nina [Cornell] provides some input, but I think her influence is greatly exaggerated." "He listens to Bruce and Cornell a lot. I get the feeling it's a tug of war between the 2."

"Phil Verveer... Second, maybe Nina, but I don't see that she's as strong as she used to be, somehow." "It would be a toss-up between Bruce and Cornell... I don't know which prevails most often but I think both have a tremendous influence." "I'd say Cornell, primarily because of 'rumors.' Other people have told me that... The chairman seems to use marketplace forces and certainly Nina is very big on that thing."

Commented Verveer: "Rating staff for their influence on the chairman seems like kind of a joke... Actually, I'd rate myself rather low down. The 2 deputies of the Common Carrier Bureau—Bill Ginsberg and Tom Casey—probably have more influence on Charlie than I do."

SEARS OUT OF DIRECT BROADCASTING DEAL: Sears has ended discussions with Comsat on joint venture to provide direct-to-home satellite TV service (Vol. 20:1 p2). Sears said that it still considered direct broadcasting "as consumer attractive and is interested in participating in a sales, installation and service capacity."

Sears said pullout wasn't related to upcoming House Communications Subcommittee investigation of Comsat business activities. Company officials declined to discuss reasoning behind

decision, but industry sources indicated that Sears simply didn't like numbers: Hundreds of millions of dollars invested in venture, with wait of 7-10 years before return on investment.

Comsat announced that Sears decision wouldn't affect plans to proceed with venture: "We remain very much interested in the early establishment of a satellite-to-home subscription TV system. We intend to continue exploring alternatives for proceeding with such a venture."

Comsat official said company still intends to file direct-broadcasting plan with FCC as soon as possible, and already is holding discussions with other firms interested in backing DBS venture. She refused to name other interested parties, but speculation centers on Mobil and Tandy (Radio Shack).

However, Comsat's bad news from Sears was somewhat offset by good news from CPB. Memo from management to board recommends that CPB explore options of offering programming to Comsat for direct broadcasting system.

Memo states that discussions on staff level have already been held with Comsat, and "Comsat apparently views CPB's support in this matter as an important plus in their attempt for regulatory approval." In exchange for support from public broadcasting before FCC, CPB is expected to push for contribution from Comsat for some percentage of gross revenues "as a public benefit." CPB also would seek agreement for PTV to sell programs to Comsat and also program a pay-TV channel. Other possibilities include public radio channel and reduced pay-TV rates for subscribers who receive the PTV-programmed channel. CPB says Comsat has greeted CPB feelers with "cautious optimism."

But others continue to be skeptical of direct satellite TV. At National Academy of Sciences symposium on direct broadcasting in Washington last week, HBO's N. J. Nicholas said: "In the future, HBO will be happy to provide programming for this new medium, but it's impossible for us to conceive how direct broadcasting is going to be as cost efficient as cable."

Black translator network of 1-kw stations in 14 cities throughout country is proposed by 3 former FCC officials—Booker Wade, ex-aide to Comr. Brown; James Winston, former aide to Comr. Lee; Samuel Cooper, ex-asst. gen. counsel. Community TV Network Inc. plans local black news, educational, children's programming, plus nightly national black news program & weekly public affairs program via satellite. Project, to cost estimated \$60 million, has financial backing from Gene Autry's Golden West STV, which will lease prime time for STV programming, and Signal Companies Inc. CTN will own 10 stations, franchise rest. CTN Pres. Wade said network will have "potential audience of 9.5 million." Similar network serving 9 southeastern states has been proposed by another black group, Applied Communications Technologies (Vol. 20:7 p5).

Rural cable loans from REA would be eliminated in fiscal 1981 under budget cuts proposed by President Carter. Program has given loans or loan guarantees to 3 systems since 1979. Latest loan (\$1.1 million) has gone to Oldtown Community Systems, Oldtown, Md. to serve 1,200. Previous loans or guarantees (totaling \$5.9 million) have gone to systems in Kingfisher, Okla. & Henderson, Ky. Meanwhile, Commerce Dept. has guaranteed \$1.6-million loan to Buena Vista Telecommunications for minority-owned cable system in Hispanic section of East L.A.

Uplink for MBS satellite system has been bought from Cal. Microwave for \$600,000. Steerable 11-m antenna, to be installed at Brenmar, Va., is scheduled for fall operation, will be able to transmit 6 program channels, 3 cueing channels.

FCC rejected plan presented by L. A. group to make VHF channel available in that city for public TV. Committee to Eliminate the UHF Handicap petitioned Commission to hold comparative hearing among 7 L. A. VHF commercial licensees, with operation found least qualified awarded to non-commercial interests. Short of that, Committee asked non-commercial applicants be given first right of refusal for any L. A. VHF put on market. Staff recommended rejection of both proposals, and commissioners agreed. PTV KCET L. A. also had opposed petitions. In separate pleading, Committee has asked FCC to make Ch. 9 KHJ-TV (now owned by RKO, which has been found unfit to be a licensee in Boston, faces renewal challenge for Ch. 9) available for ETV.

Networks paid Iranians \$49,500 for 2 hostage films before rejecting 3rd film in which hostage Joseph Subic reportedly told of Embassy espionage activities. Each network paid \$12,000 for film shot during Easter services in Embassy after haggling with militants, who had asked \$25,000 each for 48 min., settled on lower price for 24 min. Networks each paid \$4,500 for 9 min. of later film. Last offer was rejected when militants demanded 34-min. film, costing \$8,500 each, be shown without editing. Militants offered to permit editing at increased price; networks refused.

Rapid job-switching among TV-radio news dirs. is still commonplace, but turnover is stabilizing, RTNDA study says. Study found only slight drop in median tenure for TV news dirs. (about 2-1/2 years) and radio news dirs. (about 2 years).

PSTV TEST IN L.A. PROPOSED: CPB consultant studying implication of PTV moving into STV has recommended that CPB finance experiment using educational KLCS L.A. as STV station.

Study was prepared by Richard Block, states that "pay TV techniques could be successfully integrated into this nation's system of public TV." It says public subscription TV (PSTV) concept "has significant economic and social merit." He warns, however, that venture "must be structured in such a fashion that existing public TV programming is not 'siphoned' to pay TV or in any way diminished."

Key to PSTV, report states, is programming: "A lackluster programming approach would guarantee failure and invalidate the test." And it warns: "Everyone involved... should be totally aware that even if successful and merely the pilot for many other public STV operations, this venture would be of high risk and cost for several years, the secondary sale of program material to PBS stations notwithstanding."

Report recommends test with KLCS because it signs off early and is situated in best STV market around. It also recommends that project align itself with National Subscription TV's operation in market, allowing NST to sell new service. Decoders would have to be rebuilt to allow tuner. Envisioned is \$30 total monthly fee for STV & PSTV services.

In discussing pay cable, report states the use of PSTV "should not preclude pay cable service in markets where STV would not be economically viable. The fact that PSTV service would not compete directly with existing pay cable offerings should result in cable operators being amenable to offering channel capacity arrangements similar to those with HBO or Showtime. PTV satellite service could be the means of distribution. Although MDS is unlikely to play a significant role, direct satellite-to-home broadcasting could be a practical method of delivering programming to those rural viewers living outside the service areas of either STV or pay cable."

"Madison Square Garden personnel will not load or unload trucks which are not driven by Teamsters"—that's warning Democratic National Committee has sent to all media groups planning to cover Aug. Democratic convention. DNC adds: "Labor charges for delivery, unloading (and removing) furniture and equipment... can be substantial."

Kathryn Broman, Springfield Bestg., has entered race for NAB TV vice chmn., opposing incumbent Mark Smith, KLAS-TV Las Vegas, who is seeking reelection. TV Chmn. Robert King, Capital Cities, is unopposed for 2nd term. Broman is a former chmn. of NAB TV board.

Times Mirror lost petition for reconsideration by Conn. Public Utility Control Div. which ruled it must divest either Hartford Courant or 2 local cable franchises. Agency said that there was nothing new to consider in case.

NBC senior management this spring will participate in series of seminars conducted by Wharton School of U. of Pa. Company also is beginning supervisory training program.

CBS profits fell 27% in first quarter, but revenues were at record high. Net income was \$13 million (47¢ per share), down from \$17.8 million (64¢) in first quarter last year, but revenue was \$967.4 million, up 17% from \$828.7 million. CBS said earning decline was expected, 2/3 of it result of foreign exchange losses and start-up costs of Video Enterprises & Theatrical Films Divs. Drop also was attributed to higher news & entertainment programming costs plus earnings decline in publishing & audio retailing. Broadcast Group revenues rose 16% with strong gains in TV network, TV stations, radio. Records Group posted 22% gain, Columbia Group 5%, Publishing 19%. Pres. John Backe said earnings turnaround is expected by year's end, "assuming no severe downturn in the economy."

Group W is suing New England Patriots in Mass. Superior Court to force team to honor agreement for broadcast of 1980 season on WBZ-TV-AM Boston. Patriots have given radio rights to WEEI(AM) Boston, claim WBZ-TV-AM late payments last year invalidated contract (stations claim they were never more than 3 or 4 days late). Court announced it would make decision on preliminary injunction on April 21, "Patriots Day" in Mass.

Signal piracy issue returns to U.S. Dist. Court in L.A. April 21 when judge will hear motion to dismiss National Subscription TV's suit to stop 15 L.A. electronic shops and individuals from selling & manufacturing STV intercept equipment. NST seeks injunction plus \$1 million in damages. NST is preparing state suit to parallel U.S. suit, threatens to go up to Supreme Court if necessary, riled by what it charges was "flaunting" of equipment to point of openly advertising.

Reimbursement of \$1 million to Orange Radio, which withdrew application in proceeding resulting in grant of 1110 kHz to LRLA Inc. L.A., was approved by FCC Judge Lozner. Orange had sought \$2,108,507; Best. Bureau recommended \$979,554; Lozner noted that settlement agreement among applicants limited maximum to \$1 million.

Embarrassing political row in England has been caused by airing of movie on 1977 execution of adulterous Saudi Arabian princess. Saudi Arabia denounced movie as "very offensive" while British govt. expressed "profound regret." PBS plans to show program in May.

"Beulah Land" broadcast by NBC has been delayed from May until fall after blacks complained program was demeaning (Vol. 20:14 p4). Network said it's "sensitive" to criticisms. Producer David Gerber criticized network for delaying mini-series, charging NBC "capitulated."

INTV convention dates: Jan. 18-21, 1981, Century Plaza, L.A.; Feb. 7-10, 1982, Shoreham, Washington; Feb. 6-9, 1983, Galleria Plaza, Houston (site of 1980 convention).

U.S. Catholic Conference has funded more than \$600,000 in media projects, including training grants, programming and a telecommunications study. Conference is funded through national collection. First—last year—raised \$4 million, half of it used locally, rest nationally.

COMSTAR LOTTERY: RCA Americom lottery for 11 AT&T Comstar satellite transponders, leased by RCA to temporarily replace lost Satcom III (Vol. 20:8 p4) for cable TV programming, was held in Newark offices of auditor Arthur Young last week. Here's list of resulting transponder assignments (list includes both RCA and AT&T transponder numbering formats):

Comstar Trans. No.*	RCA Trans No.	User
5V	9	ESPN
6V	11	Rainbow Com.
7V	13	SSS
8V	15	Showtime
9V	17	HBO
9H	18	HBO
10V	19	Sat. Com. Network
10H	20	Spanish Int. Network
11H	22	TCS
12V	23	United Video
12H	24	N. Christian Network

*Note: V=Vertical polarization. H=Horizontal polarization.

Meanwhile, "informal" closed meeting last week between lawyers for RCA Americom and Satcom transponder complainants (SIN, Eastern Microwave & Cable News Network) in office of FCC Common Carrier Bureau Chief Philip Verveer produced no solutions to Satcom I transponder squabble (Vol. 20:9 p2). Meeting was requested by CNN in hopes of breaking transponder stalemate. Lawyers reviewed positions but offered no new compromises to Verveer and other FCC staffers.

National Christian Network has entered fray, filing complaint at FCC against RCA Americom coupled with applications for 2 orbital slots. Application for "Cablesat" system contains no details, nor requests for specific slots, but NCN promises to provide details within 30 days of FCC granting request. NCN Pres. Ray Kassis said he would expect to receive \$50-\$60 million worth of orders after receiving FCC approval, enough to finance "Cablesat."

Ending feud over FCC subpoena (Vol. 20:14 p5), TV evangelist James Bakker agreed to produce requested documents, drop suit filed against FCC in U.S. Dist. Court in Charlotte. Bakker (host of PTL Club) said he retains right to sue "if FCC goes too far." Commission is investigating allegations that Bakker's operation illegally diverted donations for missionary projects solicited over air.

SDX First Amendment Awards went to Gannett Newspapers Chmn. & Pres. Allen Neuharth, outspoken critic of Supreme Court decisions restricting press rights; retired Rep. Moss (D-Cal.), called father of FOIA; ASNE Gen. Counsel Richard Schmidt for press freedom work since 1969. Joint award went to U. of Mo. Freedom of Information Center and its Dir. Paul Fisher.

Arbitron has released report on cable penetration estimates on county-by-county basis. Report is titled "Cable Trends Sourcebook," has 3 sections, totals 175 pages.

Roone Arledge, ABC News & Sports pres., telegraphed U.S. Olympic Committee to ask for press to access to USOC's deliberations on Olympic boycott this weekend: "While we understand your desire to proceed as a private body, the public policy nature of your decision and the desire of the nation to know how you reached it is such, that we urge you to keep your doors open to the press. PBS would like to broadcast the Olympic Committee debate in full, we would like to be able to use highlights from it in our news programs." Don Miller, USOC dir., earlier had rejected PBS request to allow live coverage. Meanwhile, President Carter continued to apply boycott pressure; in speech last week, he threatened to use "legal actions" to keep athletes from going to Moscow, and White House is considering revoking USOC's tax-exempt status. Vice President Mondale was scheduled to address USOC this weekend.

EEO sanctions against 9 D.C. area radio stations included short-term license renewal for WHFS(FM) Bethesda, Md. plus periodic reporting requirements on 3 Md. stations (WINX Rockville, WDON Wheaton, WLMD Laurel), 2 in Va. (WPIK Alexandria, WXRA [FM] Woodbridge) and 3 in D.C. (WOOK[FM], WWDC -AM-FM). D.C. stations also must file updated goals & timetables. Action is in response to D.C. govt. complaints against 16 stations, 7 of them dismissed.

Christian Bcstg. Network petitioned FCC for rulemaking to redefine "networks" to exclude "non-dominant" networks from restrictions of syndication and prime-time-access rules. Such exclusion, it said, "would encourage alternative TV programming, new program distribution arrangements and, ultimately, new TV networks by making revenue from syndication and prime time access available to CBN and other emerging networks..."

NAB executives begin station visitations, as mandated by board last Jan. (Vol. 20:4 p3), following this week's convention in Las Vegas: Shaun Sheehan goes to San Francisco, James Hulbert to Fresno, Kenneth Schanzer to L.A.; all are senior vps, will spend couple days at stations, visiting all depts. In companion program, to start soon, station executives will visit NAB hq for several weeks each. Hulbert is coordinating program.

ABC said last week it expects decline in profits for 1980, but said year still will be 2nd best in company's history. Reasons for expected decline, ABC said, are "the increased uncertainty in the overall economy...heightened network competition and the extraordinary costs of news coverage...and the election year."

Minority placement is aim of new IRTS committee headed by Viacom Chmn. Ralph Baruch & Bank of N.Y. Vp Alan Griffith. Committee will encourage hiring of graduates of minority education program sponsored by Institute of New Cinema Artists, provide teachers to enlarge INCA program.

Charter Media, recently formed by Karl Eller & Charter Co. (Vol. 20:13 p5), is buying Philadelphia Bulletin for undisclosed sum.

Personals

Roy Elson, NAB vp-govt. affairs and senior lobbyist, resigns to form Washington consultancy, will retain NAB as client for at least a year; **James Popham** promoted to NAB deputy gen. counsel... **Clint Formby**, KPAN-AM-FM Hereford, Tex., elected BEA pres., succeeding **Pat Cranston**, U. of Wash.; **Donald Kirtley**, U. of Md., vp; **Peter Orne**, Capital Cities, secy.-treas.

M. S. Rukeyser, NBC exec. vp-public information, has resigned, will announce new industry affiliation by end of month.

Robert Small promoted to vp-staff finance & administration, NBC; **Joan Leahy** to vp-daytime & participating program sales, NBC TV; **Robert Dinsmore**, ex-ABC Video Enterprises, appointed vp-sales, NBC Enterprises; **Jerome Wexler** advanced to vp-finance & administration... **Rae Evans**, CBS Washington dir. of govt. relations, moves to Bcst. Group as dir.-affiliate relations in Washington, new post; **Geraldine Newton**, ex-Simon & Schuster, named dir.-information services, CBS News, succeeding **Ellen Ehrlich**, now with NBC News.

Christine Philpot, ex-WNET N. Y. and onetime CBS, appointed legal asst. to FCC Chmn. **Ferris**; **James Jamison**, ex-Gen. Counsel's Office, named legal asst. to Comr. **Brown**... **Donald Ward & Allan Mendelsohn** form Washington law firm **Ward & Mendelsohn** (1725 Eye St. NW, 20006. 202-466-3225).

ABC Pres. **Elton Rule** speaks at IRTS newsmaker luncheon April 22, Waldorf-Astoria, N. Y. ... CBS Bcst. Group Pres. **Gene Jankowski**, Sen. **John Glenn** (D-O.), NAB Chmn. **Thomas Bolger** & Pres. **Vincent Wasilewski** are among speakers at Ohio Assn. of Bcstrs. convention May 21-22, Kings Island.

Tony Schwartz, N. Y. Times metropolitan desk, promoted to TV editor, succeeding **Les Brown** (Vol. 20:13 p4)... **John Loftus**, ex-CBS and onetime Television Digest assoc. editor, joins **Variety** as TV-radio reporter... **William Ray**, retired chief of FCC Complaints & Compliance Div., named Washington editor, **Television-Radio Age**.

George Watson, Washington bureau chief for Cable News Network, speaks at April 29 meeting of SPJ-SDX Washington professional chapter, National Press Club... FCC Comr. **Joseph Fogarty** speaks at NCCB-Office of Consumer Affairs brown bag lunch April 23, Washington.

Maggi Cowlan, ex-Group W, appointed dir.-entertainment research, Marketing Evaluations (TV ratings of performers)... **James McGillen**, ex-KSBW-TV Salinas, Cal., named NTA western sales mgr... **Michael Spitalnick**, ex-Air Time International, joins **Gerber-Carter Communications** as syndication dir., new post... **Mike Schwartz**, N. Y. sales mgr. of **Harrington, Righter & Parsons Gold Team**, promoted to vp-Gold Group mgr.

William Service, ex-WRCB-TV Chattanooga, named gen. mgr., **WTVQ-TV Lexington, Ky.**... **W. H. Coggins** promoted to asst. gen. mgr., **WRAL-TV Raleigh**... **Jim Byrne**, ex-WCYB-TV Bristol, Va., named publicity mgr., **WNAC-TV Boston**.

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Carol Strond, ex-KGO-TV San Francisco, appointed research dir., **Group W Productions, L. A.** hq... **Charles Swilling**, ex-WDIV Detroit, joins **WGN Continental Bcstg. & Sales** as research dir... **Robert Miles**, consultant, appointed dir.-sales & marketing, **WCGV Milwaukee**.

Kay Koplovitz, former **UA-Columbia Satellite Services** exec. dir., appointed pres. of **USA Network**, newly-formed venture of **UA-Columbia Cablevision & Madison Square Garden**... **Winston Cox** advanced at **HBO** from vp to senior vp, sales & mktg.; **Michael Fuchs** promoted from vp to senior vp, programming.

Nyhl Henson, former **Warner Amex Satellite Entertainment** program operations vp, joins **Oak Communications** as vp... **Al Parinello**, ex-**Warner Amex Satellite Entertainment** national mktg. dir., named **Satellite Communications Network** vp... **Margaret Wade**, ex-**HBO** program publicity mgr., appointed **Warner Amex Satellite Entertainment** press relations dir... **Mary Lou Joseph & Timothy Nulty**, professional staff members of **Senate Communications Subcommittee**, move to **OSHA**.

Iona Lutey promoted to mgr.-affiliate publicity, **Showtime**; **Alan Zapakin** to coordinator-trade publicity... **Paul Danylik** advanced to **Worldvision** account exec. and asst. to exec. vp-marketing... **Jordanka Lavarevic** promoted to mgr., **UPI Newstime (CATV news service)**... **Paul Bennett** promoted to western regional sales mgr., **Centralab, El Paso hq.**

Legislation requiring **FCC** to ignore ownership of any other communications properties during renewal proceedings will be subject of hearing by **House Communications Subcommittee** April 23. Bill was introduced by Rep. **Swift (D-Wash.)**.

Jerrold Div. of **General Instrument** has begun shipping amplifiers capable of 52-channel operation.

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STATE OF THE INDUSTRY

Sales to dealers (total market), from EIA, for week ended March 28 (13th week of 1980):

	March 22-28	1979 week	% change	March 15-21	1st Qtr. 1980	1st Qtr. 1979	% change
Total TV	328,262	380,368	-13.7	327,452	3,569,759	3,790,042	-5.8
color	209,161	227,806	-8.2	176,809	2,297,056	2,360,170	-2.7
monochrome	119,101	152,562	-21.9	150,643	1,272,703	1,429,872	-11.0
Home VCR	13,561*	8,453	+60.4	9,962	158,124*	99,346	+59.2

Color TV 5-week moving average: 1980—186,883; 1979—205,330 (down 9.0%).

Home VCR 5-week moving average: 1980—12,451*; 1979—8,453 (up 45.4%).

*Record for period.

COLOR SALES DOWN 2.7%, INVENTORIES 11.7%: As first quarter ended, color TV inventories at factory plus distributor levels were down 11.7% from year earlier, although sales to dealers dropped only 2.7% during quarter. That tells story of where industry thinks it's headed.

Factories continue to keep firm grip on production brake; their inventories are 22.4% below year-earlier, while distributor stocks have crept up by 5%. Factory plus distributor inventories totaled about 2,061,000 at end of March, increase of 0.6% from end of Feb., factory inventories about 1,068,000 (up 1% during month), distributor stocks unchanged at some 992,000.

In home VCR, inventories at end of quarter were up just about same amount as sales—58.1% compared with first-quarter sales increase of 59.2%. Factory inventories rose 32.2% from year-earlier, distributor 121.4%. At end of March, factory plus distributor inventories totaled 127,300, rise of 0.2% during month; factory 75,500, up 2.7%; distributor 51,800, down 12.8%.

First-quarter color TV sales, 2nd best in history (see State of the Industry), were at annual rate of 10,350,000 (Vol. 20:15 p7). Although total March sales were bested by March 1978 & March 1979, sales were still at 10,370,000 rate. March was record month for VCR sales—total of 62,704 just eclipsing the 62,593 sold in Dec. 1979. On basis of 893,000 annual sales rate in first quarter, VCR sales seem likely to exceed universal industry forecast of 550,000 for 1980, although pace is expected to slow down (Jan. sales were up 73.4% over 1979 month, Feb. up 67.2%, March up 45.4%).

First April figures weren't exactly auspicious. Color sales of about 129,000 were down 14.9% from year-earlier, b&w at 86,000 down 8%. VCR sales for week totaled 8,700, up 43.9%. Here are EIA's TV & VCR sales-to-dealer figures for March, with 1979 & 1978 comparisons:

Product	March 1980	March 1979	% change	March 1978
Total TV	1,484,124	1,646,125	-9.8	1,572,295
color	934,414	1,026,648	-9.0	966,326
monochrome	549,710	619,477	-11.3	605,969
Home VCR	158,124	99,346	+59.2	27,415

FCC CHOOSES MAGNAVOX AM STEREO SYSTEM: In decision certain to be widely challenged, FCC last week bypassed recommendations of its Bcst. Bureau (BB) and Office of Plans & Policies (OPP) and instructed staff to prepare order granting Magnavox AM stereo system as

standard. As we disclosed last week, Commission's Office of Science & Technology (OST) split with the other 2 staff groups and endorsed Magnavox system (Vol. 20:15 p7). Vote was 5-2, Comrs. Brown & Jones dissenting.

Commission was under strong pressure from EIA, NAB and members of Congress to choose single system and reject proposals by BB & OPP to approve all 5 "qualified" systems, letting marketplace choose which technique would become standard (Vol. 20:13 p8). Proponents of all 4 rejected systems—Belar, Harris, Kahn & Motorola—are expected to seek reconsideration, and there's prospect of appeal to courts by adherents of system developed by Kahn Communications, which had strongly endorsed concept of marketplace decision.

While FCC indicated that "decision in this case to select a single system was prompted by a concern that the new service be made available to the public as quickly as possible," prospects for quick start of AM stereo are dim. Actual details must be worked out and order drafted—process which could take up to 6 weeks. Then 30 days must be allowed for comments, to be followed by deliberations, possible court appeals. EIA and individual manufacturers are considering urging that FCC establish date fairly far in future—possibly June or Sept. 1981—for start of marketing to "assure orderly transfer to the new technology" and give industry "time to reduce inventories of non-stereo AM radios," as one EIA official put it. Real concern is that pendency of AM stereo could have dampening effect on already depressed audio compact & component markets.

Commission hedged its bets in brief release announcing action, saying it "generally endorsed the concept of the marketplace making such selections where appropriate." FCC will consider selection of FM quad system April 24; staff held meetings on subject last week. Although compatible QSI & RCA systems hold inside track in FM quad (Vol. 20:13 p8), BB may push now for "marketplace selection" in this area.

Decision favoring Magnavox was made on basis of rating system developed by OST. While most segments of industry hailed choice of single system, some clearly felt that Magnavox wasn't the one which showed up best in tests conducted by industry's National AM Stereo Radio Committee (NASMRC).

BB had argued that since all 5 systems met minimum standards, it would be arbitrary—and would grant one company a monopoly—to pick just one. OPP agreed and said broadcasters & consumers were better qualified than FCC to make decision. OPP Chief Nina Cornell said single system probably would become standard before any is on market. Asked how this would happen, she replied that General Motors could make its choice for car radios and everyone else would follow, or perhaps broadcasters or EIA would get together and pick one system (some lawyers said this would violate antitrust laws).

Comr. Washburn retorted that FCC's failure to choose single standard could award choice to "Tokyo." OCS said it found Magnavox system far superior & less costly, said stereo would add \$40 to cost of \$80 monophonic set, while adding all 5 systems to set would cost an additional \$40 (Kahn claimed additional cost would be \$4-\$6). Chmn. Ferris proposed that if all systems were qualified perhaps standard should be chosen by "lottery." Quello called BB recommendation "very impractical," urged Commission to "bite the bullet" and go with the one system unanimously recommended by OCS.

Interesting byplay came up during meeting when Ferris asked whether FCC had authority to require any car radio with AM stereo also to have FM stereo. "Sure," replied Fogarty, "we have that authority. I'll support that." "Why burden the public with extra costs?" countered Quello and subject was dropped.

Magnavox hailed decision, said it would "make technology & patents available on a non-discriminatory basis to transmitter & receiver makers." Consumer Electronics Pres. Kenneth Meinken told us Magnavox wouldn't make AM stereo equipment for broadcasters, but that it is possible that parent North American Philips or Dutch Philips would do so. He said module for receiver is "so inexpensive and easy to build that it won't be necessary for us to supply it." He expressed hope that FCC rules would permit stations to start AM stereocasting by May-June 1981, at latest.

NAMSRC Chmn. Harold Kassens said he was pleased that Commission picked "one of the systems tested by the Committee" (Harris & Kahn systems weren't submitted to NAMSRC for testing). First public discussion of Commission's choice is scheduled today (April 14) at NAB Las Vegas convention.

U. S. COLOR QUOTA IMPACT WORLDWIDE: Probability of extension of Orderly Marketing Agreements limiting color TV exports to U. S. from Japan, Taiwan & Korea is having worldwide repercussions in form of market restructuring in U. S. & Asia and a move for import restrictions in Europe. International Trade Commission is now studying need for continuation of OMA, or some other form of import restriction, past July 1 expiration date, is due to make recommendation to President May 16.

Dutch Philips & France's Thomson-Brandt are leading fight to put Europe-wide ceiling on color shipments from Japan, suggesting they be limited to 1979 level for next 5-7 years. Proposed limit would provide blanket coverage for all 9 EEC countries, replace informal quota agreements Japan already has with several countries. Japan shipped just over 500,000 complete color TVs to EEC last year.

Italy, which keeps stranglehold on unwanted imports, is against idea, as is U. K. Britain's objection is that plan would have no effect on Japanese-owned color assembly plants outside Japan. Japanese produce sets in U. K. (Hitachi, Matsushita, Mitsubishi, Sony & Toshiba), Italy (Sanyo), as well as Commonwealth areas such as Australia, Canada & Singapore. Estimates are that Japanese sold more than 2 million color TVs in EEC last year, or just under 30% of market.

First reaction to EEC quota possibility came from Hitachi, which said it plans to expand capacity of U. K. production venture with GEC from present 14,000 sets monthly to 20,000. Sony recently announced plans to add console capability to U. K. plant.

Likelihood of quota continuation is behind Matsushita's decision to sell its \$35-million 50% interest in Korean TV manufacturing venture Korea National Electric to Anam Industrial, its local partner. Plant had been producing as many as 14,000 12" & 13" color portables monthly, most for sale in U. S. by Panasonic. But company was given only 11% share of Korean quota, which went into effect last year, limiting its annual exports to U. S. to just 40,000. Situation was made even more difficult by lack of domestic color market and Korean regulations requiring 50%-foreign-owned companies to export at least half of output on value basis. Relative suddenness of Matsushita's pull out is indicated by almost simultaneous announcement from Korean govt. of approval for Matsushita to invest additional \$2.6 million to give Korea National component-production capability.

In U. S., Midland has become quota casualty. TV business isn't exactly dead—more like walking wounded. Last of old-line independent TV importers, Midland, says it's dropping out of national distribution, will act mainly as purchasing agent for major customers willing to buy in quantity on F. O. B. basis. A money-loser for last several years, Midland blamed intense competition.

Quota continues to cut heavily into U. S. imports of complete color, though shipments of incompletes are rising. Commerce reports total imports of complete & incomplete TVs rose 23.5% in Feb. to just over million, as color jumped 26.9% to 475,400, b&w rose 20.7% to 548,100. For first 2 months, total imports were off 0.3% to 1.71 million, with color up 4.5% to 784,400, b&w down 4.1% to 925,600.

In color, month's imports of complete sets fell 44.6% to 82,600, for 2-month total of 140,800, down 58%. Incomplete color rose 74.2% in Feb. to 392,800, bringing year-to-date total to 643,700, up 54.9%. New statistical breakout for b&w shows 37,200 mini-combos were imported in month, raising 2-month total to 54,000, both representing less than 7% of import segment of market.

MCA READIES NEW VIDEODISC MARKET PLAN: No longer tied exclusively to Magnavox with imminence of Pioneer disc player marketing, MCA Discovision is developing new plan for sales of optical videodiscs which is expected to include many outlets which don't sell players.

MCA is expected initially to franchise one dealer per market to handle videodiscs. Dealers will be selected partly on basis of number of stores and convenience of locations—MCA is seeking principally record dealers with shopping-mall outlets. Dealers also are expected (but won't be required) to sell MCA recorded videocassettes.

Magnavox will double to 16 the number of Magnavision player markets by May 15. Upcoming markets: May 1—St. Louis, Tampa, Denver. May 8—Detroit, Portland, Ore. May 15—Cincinnati, Kansas City, Knoxville. Unlike past Magnavision market debuts, company won't select specific dealers to handle players, but will make units available to all Magnavox dealers and will expand number of dealers in current market areas. New policies of MCA, according to Magnavox Consumer Electronics Pres. Kenneth Meinken, will open up disc player sales opportunities to dealers who aren't equipped or don't want to sell software. Player retailers will retain option of selling discs, if they wish.

In June, optical disc markets will include the 8 above plus Pioneer markets Madison & Syracuse as well as Magnavision markets Atlanta, Seattle, Pittsburgh, Buffalo, Cleveland & Phoenix and joint Magnavox-Pioneer markets Dallas-Ft. Worth & Minneapolis-St. Paul.

Sales of MCA discs & cassettes is responsibility of new Record & Home Video Mktg. Vp Bud O'Shea, ex-CBS & Infinity Records, with distribution of both handled by MCA Distributing Corp. under Pres. Al Bergamo. Record sales staff has been augmented by about 20 people. MCA has experimental disc sales & rental deal with Fotomat in Dallas; it's not known whether this will be extended to other markets.

Price differential between Pioneer & Magnavox players (\$749 vs. \$775 suggested list) isn't significant enough to cause latter to be revised, Meinken told us. "New generation" of Magnavision player (Mark II), scheduled for marketing in first quarter 1981, will be "very competitive," he said. Of current Magnavision shipments, 85% are assembled in U.S., 15% in Europe, according to Meinken.

Imports of "non-magnetic video players"—all of them believed to be videodisc players—totalled 3,313 units in 1980's first 2 months, according to Commerce Dept. Of these, 2,757 came from Japan, presumably mostly Universal-Pioneer industrial players for DVA; 280 from Netherlands (Philips-Magnavision); 263 from Canada (possibly Philips units en route to U.S.); 11 from France (Thomson-CSF transmissive optical players); 2 from U.K. Almost 80% of reported 2-month shipments arrived in Feb.

Another source of discs for MCA-Philips optical system could open up in first half of 1981. Lloyd Troeltzsch, who heads 3M's Optical Recording Project, told us company expects to begin making reflective discs by then, and is on course for expected launch of Thomson-CSF industrial transmissive optical discs by last quarter of this year. 3M plans to custom-press, not enter programming or disc sales market itself.

Harvey Schein, onetime pres. of Sony America, is moving from Warner to Polygram as pres. Although Polygram is owned jointly by videodisc proponent Philips (with Siemens), Schein told us he favors cassette for video software. He noted that consumer demand already has been established for VCRs, and recorder population could approach 2 million in 1980 if present sales trends continue. He said he's not prejudiced against disc, but feels that versatility of tape will win out.

VCR imports in Feb. soared 84.5% over year-earlier, totaling 63,000, bringing 2-month total to 138,600, up 75.4%. Color camera imports, at 9,700 for month, were up 27.8%; 2-month color camera imports were 17,300, up 11.7%. B&w camera imports fell 69% for month to 2,400 and 59% year-to-date to 6,600.

Production shift of labor-intensive operations, including video & audio subassembly work, from Europe to Far East, will be part of manufacturing reorganization launched by Dutch Philips earlier this year (Vol. 20:4 p12). At news briefing in Eindhoven, officials said company needs to improve efficiency,

and may make further cutbacks in European workforce. They blamed selling-price pressures, particularly on color TV, and reserves to cover restructuring costs for 12% drop in Electrical Product Group's net last year to \$298.7 million although sales rose 6% to \$15.9 billion.

PLAYCABLE LAUNCHED: Without fanfare of original announcement (Vol. 19:21 p13), Playcable has begun market test of Mattel Intellivision video game on 2 cable systems, will add 2 others in U.S. soon and 5th in Toronto later. Purpose of 6-month trial is to examine technical & consumer acceptance aspects of this version of Intellivision, which programs games via cable. Non-cable Intellivision soon will be available nationally, with full-scale ad campaign (now limited to L.A., Chicago & N.Y.) to start next month.

Major differences are price & program availability—and fact that cable test is limited to 1,000 homes, number equal to adaptors General Instrument subsidiary Jerrold has manufactured to sell at loss. So-called "master component," which lets players select game & moves, sells for around \$300 at retail as well as from Teleprompter, Cox, ATC & United Cable. But store price for game cartridges is \$29.95, while cable subscribers will be offered identical programs for \$6 or \$10 a month, depending on location. Customers can play any of 12-15 games, occupying up to 5 FM frequencies, at any time without disturbing regular cable programming. Selection will be changed monthly, with addition of new games.

Because Playcable games don't require retail packaging—only placement in cable headend computer—customers get them before Intellivision buyers. Of first 12 cable programs, 4 aren't in stores yet. Neither cable nor retailers are offering "personalized programs," which require keyboard component Mattel won't produce in pilot quantities until July, doesn't expect to offer to Playcable until Jan. Jerrold is said to be offering adaptors to connect master component to TV set, at less than half \$100 manufacturing cost. Mass production is expected to lower costs dramatically, but timing of go-ahead decision and factory lead time mean Playcable is at least year from national rollout.

Speech synthesizer IC chip market will start developing this summer when both National Semiconductor & Matsushita say they will begin offering devices to OEM interested in turning out talking products. Texas Instruments, currently marketing talking calculator and language translator, is reportedly ready to enter OEM market too, may also offer technology to other IC manufacturers. Sharp has chip with capacity for 13-22 sec. of male or female voice, plans to use it in \$70 "secretary watch" about size of pocket radio.

Sears pulled out of negotiations to form satellite-to-home TV venture with Comsat (Vol. 20:1 p2). Giant retailer, currently undergoing extensive policy & organizational restructuring to improve profitability, said it's interested in involvement as marketer & servicer of equipment, but doesn't want to be investor (for more details see p. 3).

IC production capacity expansion continues in both U.S. & Japan. Oki plans to spend \$40 million on new plant & equipment in Japan in fiscal 1980, while NEC says it will spend \$120 million on plants in Japan & U.S. Intel has earmarked \$150 million for expansion this year.

SANYO'S RECORD NET: Sanyo reported record consolidated sales & earnings for year to Nov. 30 (Vol. 20:14 p12). Sales rose 14.3%, and increase in net was at record 14.9%. Company said sales in Japan were up 17% to \$1.51 billion, attributed gain to demand for audio & industrial equipment. Overseas sales rose 12%, mainly on strength of foreign production activity, which was valued at \$1.03 billion, up 34%. Total color TV sales were down 8% to \$350.4 million, while tape recorder volume rose 45% to \$411.2 million. Sanyo says it expects to report 13% gain in sales, 33% jump in net for current fiscal year, much of growth to come from worldwide VCR & audio recorder sales, plus expansion of appliance sales in U.S., where it's now producing refrigerators & microwave ovens.

Superscope reported \$300,000 loss in final quarter, its smallest quarterly deficit since it slipped into red in 4th quarter 1977. Sales in period were off 18.5%. For year, sales were down 4%, operating loss up. Loss for 4th quarter & full 1979 was after \$5.3-million reserve for dropping Imperial audio line.

GE reported record first-quarter results, said earnings from consumer products & services were about same as last year, but noted "definite slowdown in the rate of incoming orders" for consumer goods.

CBS attributed bulk of \$4.8-million opening quarter earnings decline to start-up costs for new home video & theatrical films operation, plus foreign-exchange losses. Records Group had increased sales, higher profits.

Sony increased first-half dividend 20% to 6¢ per ADR.

Lafayette received bankruptcy court permission to close 60 of its 68 retail outlets and liquidate their inventory, plans to start close-out sale this week... Morse said creditors have agreed to exchange \$70 in debt and preferred shares for \$8 million cash plus common shares & warrants. Morse will borrow cash payment for plan which will leave company with positive net worth of \$42 million.

FCC denied request by Litton to begin rulemaking for allocation of 10.555-10.675-GHz for microwave ovens. FCC said ITU hasn't allocated band for specific use yet, and U.S. would be responsible for resulting interference from ovens. Band is also under consideration for high-speed MDS data transmission.

Capitol Records will distribute EMI feature film & music videocassettes in both VHS & Beta formats in U.S. starting this June. Company says it plans to offer all units at \$49.95, may switch to variable pricing later. Capitol will start by using outside duplicators, could move that in-house as market develops.

SBA proposes 2,500 as maximum number of employees that TV-radio, calculator, semiconductor, capacitor, resistor & computer equipment manufacturers may have and still be qualified for govt. aid to small businesses.

INFLATION'S BITE: What can turn company's biggest sales year in history into its worst in 5 years? Adjustment for inflation. Just such an adjustment, to show how companies performed over last 5 years in constant 1979 dollars, is now required in annual reports to SEC and impact on historical financial results is startling, at very least.

We picked 3 industry companies as examples—consumer electronics-dependent Zenith, electronics & communications-oriented RCA, conglomerate GE. While all showed dramatic cutbacks in sales improvement after inflation adjustment, Zenith figures show company's relative sales have been falling over last 3 years, not rising as unadjusted numbers indicate.

Zenith's 1979 sales were up 9.7% from 1978 and 24.3% higher than 1975, for 4-year average annual growth rate of 6.1%. But inflation adjustment leaves 1979 sales down 1.3% from 1978, off 8% from 1975, for average annual decline of 2% over 4 years. For RCA, adjustment cuts 1979 sales gain over 1978 to just 1.5% rather than reported 12.9%, and 4-year growth to 15.4% and 3.9% average annual rate instead of reported 55.6% rise and 13.9% 4-year increase rate. As for GE, 1979 increase becomes just 2.7%, rather than 14.2%, compared with 1978, and falls to 18% from 59.2% compared with 1975, for 4-year average growth of 4.5% instead of 14.8%.

Here's how those companies' 1975-79 actual & inflation-adjusted sales compare (totals in millions):

	1979	1978	1977	1976	1975
Zenith					
actual . .	1,075	980	966	947	866
adjusted .	1,075	1,090	1,157	1,208	1,168
RCA					
actual . .	7,455	6,601	5,881	5,329	4,790
adjusted .	7,455	7,344	7,044	6,794	6,459
GE					
actual . .	22,461	19,654	17,519	15,697	14,105
adjusted .	22,461	21,867	20,984	20,015	19,022

Video Corp. of America has acquired most assets of Inovision's recently discontinued duplication operation in Dallas (Vol. 20:9 p11), will operate as Teletronics-Texas Inc., reporting to Thomas DeMaeyer, vp-gen. mgr. of Teletronics Video Services of Chicago. VCA Chmn. George Gould indicated lab would be used largely for industrial video. VCA has duplicating operations in Leonia, N. J. & Chicago, production services in N. Y.

First consumer VCR with electronic "editing" was introduced by Sharp in Japan. Portable unit has MPU timing control to prevent picture breakup between takes; it will sell for 198,000 yen (about \$800) in Japan. Also announced by Sharp is first low-priced camera with high-performance saticon tube at 178,000 yen (\$725) in Japan. Similar camera with vidicon tube is 138,000 yen (\$560).

Atari petition to reconsider FCC waiver of Class I TV device rule to allow Texas Instruments RF modulator (Vol. 20:14 p11) was rejected by Commission.

MORE TV RED INK: Both Magnavox and Sylvania lost money from U. S. TV operations last year, according to annual reports of their respective parents, North American Philips & GTE.

Magnavox Consumer Electronics had 6.9% sales increase to \$405.3 million from \$379.2 million in 1978, but ended 1979 with operating loss of \$3.7 million, up from year-earlier loss of \$2.1 million. NAP says Magnavox unit color sales to dealers slipped 0.2% in 1979, against EIA's reported 3.8% drop for industry as whole, leaving company with increased market shares in both portable & console color.

While Magnavox did get some color price increases, intense competition kept company from fully offsetting inflationary cost increases. Cited as sources of price pressure were increased imports of lower-priced color from Taiwan & Korea, output of Japan-owned assembly plants in U. S. Loss also includes "very significant start-up and introduction costs" for Magnavision optical videodisc player.

While its audio sales were lower, Magnavox increased share of market for modular stereo systems, had "dramatic sales increases" in radio area. Sales of Odyssey video games & cartridges were also strong, company said. Though consumer electronics was in red, for 3rd time in 5 years as NAP unit, Magnavox was highly profitable on consolidated basis. With govt., industrial & CATV operations included, it had after-tax net income of \$8.89 million, up 5.2%.

GTE said U. S. TV business (Sylvania & Philco) continues to suffer from domestic & import competition, has "been unable to achieve prices sufficient to recoup costs."

Corning's report says company had strong worldwide sales of both color & b&w tube glass, but profit margins suffered because of high materials and energy costs. It notes record results in electronic components, says company doubled ceramic capacitor production capacity in 1979, will double it again this year.

Home video conference overkill continues this fall. Latest is 3-day seminar, starting Oct. 26 at Dorado Beach, P. R., sponsored by Bcst. Information Bureau, Film Service Corp. & National Video Clearinghouse. Previously announced, Vidcom meeting in Cannes, France starting Sept. 29, annual ITA seminar opening Oct. 21 in N. Y. . . Annual Product Safety Conference, sponsored by Washington Business Information Inc. is set for June 2-3 at L'Enfant Plaza Hotel, D. C. Among industry speakers are DuMont Voigt, Sanyo Mfg. engineering vp, and Henry Frailey, Corning product reliability & safety vp.

Ad notes: Industry spent \$71.3 million advertising consumer electronics on national TV last year, up 11.8% from 1978, as network outlay rose 19.5% to \$49 million, spending on spots slipped 1.8% to \$22.4 million. Industry spent \$13.6 million advertising accessories & supplies, up 6.7%. . . **Parker Bros.** names Dancer Fitzgerald Sample to handle ads for new electronic toys & games.

EIA membership directory, 1980 edition, is available at \$10 (\$12.50 for overseas orders), from PR Dept., 2001 Eye St. NW, Washington, D. C. 20008.

Consumer Electronics Personals

Walter Williams, GE Housewares & Audio Div. gen. mgr., named vp... **Harvey Schein**, one-time Sony (U.S.) chmn., resigns as Warner vp to join Polygram (U.S.) as pres. May 1... **Robert Hoffman**, ex-GE, appointed GTE Products programs analysis vp, responsible for product-line business studies... **Richard Hanselman**, former RCA Consumer Electronics vp, resigns exec. vp post at Beatrice Foods to become Genesco pres... **Akio Morita**, Sony chmn., to become first foreign member of Pan Am board May 13.

Gene Schillinger, onetime Olympic, Hitachi & Sankyo, joins Dynamic Instrument Consumer Products Div. as national sales mgr... **Roy Irvine** advanced at Radio Shack to Computer Div. hardware buyer... **Nancy Crosby** promoted at Electra to asst. sales administration mgr... **John Pelsinger**, ex-Polygram, named Time-Life Video retail mktg. vp.

Joseph Johnson promoted to RCA Labs industrial relations staff vp... **Herbert Mayer** advanced from planning mgr. to vp-gen. mgr., Belden Cord Products Div... **Richard Powers**, ex-Canon, joins Commodore as head of new Computer Sales Div.

Mergers & ventures: Airco sold resistor manufacturing arm, Airco Speer Electronics, for more than \$5 million to Japanese components producer Koa Denko and Lester Rice, former ASE pres. Koa is 51% owner of ASE's former U.S. distribution operation, renamed Koa Speer Electronics. Plants in Ariz., Mexico & Singapore will be operated by new corporations in which Koa has no ownership... U.K.'s GEC is discussing buying controlling interest in Inmos, govt.-sponsored IC company there. Inmos received \$50 million in govt. start-up aid in 1978, is seeking \$50 million more but is running into opposition. GEC interest in Inmos is being viewed as sign that joint IC production venture with Fairchild, also launched in 1978, may be dissolved by Schlumberger. Schlumberger acquired Fairchild last year... Siemens has agreed to become 49% partner in Hungarian passive components manufacturing venture.

Time-Life Video expects to market pre-recorded cassettes in 13-15 countries this year, has selected U.K., Australia, W. Germany, France, Saudi Arabia & Brazil as some of leading candidates. Criteria included number of TVs purchased and level of VCR imports from Japan. TLV will use retail & direct mail to promote program package similar to Time-Life Video Club in states, plans to take local viewing preferences into account, possibly through acquisition & co-production of original material. U.S. operation, now limited to mail order, is moving into retail stores with product due in 1980. Record distributors, rentals, even TLV direct marketing, will be considered. Last was tried during Great Performances test which preceded current Video Club.

Heath is beefing up involvement in home study business, now offers some 2 dozen courses in electronics and computers, priced in \$40-\$100 range. All come with texts, instructions, audio-visual aids, experiment materials.

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
APF Electronics			
1979-year to Dec. 31	23,317,464	(220,429)	--
1978-year to Dec. 31	30,997,286	116,677	.10
CBS			
1980-qtr. to March 31	967,400,000	13,000,000	.47
1979-qtr. to March 31	828,700,000	17,800,000	.64
Craig			
1980-9 mo. to March 31	96,200,000	170,000	.06
1979-9 mo. to March 31	88,643,000	2,482,000	.81
1980-qtr. to March 31	28,200,000	(1,168,000)	--
1979-qtr. to March 31	24,477,000	236,000	.09
GE			
1980-qtr. to March 31	5,880,800,000	341,500,000 ^a	1.50
1979-qtr. to March 31	5,081,600,000	303,400,000	1.33
General Instrument			
1980-year to Feb. 29	718,103,819	51,130,274	5.90
1979-year to Feb. 28	550,648,002	34,085,522	4.22
1980-qtr. to Feb. 29	204,499,744	14,469,373	1.63
1979-qtr. to Feb. 28	153,465,902	9,040,385	1.11
MGM			
1980-6 mo. to Feb. 29	243,497,000	25,496,000	.78
1979-6 mo. to Feb. 28	254,662,000	36,392,000	1.13 ^b
1980-qtr. to Feb. 29	114,173,000	10,176,000	.31
1979-qtr. to Feb. 28	111,267,000	10,376,000	.33 ^b
MPO Videotronics			
1980-qtr. to Jan. 31	5,024,420	(171,122)	--
1979-qtr. to Jan. 31	5,542,552	105,566	.19
Multimedia			
1980-qtr. to March 31	33,899,000	3,806,000	.38
1979-qtr. to March 31	26,988,000	3,249,000	.33 ^b
Raytheon			
1980-qtr. to March 30	1,197,492,000	65,187,000	1.57
1979-qtr. to April 1 ^c	1,049,801,000	54,136,000	1.31
Tele-Communications			
1979-year to Dec. 31	92,161,000	28,903,000 ^d	2.58
1978-year to Dec. 31 ^c	62,973,000	6,014,000 ^d	.52
United Cable TV			
1980-9 mo. to Feb. 29	32,180,000	4,616,000	1.12
1979-9 mo. to Feb. 28 ^c	21,539,000	2,609,000	.64
1980-qtr. to Feb. 29	11,619,000	1,634,000	.40
1979-qtr. to Feb. 28 ^c	8,256,000	951,000	.23

Notes: ^aRecord. ^bAdjusted. ^cRestated. ^dIncludes special credit.

Wide-open market for telephone terminals will exist by March 1, 1982 under deregulation ruling issued last week by FCC. While giving AT&T & GTE entry into data business, it also requires them to split carrier & hardware manufacturing operations, offer customers buy-rent option on all equipment, show separate charges for service, line & hardware on customer bills. Although ruling should make it easier for consumers to shop around for telephones & accessories and so benefit independent suppliers, it could result in AT&T & GTE becoming more efficient & competitive hardware marketers, possibly pave way for their entry into personal computer field.

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TECHNOLOGY—CLEAR STAR AT NAB: In most ways, last week's NAB convention in Las Vegas was best of 58 held, although attendance may have been down slightly from year ago in Dallas. There were by far most exhibitors ever, smallest number of problems, record attendance at closing lunch, fewest complaints and near universal satisfaction with facilities of host city. "Gee, nobody was complaining about hardly anything, and that's very unusual," according to NAB Pres. Wasilewski. Description of convention as "best ever" was heard repeatedly.

One NAB official said total attendance was 25,000, but officially released figure was 19,575—6,700 broadcasters, 6,875 exhibitors & guests, estimated 6,000 exhibition personnel. This would be a drop from 19,627 in Dallas (where complaints were long & loud) year ago and 20,879 in Las Vegas in 1978.

Clear star of 4 days was technology found in exhibit halls and parking lots (where several earth stations were displayed)—not in formal sessions where complaints about govt. overregulation and industry critics usually dominate. This isn't to say there weren't some of both this to go around (see p. 3 for FCC panel, for example) but nobody seemed to get overly worked up except for bitter attacks on Catholic Conference position on deregulation (see p. 8). It also doesn't mean that some ominous warnings weren't put forth by such as FCC Chmn. Ferris and House Communications Subcommittee Chmn. Van Deerlin (see below). Cable TV got very little mention—most notable being oft-heard charge by Wasilewski of unfair competition and low copy-right fees.

Very little hard news came out of formal speeches of general sessions & workshops, although delegates heard much they wanted to hear as well as some things they didn't. Ferris, for example, warned: "It is not my wish to have government require children's programming. My earnest hope is that commercial broadcasting will provide, without regulation, the range of programs to meet the diverse needs of our society... If, however, it does not, I feel that FCC cannot eternally forbear. This does not necessarily mean we will seek more regulation of your business. But it may mean more active FCC efforts to reduce the barriers to alternative media."

Earlier in speech at closing luncheon—attended by record 4,300 and also featuring Bob Newhart—Ferris was applauded when he said: "I would rather risk the utterance of a few bad words than foster a society of governmentally fettered ideas. You have my pledge to continue to resist the pressure on the FCC to engage in more control of speech on radio & TV. We haven't—and we won't." Main theme of Ferris talk was that industry should embrace, rather than fight, entrance of new technology into marketplace (Vol. 20:15 p1). "If you adapt, you should also expect that regulatory policies can & should be updated or relaxed—that our traditional licensing oversight can be made less onerous and less frequent and that broader programming discretion, and ultimately full parity [under First Amendment] of electronic and print media, can be achieved." TV Chmn. Robert King said (and Wasilewski agreed): "Bring on the wave of new technology... Broadcasters were and will be on the crest."

At earlier session, Senate Communications Subcommittee Chmn. Hollings (D-S.C.) urged FCC to give industry opportunity to improve children's TV output voluntarily. Problem at Commission, he said, is that there's no way agency can define children's TV.

Hollings, when asked for key differences between him and Republicans on pending communications bill (see p. 8), replied there's "agreement on most things. But there is a definite difference with respect to a spectrum fee. That's a difference in amount, rather than approach."

Hollings' view, however, doesn't jibe with that of Sen. Goldwater (R-Ariz.), ranking Republican on Subcommittee. Speaking to engineering luncheon, Goldwater reiterated his continued opposition to any spectrum fee: "I have said consistently that I cannot support legislation which contains such a fee." Goldwater's frustration over getting agreement on bill from Hollings was noted when Goldwater said Hollings' OK is "key."

Goldwater also took off after FCC, complaining about recent AT&T decision, which he said shows Commission "is trying to establish national telecommunications policy by trying to pre-empt Congress and the executive branch." He said FCC should continue to deregulate when possible. "However, nothing... can satisfactorily substitute for congressional action."

Nor was Goldwater happy with preparations by U.S. for international radio conferences. He said WARC preparations "were characterized by the United States' inability to coordinate policy and technology... Our preparations for the Buenos Aires AM radio meeting were characterized by more of the same." DSA winner Donald Thurston repeated that charge, even more forcefully (Vol. 20:15 p1).

House Communications Subcommittee Chmn. Van Deerlin (D-Cal.) again hit NAB for its action on 9 kHz (Vol. 20:14 p2)—as did FCC Comr. Lee at engineering lunch—said that to get deregulation broadcasters must accept more competition. Van Deerlin said FCC has grasped this concept "which broadcasters can't—or won't—accept." Radio deregulation should be "put on the shelf and keep it there until marketplace forces can protect the public interest... I would

never expect you to throw your cap in the air over the creation of more radio outlets. However, a temperate reticence—some well chosen restraint... does not seem unreasonable." Van Deerlin & Lee's criticisms were answered by Wasilewski & Thurston.

ABC Senior Vp-Gen. Counsel Everett Erlick, accepting Grover Cobb Award, said industry isn't doing good enough job of getting its story across to Congress. "If we worked at achieving common objectives more consistently, we could avoid at least some of the pitfalls. Certainly, congressional problems that are rooted in a lack of understanding or a lack of information would be eased," he said.

Equipment display was biggest in history, and if no genuine breakthroughs were shown, there was plenty of interest in new diode-gun cameras, digital switchers, editing systems & ENG gear. In TV equipment, buying interest was centered on Type C 1" VTRs, as broadcasters continued to update equipment to new video recording standard.

Technical excitement at show was centered on coming digitalization of TV, featured in SMPTE workshop (see p. 9). With Type C VTR just becoming ensconced as standard, manufacturers were anxious not to upset applecart by dangling tantalizing views of future digital versions. Only one shown was by Sony, served up with careful explanation that this was experimental unit demonstrated to get input from broadcasters, and that no digital recording system would be offered until there's optimum standard.

One of best-attended—and most acrimonious—technical sessions was workshop on AM stereo, where wide-spread dissatisfaction was expressed with FCC's choice of Magnavox system, which appears to be headed for the courts (see p. 13). Also in radio, RCA Americom announced plan for digital satellite networking to provide multi-channel high-fidelity interconnection, said it was in negotiation with ABC.

Interested Las Vegas observers were NCTA Chmn. Douglas Dittrick and Pres. Thomas Wheeler. "I wanted to see how the other half runs their convention," Wheeler said. Asked about Wasilewski's criticism of copyright fees paid by cable, he said: "I thought they already had buried the hatchet."

Convention opened on unusual note: A 20-min. appeal by Rabbi Marc Tannenbaum (on hand to deliver invocation) for stations to run PSAs promoting contributions to Cambodia Crisis Committee, which hopes to raise \$100 million by Oct. 1. Length of his pleas upset NAB officials since he was supposed to take only 5 min.

FCCers QUIZZED AT NAB: There were no questions duplicated during separate TV & radio workshops with 4 FCC commissioners—Lee, Quello, Fogarty, Brown—during NAB convention in Las Vegas. At lively TV session, questions dealt with direct-to-home satellites, ex parte contacts, pay TV & commercials on public TV, TV Code suit, financial disclosure.

On last issue, Fogarty was in favor, Lee & Quello against, Brown uncommitted. "If I were a broadcaster, I would worry about it," Fogarty said in citing recent deregulation of telephone companies. Quello countered that govt. doesn't set stations' rates; Lee said: "Macys doesn't tell Gimbels."

Fogarty said Comsat direct satellite proposal is "brilliant" development and "I would hate to see localism stand in its way." Brown said that it would cause "curious problems," that FCC shouldn't stand in way of "a serious proposal" but he's not sure Comsat is serious. He didn't see adverse impact on stations, since satellite-to-home would be pay operation. Lee said that Commission might approve it but that Congress is sure to get involved because it could hurt local stations, and "how does a congressman get time if there are no stations?" Quello called for "broad inquiry" by FCC—including possible impact on stations—before any action is taken. (For other satellite developments at convention, see p. 7).

All 4 commissioners urged interested parties to continue to make pitches to them, that only requirement under ex parte rules is that arguments to be written out in advance. "There's a general feeling that there's a complete bar [on contacts with commissioners] but that's not true,"

Quello said. Lee said that under new ex parte rules, his visits have dropped from half dozen daily to half dozen monthly. Brown said ex parte rules aren't great burden; Fogarty called them "absurd."

Commissioners said there are no plans to change present multiple-ownership rules. Fogarty said "I would have some real fears" as a commercial broadcaster over prospect of pay TV and advertising on public broadcasting. He said system should be supported totally from federal funds, and non-commercial stations should get out of fund-raising business.

Lee called Justice Dept. suit against TV Code "ill advised. . . I think they should withdraw the suit and go after some crooks." Quello called it "bad"; Fogarty said that JD has gone after wrong enemy, that FCC should file in court on NAB's side if suit isn't dismissed.

Fogarty called PTAR "ludicrous. . . What we did is make a couple of programmers millionaires." On other hand, Brown said that he is "heartened" that rule has accomplished purpose of reducing network program domination. Given time, it will succeed, he predicted.

Major issues at radio session next day were EEO & AM stereo; other subjects included AM-FM cross-ownership (Brown was for separation when stations change hands, to help minorities; others were against), 9 kHz, radio deregulation (see p. 8) and backlogs.

Brown was applauded when he said "I would ask you to understand my frustration" on EEO. Noting very few blacks in attendance, he suggested: "Look around the room. . . All the Commission is asking you today is to try" to hire & train minorities, said no licensee is running risk of sanctions or losing license on EEO matters. Several small station broadcasters made usual complaint they can't find and/or keep qualified minorities. Added Fogarty: "Broadcasting is indeed a white man's paradise."

CBS Chmn. William Paley told annual shareholders meeting in New Orleans that more than 2/3 of first-quarter earnings drop was due to foreign exchange losses and startup costs of CBS Video Enterprises & Theatrical Films. Publishing & Columbia Groups reported earnings declines, as did Broadcast, which had higher network TV programming and news-gathering costs. Pres. John Backe said Theatrical Films will supply product to theaters and new technology markets; network news and sports were logical sources of videodisc programming; mail-order distributor Columbia House would have major home video role; and teletext presented "significant revenue gathering opportunities." Backe noted sharp increase in 1979 Broadcast Group profits after 2 years of slow growth, predicted that in 1980 network TV ad expenditures would increase 14%, spot 9%, local 12%.

Read your mail, David Brinkley told TV lunch at NAB convention. Paying attention to what viewers think gives insight, leads to better performance of "public service that is expected of us," he said.

ABC's new films will be distributed by 20th Century-Fox with first film delivered to Fox year from now. Fox will issue first 5, but arrangement probably will continue after that.

U.S. Dist. Court in N. Y. upheld FCC's refusal to turn over more radio deregulation documents to United Church of Christ, agreed materials were exempt from FOI act.

Panelists for April 23 House Communications Subcommittee hearing on legislation to bar FCC from considering licensee's ownership of other communications properties during renewal or other proceedings include: Francis Martin, Chronicle Publishing & Bcstg.; Jack Howard, Scripps-Howard Bcstg.; Joe Dealey, Dallas Morning News; Michael Botein, N. Y. Law School; Lee Loevinger, Hogan & Hartson; Erwin Krasnow, NAB; Benjamin Compaine, Harvard; Harriet Kaplan, NRBA; Samuel Simon, NCCB; Richard Shiben, FCC; unidentified FTC representative; Gene Birkle, GAO.

After vote by U. S. Olympic Committee to boycott Moscow Games, NBC cancelled coverage officially, issuing statement even more terse than previous announcements: "NBC has repeatedly said that it would be guided by the policies of the U. S. government and we reaffirm that. We are discussing alternate advertising plans with our Olympic sponsors." USOC vote gave strength to European efforts toward boycott, with West Germany seen as key country. If Olympics are cancelled altogether, IOC would have to pay back \$12 million it has accepted from NBC for TV rights.

Squelching proposal to permit live TV-radio prime time coverage of House budget debates, Speaker O'Neill (D-Mass.) scheduled debates for mornings of April 23-24. House minority leader Rhodes (R-Ariz.) requested evening sessions and lifting TV camera ban, citing public's "very deep concerns over the economy," right to witness "what may well be the most important votes cast by members this year."

'NEWS FOR U's': Two UHF sessions at NAB convention covered govt. policy & technology, and industry's principal concerns focused on cable TV and delays in FCC application processing.

Frank Washington, FCC Best. Bureau deputy chief, gave UHF broadcasters little hope for Commission help in stemming growth of cable and direct broadcasting. "UHF's best protection," he said, "is to provide an innovative and strong local service. Don't expect the FCC to hold back time. You may be able to slow them down, but you're not able to stop them."

On UHF regulation front, Washington stated: (1) "FCC is moving away from" policy of exempting UHF's from radio-TV cross-ownership rules. He said Commission found such exemptions were used in only a few cases in 9 years, and significant number have been sought only in last few years. Now that UHF is more profitable, he said, FCC questions whether exemption is needed. (2) "UHF impact issue"—which arises when VHF drop-ins or power increases are sought—is "being revisited. The issue has been litigated to death, raising a question whether it's been very effective." (3) UHF is benefiting from new technologies and services—"virtually all STV applications are UHF." He also noted interest in teletext. "The industry needs innovation on your part." (4) In application processing, "we've got to educate the staff. We're considering drastic tradeoffs, doing things in a little more cursory fashion." He said staff won't be examining "every logarithm and square root." Commission hopes for more processing speed within 6 months, he said.

Tom Paro, AMST pres., asserted that UHF has been "hurt by the mirage of new technology." He stressed that UHF provides local service and noted that more than 300 applications are pending for some 150 assignments. "The current quest for diversity can be met by UHF," he said. "We should not destroy the locally oriented system." However, he added, "by & large, high marks go to FCC & Congress in aiding UHF."

Donald Zeifang, former NAB senior vp now in private law practice, said FCC "deserves a lot of credit except in the area of cable. FCC may be on the verge of stunting, if not stopping, the growth of UHF by deregulating cable... a hostile environment for UHF." He said that superstations stymie the development of new local UHF; that FCC should consider retransmission consent. He urged UHF's not to be "scared off by FCC's ex parte rules," said they should communicate their views directly to FCC members and staff.

Session suffered from competition of concurrent panels featuring FCC members and congressmen—had only about 25 in audience.

Session on UHF technology stressed developments promising cuts in power costs, improvement in reception. PBS's Dan Wells noted that PTV UHF's average about 900 kw, that he'd like to see them over 2 megawatts, that reduction in power costs would encourage that trend. He said that BBC setup procedures, which broadcasters can "do-it-yourself," increase transmitter efficiency 35-45%, offering

major cuts in power consumption which now run stations up to \$100,000 a year.

Ron Graiff, Lin Bestg., said that new klystron under development by Varian has promise of substantial reduction in power consumption; that other developments—such as new tetrode and modulating anode pulser—may prove valuable. He also complained wryly about "sole source" of klystrons (Varian), he said: "I'd like to talk price. You can't. They talk price."

There wasn't much enthusiasm for circular polarization. Graiff said that it's too expensive, uses much more energy—"and not that much better reception. I don't recommend it for UHF."

Wells said he's "not personally sold on CP. There's not enough evidence in yet."

On reception end, UHF enthusiasts urged govt. intervention. Said moderator Richard Block: "The marketplace is not enough." Receiver makers need the stimulus of FCC and others, he said. Wells said that manufacturers are coming along; that "the world didn't come to an end" because of all-channel law and UHF-VHF comparability rules.

Sylvania's Bailey Neal conceded that manufacturers hadn't done enough 5 years ago but have done a lot since—calling particular attention to random-access tuning. Living in Batavia, N.Y., some distance from both VHF & UHF stations, he said he gets much better reception from UHF. Someone kidded him, asked if he'd trade a V for a U, got big laugh when he said "yes."

Hope was expressed for mast-mounted and indoor amplifiers, discussed in recent Ga. Tech study. Wells noted, however, that they're still high-priced (\$80-\$90), have some cross-modulation problems. He said that Texas Instruments has unit free of cross-modulation.

Other subjects touched on: (1) Master antennas, said Block, are still a problem, often don't cover UHF. (2) De-ghosting is still down the road. Said Neal: "We're not too close to practical implementation." (3) Don Curran, Field Communications, wrapped up session with upbeat note that there's "increased UHF activity worldwide."

Criticizing TvB for attacking radio with "negative meat-axe presentation," RAB Pres. Miles David told NAB convention that some TV stations won't use TvB presentation for fear "it will backfire and help newspapers." He predicted next decade will see more competition for radio ad dollars because of growth in number of stations, but TV also will suffer from "fractionalization" of audience by cable, other new technologies. "It's [TV's] adjustment time is coming," he said, adding radio has head start because it knows how to deliver to specialized audiences.

WMDT (Ch. 47) Salisbury, Md. went on air April 11, raising operating U.S. stations to 1,018 (926 VHF, 392 UHF; 740 commercial, 278 non-commercial). Jean-Paul Audet is pres. & 85.94% owner of WMDT.

VIDEO FEARS IN VEGAS: Sensing concern among broadcasters that new video technologies will divert viewers, speakers during several sessions on new technologies and audiences at NAB convention went out of their way to calm fears.

Leading reassurances was Herbert Schlosser, RCA exec. vp, who spoke at panel on "TV's Fragmented Future." "The reservoir of hours of TV watching is so huge," he said, "that even with some audience loss commercial broadcasting will remain a strong and vital business." Echoing view at same session was Gustave Hauser, Warner-Amex: "Commercial broadcasting will survive handily."

Schlosser said, however, that commercial TV will have to change. "There will be more news and sports programs in prime time and live coverage will increase. . . Audience interest in reality programming will continue to grow and be even more important in the years ahead."

Schlosser outlined previously announced marketing plans for Selectavision disc system, noting movies are key. "Our market studies indicate that people will want to buy discs of classic films as well as recent films." And he said network fare is ripe for discs. "RCA's research indicates that consumer interest in many network TV programs is as great as that for some major feature films." Local programs may make their way to discs also, he said. "A concert taped by a station in L.A., or a children's program from Boston, or a documentary produced in Kansas City could have an afterlife on discs. We are in discussion with several station groups and individual stations."

While Schlosser seemed unworried about programming problem, speakers at luncheon of Broadcast Education Assn. voiced concern. Mel Harris, program mktg. vp, Paramount TV Distribution, said there is no glut of programming. "I don't think it will be a famine, but it's not going to be a feast either. The total number of channels that will open up will make it impossible to fill programming voids. I predict there will be lots of reruns, 'junk food,' because we just can't muster the dollars to do top quality shows."

Regardless of programming problems, Warner-Amex's Hauser thinks many in business are missing point if they're looking at technology: "A willingness to pay for TV may be a bigger revolution than the technological one."

In other session, NAB panel on teletext covered old ground, briefly reviewing British Oracle and Ceefax systems, studies by KSL-TV Salt Lake City of teletext, and recent introduction of closed captioning for deaf on major networks. Panel—consisting of William Putnam, Springfield TV; Thomas Miller, CBS; William Loveless, Bonneville International; Hartford Gunn, KCET L.A.—focused on possible advantages and disadvantages of teletext to broadcasters. "Do broadcasters want to become information services? Take on the attributes of a newspaper? These are some of the questions we've got to ask," said Loveless. He said independent teletext service for individual station would require staff of 10.

Panelists saw main question as one of system standards. "We don't have a choice—we're going to have some kind of teletext eventually," said Putnam. Final standards—now under consideration by EIA subcommittee—will determine costs, flexibility, and eventually amount and kind of regulation by FCC.

Only news came from CBS's Miller, who said CBS teletext test at KMOX-TV St. Louis has been success: "In layman's terms, the tests turned out fine, with very little error rate." He added that CBS plans further tests in "city with tall buildings—and that may or may not mean New York."

PRO-CABLE FCC? Responding to oft-heard complaint that FCC is pro-cable, Cable Bureau Chief Willard (Randy) Nichols told NAB panel on cable that complaint couldn't be further from truth.

Said Nichols: "What is true is that the Commission's philosophy is that it's committed to competition. If anything, it is pro-competition." He noted broadcasters aren't only ones complaining about that philosophy. He said cable industry has complained about decisions allowing foreign and rural telephone interests into cable.

Nichols also told broadcasters there's widespread belief that FCC is considering complete cable deregulation when in fact only syndicated exclusivity and distant-signal importation are being examined. He said Commission hopes to be finished with proceeding "by early summer." (On topic of cable deregulation, Sen. Hollings [D-S.C.] said in speech before NAB that if Commission alters syndicated exclusivity rules, his Subcommittee may hold hearings on matter.)

Asked if he believes Commission could adopt retransmission consent, Nichols said: "I have considerable belief we don't have jurisdiction." After several complaints from broadcasters that cable systems are getting away with syndicated exclusivity violations, Nichols stated Commission will enforce them. Comment was met by moans of disbelief, and Nichols stated FCC has "very few complaints" about violations.

Unprecedented threat to cut Iran's Intelsat communications was made by President Carter at news conference last week. He said: "The United Nations Charter, as you know, stipulates interruption of communications as a legitimate sanction. Accordingly, I am prepared to initiate consultations with the member nations of Intelsat to bar Iran's use of international communications facilities." Comsat declined to comment on whether Administration has contacted it regarding interruption of Iranian satellite communications—extensively used by U.S. networks. Intelsat said: "Our stance is that Intelsat provides the space segment of the international system and the conduct and establishment of links using the satellites are matters for the particular countries concerned."

Cox-GE merger is on FCC agenda April 28. Staff recommends approval, and Comr. Washburn is sole known probable dissenter. At same time, Commission is expected to propose rulemaking that would require those selling AM-FM combinations to sell them to different purchasers.

BUSY WEEK FOR SATELLITES: Satellite equipment manufacturers called NAB their best show to date. With fewer than 10% of TV stations now having satellite gear, potential market looked fabulous. Radio stations seemed even bigger potential market, with manufacturers pushing new generation of ultra-small antennas for stereo networking. Developments in Las Vegas and elsewhere:

(1) RCA Americom introduced Audio Digital Distribution Service (ADDS)—promoted as less susceptible to intersatellite and terrestrial interference than analog audio. ABC is considered prime candidate to inaugurate. ADDS can provide 2 or more network programs simultaneously on nationwide or regional basis, supplying full 15-kHz sound, in stereo if desired, using earth stations of about 3-m. RCA intends to provide end-to-end service, owning and maintaining earth stations (supplied by Scientific-Atlanta). Satellite service is more costly than land-line distribution, but high audio quality and multiplicity of channels will make it worth difference, RCA said.

(2) In move to make satellite services cheaper for radio stations, FCC approved high-power, single-channel-per-carrier service to extremely small earth stations costing under \$10,000. Decision gives green light to use of micro terminals by Teleprompter's Muzak service, MBS & RKO Radio networks and AP & UPI wire services.

(3) GTE filed with FCC for \$198 million satellite system to provide nationwide coverage in the 12/14-GHz bands. Proposed customers: Private companies, govt. entities, carriers, specialized carriers, resale & value added carriers.

(4) Premiere "Flying Saucer" transportable uplink test by Robert Wold's Satellink at Masters Golf Tournament last week was claimed as success—putting good signal through RCA Satcom II—but ended prematurely because of failure of power generator. Problems didn't affect user CBS, which was relying on AT&T facilities for distribution, merely testing uplink. Operational units will incorporate redundant systems to avoid repetition of problems, Satellink said.

(5) New service to deliver syndicated TV & radio programs to broadcasters was announced by Satellink, expanding activities to compete against Group W's Vidsat and RCA's SMARTS. Westar service will count 20-30 cities by Sept., with top 100 markets projected by end of 1981. Cost of 30-min. show: Under \$30 per market to 20 markets, \$20 per market when network reaches 100 stations. One-hour show: \$30-per-market for 100 markets.

(6) Warner-Amex bought rights to Comstar transponder (and to subsequent Satcom transponder when it becomes available) from Total Communication Systems, Pittsburgh—bringing its complement of transponders to 4 (with 3 on Satcom I).

(7) NAB Pres. Vincent Wasilewski told NAB: "Today, a new 'superpower' is on the horizon, in the form of direct satellite-to-home transmission of programming. This is inconsistent with our system of local radio and TV service, a system man-

dated by the Communications Act of 1934. Before the Commission can consider the question, the Congress itself must first determine whether this method of non-local broadcast service is in the public interest."

COMSAT SETBACK: Withdrawal of Sears from Comsat's proposed satellite TV project has set regulators & financial community buzzing about what happens next. Comsat adopted customary profile—saying little—but there's little doubt that hoped-for May filing at FCC will be delayed.

"We continue to think a joint venture is the best way to proceed," said Comsat official. "I don't expect that we will file until we have an appropriate joint venture agreement. But we are continuing with work in preparation for a filing."

There's little doubt that Sears pullout came as unpleasant surprise for Comsat. In interview with our sister publication Satellite Week conducted earlier this month, Comsat Pres. Joseph Charyk sounded optimistic that final agreement with Sears would be forthcoming in time to allow FCC filing in "weeks."

Sears pullout came as retailer announced plans to invest heavily in new retail operations. Sears hasn't explained why it decided not to participate with Comsat; Comsat said it doesn't know basis for Sear's action.

Most speculation last week centered on Mobil's Montgomery Ward as substitute for Sears. Ward has massive retail & catalog network in place, access to capital, experience in TV sales & service. Mobil has corporate interest in TV—has repeatedly criticized existing networks for allegedly biased news coverage, refusal to accept its corporate image advertising, while sponsoring programs on public TV and ad hoc prime time networks. Tandy's Radio Shack also is mentioned as possible partner—but Tandy has never been in TV business.

Comsat said that it wasn't in discussions "yet" with any alternative partner. "We're talked to many companies about being potential suppliers," Comsat pointed out. (Meanwhile, CPB last week voted 11-0 to explore use of direct satellite TV, asking staff for recommendations about how to coordinate its plans with Comsat.)

"Wards would be a logical guess only from the standpoint of what Sears is presumed to be bringing to the table in terms of capabilities," said Wall St. communications analyst. He said best development for Comsat would be for another company to indicate interest—since, in inevitable "regulatory scramble" that will be precipitated by direct TV, "it's hard for me to believe that Congress or the FCC is about to give Comsat, in particular, a quasi-monopoly." Among those who might be interested, he said: Time Inc.

Viacom raised dividend 8¢ to 40¢, plans 750,000-share stock offering to reduce bank indebtedness. First quarter earnings were \$3 million, down \$900,000 from last year's unusual gain (result of forming partnership with Teleprompter).

HOUSE WANTS NO TV-RADIO IN BILL: Influential House Communications Subcommittee members at NAB panel on "What's Going on in Washington" answered session title by telling broadcasters they hope nothing will happen at all.

Message came from Rep. Collins (R-Tex.), ranking Subcommittee Republican, and Wirth (D-Colo.), who is said to have eye on Subcommittee chairmanship. Reason for their wish for inaction on broadcast provisions is that House currently is considering purely common carrier bill, and broadcast provisions would surely bog matter down. "I hope we do nothing in this area," Collins said.

Asked about proposed legislation requiring financial disclosure of station financial pictures, congressmen seemed doubtful about concept and bill's chances. Collins, however, repeated his support for legislation, saying TV news reports profits of oil companies, so stations should also disclose profits. Countered Rep. Moorhead (D-Cal.): "The concept is ridiculous in any field."

Asked about disputes over copyright, members agreed Copyright Royalty Tribunal should handle them. Moorhead, however, said copyright fee to cable systems "has turned out to be much too small." Speaking on Comsat's plans for direct broadcast satellite, Wirth and Moorhead made it clear Congress has lots of questions about matter. Said Moorhead: "I don't think they ought to go into areas of competition with broadcasting without careful scrutiny. I would want to be very careful."

In other congressional panel at convention, "Broadcasters in Congress," highlight was description of what Congress thinks of broadcast lobbyist. Rep. Swift (D-Wash.), former newscaster, gave view: "If not universal, it is a popular view that over the years, the networks have not always appeared with any significant degree of humility."

NABers ROUGH ON CHURCH: Radio broadcasters went beyond acceptable bounds—according to many non-NAB members in audience—in grilling Richard Hirsch, communication secy. for U.S. Catholic Conference, during radio deregulation convention panel. Every question, all very hostile, was directed toward Hirsch, and most questioners received ringing rounds of applause. Most said they were Catholic.

Hirsch said Church opposes deregulation because of FCC's "radical reinterpretation of the public interest standard." (That just isn't so, said FCC Best. Bureau Chief Richard Shiben on same panel.) Hirsch said Commission proposes to relegate public interest to marketplace determinations alone, questioned agency's authority. He also predicted that without 18-min. commercial guidelines, time devoted to ads will swell.

Questions were directed toward well-publicized position of Church and accused Conference of misrepresenting facts (as did DSA winner Donald Thurston on opening day). No one came to Hirsch's defense. Shiben said public interest standard is flexible, has been changed repeatedly in past. He cited former ban on editorializing which "obviously wasn't in public interest."

SENATE BILL NEARS: Long-awaited bi-partisan Senate Communications Subcommittee broadcast-common carrier legislation last week continued to be long-awaited, but spokesmen for both sides last week said they believe bill will be out shortly.

Sen. Hollings (D-S.C.), Subcommittee chmn., told NAB session of his plans to meet with Sen. Cannon (R-Nev.), Commerce chmn., to decide on bill. (They met last week, shortly after Cannon returned from convention where he gave short presentation. On way to convention, Cannon stopped off in Chicago to testify before a grand jury concerning allegations of wrongdoing in connection with trucking legislation.)

As evidenced at NAB convention, there's still major disagreement between Hollings & Sen. Goldwater (R-Ariz.) about bill (see p. 2). Evidence that Republicans are unsure whether there will be agreement last week came out in most unusual fashion. Confidential memo from GOP Subcommittee staffers Ward White & Raymond Strassburger to Goldwater was distributed inadvertently with text of Goldwater speech, in press room at NAB convention. Memo shows staffers want to release bill, even if Hollings & Cannon don't. Says memo: "If Senators Hollings & Cannon refuse to release it and schedule a markup, we recommend that you and Senator Schmitt [R-N.M.] seek Democratic cosponsors and introduce it. A copy of your April 14 speech to the NAB is attached."

Memo also discloses that AT&T has agreed to "restructure Western Electric into regulated and competitive divisions."

MOBIL Vs. CBS: If panel of judges had voted on winner in NAB's "In the Box" session at NAB convention, clear victor would have been Herbert Schmertz of Mobil, whose smooth style and delivery on why networks should allow advocacy ads won him the bout—although it certainly won't get his ads on TV.

Schmertz hammered away at what he said was inadequate news reporting of energy problems, said there's need to get better information to public via ads. He said Mobil "has no intention of interfering with the news."

CBS's Gene Mater said policy isn't aimed only at Mobil: "Permitting the purchase of this limited time for advocacy purposes would allow a few voices—the voices of the affluent—to set the agenda for national debate and exert a wholly disproportionate influence on the discussion of public issues..." Countered Schmertz: "Why don't you experiment? Maybe nobody is interested except the crazy people at Mobile." Replied Mater in what audience thought was his best shot of day: "You're not the only crazy people interested. We have turned down a great many."

President Carter's request that news media minimize presence "as severely as possible" in Iran isn't likely to change network news coverage. Networks said their obligation is to report news. ABC, in strongest reaction, said President "should not tell us what to do or how to do it except in times of war or dire national emergency." Unprecedented appeal doesn't indicate dissatisfaction with coverage, White House aides said, but added Administration favors giving militants less access to TV.

DIGITAL NAB: Onrush of technology is now threatening to outrace broadcasters' ability to manage & control it, and leading industry engineers apparently have succeeded in persuading equipment manufacturers to "cool it" and hold off major attempts to digitalize TV until there's some standardization—preferably worldwide. This was evident in technical sessions, equipment exhibits and engineers' conversations at NAB convention last week.

Although digital black boxes continued to proliferate, manufacturers showed restraint by not attempting to anticipate or preempt standards with major digital systems, such as VTRs. In fact, only one developmental digital VTR was shown—that was Sony's 3rd version. Sony clearly indicated it wasn't pushing it as a product, by sponsoring talk at press luncheon by CBS's William Connolly, chmn. of SMPTE Digital VTR Studies Group, urging delay of any product introductions until standards are formulated.

At Sony press conference and at later SMPTE digital workshop, Connolly emphasized there's finally strong possibility of developing world standard for TV by establishing international system for conversion of complete TV to digital "from imaging through distribution—the all-digital plant, where final conversion to the analog domain (and NTSC, PAL or SECAM color) takes place just prior to broadcast to the home." Connolly urged "technological statesmanship"—compromises by advocates of the 3 color systems—in interest of "having a uniform world standard for digitalized TV & sound." He urged that any digital standard be broad enough to encompass broadcast, cable & ENG systems and improvements anticipated over next 30 years.

Connolly explained digital conversion as coming in 3 steps: (1) "Black boxes... which will perform tasks which could not be performed economically or practically by analog means. This is where we are now." (2) "Digital equipment which competes with already existing analog devices" (VTR, studio switcher, etc.). (3) Complete conversion of the TV system."

Sony's digital VTR was based on Type C 1" machine, with tape speed 1/2 of Type C analog speed and packing density stepped up to 50 megabits per sq. in., highest ever in any digital VCR displayed publicly.

"Technological statesmanship" on digital VCRs appeared to be order of the day. Fernseh, which had been pushing its 1" segmented (Type B) VTR as ideal for conversion to digital, didn't demonstrate digital system. Said Bosch's Henry Zahn: "We could have digital right now, but we are withholding it in the interest of standardization." Since digital capabilities of Type B already have been demonstrated, he said, Fernseh feels it "inappropriate to add to the confusion." He expressed opinion that digital VTR should adopt completely new format—different from either Type B or Type C ("a political decision, not a technical one").

Sony hopes to show developmental digital 3/4" U-Matic VCR at upcoming IBA show in London, said Managing Dir. M. Morizono. He asked input of broadcasters on digital VCRs, promised to avoid

"locking ourselves into a format now," but saw "answers & solutions on the not too distant horizon—say 3-5 years."

All VCR manufacturers—and there are increasing numbers of them—preferred to take orders for new 1" machines than to discourage sales by showing machines of future at NAB, anyway. Highlighting new Type C VTRs was RCA-developed & built MPU-controlled TR-800 with "Supertrack" automatic tracking system and special editing equipment. RCA thus puts own VTR at top of its line, which also contains Sony-built studio & portable units. Hitachi was offering 30-day delivery on smallest Type C recorder, portable (42-lb.) unit, and studio console. 3M offered immediate delivery on NEC console version. Marconi showed console & portable units, built under Ampex license.

Fernseh continued to push Type B segmented 1" with 2 new products—portable cassette version (20 min. per cassette) weighing less than 31 lb., comparable to single 90-min. reel of 2" tape, and automatic cassette changer, accepting up to 32 cassettes, providing up to 16 hours unattended recording or program playback.

If digital TV is in future, digital audio is in present for RCA Americom, which unveiled new ADDS (Audio Digital Distribution Service) for radio networking. Company is currently making pitch to ABC to switch its multiple radio nets from landlines to digital satellite. RCA says digital audio transmission is less susceptible to interference, provides full 15-kHz sound, can pack 20 channels into one transponder. Under ADDS proposal, RCA would supply radio stations with complete service including earth station from Scientific-Atlanta.

PBS Design Engineer Henry Thedick told NAB workshop that digitalized TV signal promises to get maximum use out of satellites, providing at least 2 high-quality programs per 60-megabit transponder, possibly 4 or more. (Other aspects of NAB engineering sessions & equipment exhibits will be covered in upcoming issue.)

"TOCOM 55/Plus" addressable converter, to be introduced at NCTA convention, disclosed in Dallas franchise applications by Cox & Sammons, "may be one of the real breakthroughs—possibly as great as satellite distribution itself," according to Archer Taylor, of Malarkey, Taylor & Assoc. Taylor said he examined TOCOM material in franchise files, said key is that device "demodulates down to baseband then up again." This, he said, has been done fairly well in station equipment selling for about \$2,500, whereas TOCOM equipment appears intended to go for about \$150-\$200. "I'm excited," said the veteran cable engineer. He said his only reservation is whether equipment can work as well as proposed when produced in mass quantities. System offers 55 channels of TV plus 55 of teletext (10 pages each), is said to promise much greater security, remote-control audio volume, per-channel pay-TV control, broad variety of 2-way services, etc.

CBS has licensed digital "Actiontrak" special effects system and noise reducer to NEC/America.

CBS EXPLORES NEWS EXPANSION: Possible expansion of Walter Cronkite evening news by 15 min. and CBS Morning News by 30 min. was discussed by network in Las Vegas April 14 with TV affiliates board and past chairmen of that group. Both affiliates & network stressed that no firm proposals were made, that CBS presented extensive research citing various options. Network had rejected late night news, a la ABC, going in.

However, affiliates were decidedly cool to morning expansion, seemed to reach consensus that more evening news is desirable and in public interest but that expansion to 45 min., or even hour, constitutes major hurdle. Constantly cited was program inventory and local news commitments, time zone difference, feeds, etc.

CBS Affiliate Relations Vp Robert Hoskins said 48 network affiliates now carry hour or more of local news in evening. CBS execs. (with Bcstg. Group Pres. Gene Jankowski leading contingent) had hoped for more positive reception from affiliates board, said it hadn't been decided whether subject will be raised again at affiliates convention starting May 5 in L.A.

Affiliates Chmn. Robert Schmidt, KAYS-TV Hays, Kan., told us there wasn't a "unanimity of feeling... The affiliates were pleased that the network was consulting them... It's goddamn heartening that the CBS position is not one of arrogance." Another affiliate told us: "CBS should announce an hour of news right now because none of us would have the guts not to take it."

Other reactions: "It's not a question of the network trying to cram anything down our throats... It's definitely in the public interest... We live in an era that requires information being passed on to the people." "Probably the 45-min. version is here, but my God a lot of details need to be worked out."

NBC News Pres. William Small said that 45-min. newscast would be "very awkward" for affiliates and that public is accustomed to a 30 min. or hour. "But if CBS goes that route, we'll watch very closely... We watch them closely anyway."

In victory for cable, 4th Circuit Appeals Court in Richmond, in 2-1 vote, upheld FCC relaxation of rules governing signal blackouts by cable TV systems. Decision was seen as limited in impact, not of interest to many cable systems. Also, language of decision was narrowly drawn, not seen creating precedent. Background: FCC created exception to blackout rules for distant signals "significantly" viewed over-the-air in service area of cable systems, permitting simultaneous carriage of duplicative network programming. Broadcasters appealed decision, and 4th Circuit Court stayed effectiveness of rule pending outcome of case. Stay will be lifted when court issues official mandate, probably in May. Impact of decision may be greatest in New England, where conflicts involving significantly viewed distant stations are most common, NCTA said. "It greatly simplifies the cable operator's need to keep track of what signals are being duplicated, where and how," said NCTA Gen. Counsel Brenda Fox.

SENATE FTC OFFERING: First major proposals in House-Senate FTC authorization bill conference emerged last week when Senate conferees announced number of "compromises," including measure using new method for blocking children's ad rulemaking. Letter from Commerce Committee Chmn. Sen. Cannon (D-Nev.) and Sen. Ford (D-Ky.) outlined Senate suggestions on broad number of issues, including legislative veto, funeral practices, standards & certifications and used cars, as well as kidvid.

New kidvid proposal gives up earlier Senate plan of eliminating "unfair" advertising standard in Magnuson-Moss Act, wording on which current FTC kidvid rulemaking is based. New plan, devised by Sen. Danforth (R-Mo.), would allow "unfair" term to remain—but only for TV advertising. In addition, before proceeding with ad rulemaking, FTC would have to: (1) Publish specific text of intended final rule. (2) Obtain certification of some other federal agency, such as FDA or CPSC, that products advertised are unhealthy or unsafe.

Aide to Sen. Ford said that "FTC has scored some on this bill," but reaction from other quarters was skeptical. Action for Children's TV responded swiftly: "Strictures in the Senate proposal effectively destroy the rulemaking by forcing consumers to get a ruling from more than one agency. Big business has won again." Other consumer groups made similar statements, and House Consumer Protection Subcommittee staffers greeted proposals with caution.

Meanwhile, April 30 FTC funding deadline approaches with little movement in House-Senate conference. House Appropriations Committee isn't likely to approve 3rd straight emergency funding for agency, and FTC may be forced to shut down unless conference reaches 11th hour agreement.

Charging that BMI-commissioned survey of TV music usage is "highly prejudicial... and is not proper" in light of pending litigation, All-Industry TV Music License Committee has asked stations not to respond. Committee Chmn. Leslie Arries, WIVB-TV Buffalo, told stations at NAB convention that study, being conducted by Reichman Research, is misleading and "of course, the interviewers do not reveal that the survey is being sponsored by BMI." Arries also questioned recent court decision lost by CBS in fight against blanket licenses (Vol. 20:14 p2). He said alternatives cited by Court as available to networks don't apply to stations which "are truly trapped by the [blanket licensing] system," charged it was "an unreasonable restraint of trade which has foreclosed competition." As for SESAC, he said that firm's recent license fee increase of up to 500% "is nothing short of outrageous."

ABC executive compensation, disclosed in proxy statement: Chmn. Leonard Goldenson, \$750,000 plus \$282,198 securities & insurance plus \$331,112 contingent; Pres. Elton Rule, \$650,000, \$268,139, \$221,488; Senior Vp & General Counsel Everett Erlick, \$308,000, \$99,419, \$81,681; Vp & Chief Financial Officer Michael Mallardi, \$305,000, \$85,292, \$88,442. All directors & officers as group (41 persons) collected total of \$5,151,855, \$1,506,159, \$1,445,257.

Personals

Wallace Jorgenson, Jefferson-Pilot Bcstg., elected AMST chmn., succeeding Frank Snyder, Hearst Bcstg.; William Putnam, Springfield Bcstg., and Fred Paxton, WPSD-TV Paducah, named vice chmn.; George Koehler, Gateway Communications, secy.-treas.; Crawford Rice, Gaylord Bcstg., elected a dir.

Saul Ilson joins NBC Entertainment as vp-variety programs & talent... Kim LeMasters promoted to vp-comedy program development, CBS Entertainment; Scott Siegler to vp-dramatic program development; John Miller to asst. dir.-affiliate promotion, west coast... Jane Parker, ex-MTM Productions, appointed supervisor-prime time series, ABC Entertainment.

Staff changes at CBS Washington office: David Fiske promoted to govt. & media relations dir.; Margaret Hanson moves up to govt. policy development dir.; Charles Oliver, ex-FCC Common Carrier Bureau, named legislative & regulatory policy dir.

FCC Chmn. Charles Ferris addresses TV Critics Assn. June 23, Century Plaza Hotel, L.A.; other speakers include actress Kathleen Nolan, ex-SAG pres. and member of CPB board, and ex-FCC Comr. Nicholas Johnson, now NCCB pres.

Albert Gillen, pres. of Knight-Ridder Bcstg. and Viewdata Corp., also named senior vp of parent Knight-Ridder Newspapers... Jack Muzzle promoted to exec. vp, Jim Gilmore Enterprises; Jim Gilmore III to asst. to pres.

Ronald Steiner, WDHO-TV Toledo gen. mgr., promoted to pres., succeeding Arthur Dorfner, plans unannounced... Carol Myers, ex-WFAA-TV Dallas, appointed program dir., WJLA-TV Washington... Dave Nelson, ex-WBBM-TV Chicago, named program mgr., KYW-TV Philadelphia; Tony Zingia promoted to operations mgr... James Garrett advanced to chief engineer, WKZO-TV-AM Kalamazoo... Eleanor Brown, ex-Group W, appointed personnel mgr., WSB-TV Atlanta.

Phil Donahue will receive AWRT "Silver Satellite Award" June 6 during San Antonio convention; Phyllis Tritsch, ex-American Red Cross, joins AWRT as exec. dir., Washington hq... George Bartlett, retiring as NAB senior vp-engineering, was presented special citation at convention for "over 2 decades of faithful service toward the advancement of broadcast engineering."

Real Therrien appointed vice chmn., CRTCC... Cheryl Neuroth promoted to dir.-research & programming, Avery-Knodel TV... Mike Jablons, ex-Ketchum, MacLeod & Grove, appointed national marketing sales exec., TvB.

Harris Maslansky, ex-Columbia Pictures, appointed pres. of newly formed Motion Picture Div. of Time Life Films... Paul Stager promoted to senior vp-business affairs, Columbia Pictures TV... Winston Cox & Michael Fuchs promoted to HBO senior vps... Cynthia Williams joins Cox Cable as human resources coordinator... Virgil Hemphill, ex-CBS-TV Chicago, appointed vp-programming, Black En-

tertainment Network; Vivian Goodler, vp-affiliate relations, promoted to exec. vp.

Will Wedel appointed vp-industrial relations, Ampex, succeeding Heath Wakelee, now asst. to pres... Robert Donadio promoted to dir.-research & development, BASF Systems... Joseph Culp promoted to vp-gen. mgr., Collins Transmission Systems... Howard Crispin, ex-Scientific-Atlanta, appointed vp & a dir., American TransCommunications... Herman Schloss appointed Ikegami dealer sales & mktg. vp; he's succeeded as JVC Professional Video Div. national sales mgr. by Dan Roberts, ex-govt. sales mgr.

Strong future for commercial TV in 1980's, aided by new technology, was predicted by TvB Pres. Roger Rice at NAB convention. New technology signals "move toward more TV," he said. "With increased viewer acceptance of other TV technologies, overall viewing is likely to increase, perhaps dramatically." What may suffer in next decade is print media, he said, forecasting videotext leading to fewer newspaper readers, revenue & pages "because the TV screen can become an always up-to-date classified section." Final measure of new technologies' impact is allocation of people's time, and TV's share has increased steadily over last decade, now exceeding time spent with all other media combined, Rice said. Also speaking at TvB presentation, BBDO Exec. Vp Larry Light dubbed 1980's "Era of Emotion," said ads will have to be pitched at "function of performance plus emotion," aimed at "Feel Good Generation."

Benjamin Hooks testimonial dinner, sponsored by black communications leaders, is May 12 in Sheraton Washington Hotel. Hooks, former FCC commissioner (first black), is now NAACP exec. dir. Proceeds from \$100-a-plate-dinner go to NAACP youth program. Rep. Van Deerlin (D-Cal.), Communications Subcommittee chmn., is honorary chmn. of dinner featuring The Spinners, keynote speech by Rep. Mitchell (D-Md.). Details: 212-247-1282.

"STV future is at stake," National Subscription TV said in asking FCC to intervene in piracy suit in U.S. Dist. Court in L.A. NST wants FCC to at least file amicus curiae because "public interest requires that the judge have the benefit of the Commission's position on this vital question." Suit seeks to stop 15 L.A. electronic shops and individuals from selling & manufacturing STV intercept equipment.

Tokyo firm, Clarion Corp., bought controlling interest in 2 STV operations, 35% of American STV of Cal., 45% of American STV of Wis. (under contract to Cal. firm). Clarion has 80% interest in 5 American Subscription operations pending before FCC. Price wasn't disclosed.

Oscar-winning movie "Breaking Away" will air on NBC May 5, earliest ever airing of major film on network TV. (Some unsuccessful movies have made earlier TV premieres.) NBC reportedly paid \$5 million for it.

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STATE OF THE INDUSTRY

Sales to dealers (total market), from EIA, for week ended April 4 (14th week of 1980):

	March 29- April 4	1979 week	% change	March 22-28	1980 to date	1979 to date	% change
Total TV	214,985	245,041	-12.3	328,262	3,784,744	4,035,083	-6.2
color	128,997	151,561	-14.9	209,161	2,426,053	2,511,731	-3.4
monochrome	85,988	93,480	-8.0	119,101	1,358,691	1,523,352	-10.8
Home VCR	8,716*	6,057	+43.9	13,561	166,840*	105,403	+58.3

Color TV 5-week moving average: 1980-172,945; 1979-193,255 (down 10.5%).

Home VCR 5-week moving average: 1980-11,546*; 1979-8,142 (up 41.8%).

*Record for period.

VHD SPINNING ON OSAKA-LONDON AXIS: Obtaining first outside ally, U.K.'s Thorn-EMI, JVC-Matsushita VHD capacitance system last week became serious contender in what's now 3-way battle for supremacy in worldwide home videodisc market. Others, of course, are optical disc backed by consortium of Dutch Philips, MCA, Magnavox, IBM & Pioneer, and RCA's capacitance Selectavision, supported by CBS & Zenith.

VHD will be on market by end of 1981 in U.S. & Europe, JVC said in announcing T-E's agreement to "cooperative in all aspects of the promotion" of system, made no reference to Japanese market. Relationship, JVC said, includes production of players & discs, acquisition & production of both video & audio software. With adaptor, VHD system can also serve as digital audio disc player.

Shortage of specifics in announcement means only that details of agreement have yet to be worked out, we've learned. Working group is being formed to make decisions on where production facilities will be located, how distribution will be handled. JVC said it's now talking with other possible hardware & software suppliers.

Timing of relatively vague announcement seemed primarily to give VHD immediate cloak of commercial respectability. Two-year internal fight which raged before Matsushita decided to support format developed by subsidiary JVC, rather than own Visc-O-Pac system (Vol. 20:4 p9), left many in industry wondering whether VHD would ever get backing necessary for significant market push. Alliance with Thorn, which—through acquisition of EMI last year—has worldwide video & audio software clout, puts those doubts to rest. Not least of EMI's assets is Capitol Records, with 2nd biggest disc-pressing facility in U.S.

Ties between JVC & Thorn go back many years, and Thorn now buys VHS VCRs from JVC. Fact that JVC, not parent Matsushita, made announcement has no significance. JVC developed VHS VCR system and is in charge of licensing. Same held true when Matsushita backed JVC's CD-4 discrete quad audio system.

JVC's new connection won't have immediate impact on videodisc industry status quo, although it will force fence-sitters, such as GE & Sylvania in U.S. and all other manufacturers in Japan, to spend additional thinking time before committing to specific format. Our off-record talks with such companies show VHD could get support if its sponsors come up soon with comprehensive software program.

Biggest single concern now is whether existence of 3 totally incompatible disc systems will result in boycott by confused consumers. However that issue is resolved, it seems clear that

few companies will now be willing to invest in hardware production equipment, and it's likely many firms will be relying on outside suppliers for players, as most U.S. manufacturers now do for VCRs.

In Europe, where Philips is leading new drive to limit color imports from Japan, move can only serve to reinforce fears that Japanese, through use of factories and other ties in U.K., plan to dominate consumer electronics market on Continent.

Only formal comment on JVC agreement came from RCA, which said there's no change in plan to introduce Selectavision here next year and expand into Europe. Statement noted that RCA has worldwide rights to many of programs it has lined up for disc. Commenting on RCA's disc sales plans at NAB convention in Las Vegas last week, Vp Herbert Schlosser said RCA first will offer "fast mail-order fulfillment" to consumers who want discs not stocked by dealers

First official indication Philips plans entry into disc software field here came in announcement from North American Philips that responsibility for program management & coordination of all aspects of NAP's videodisc activity was being assigned to Vp John Messerschmitt. He'll have direct control for "development of new business activities in mastering & replication, program/software acquisition, as well as the applications of the videodisc technology in the non-consumer markets." We noted last Aug. that Philips planned disc plant here (Vol. 19:34 p8). Announcement also provides first sign NAP plans to compete with Discovision Assoc. in educational & commercial market. Prime responsibility for production & marketing of consumer player stays with Magnavox Pres. Kenneth Meinken, while NAP Vp Robert Cavanagh retains role in technical policy area.

Magnavox, meanwhile, is being sued for breach of contract by Optical Coating Labs. OCL charges Magnavox wants to make substantial changes in terms & scheduling of multi-year \$13.9-million contract to purchase optical components for its videodisc player. Complaint says Magnavox ordered 515,000 optics sets, most for delivery starting this fall. OCL claims Magnavox failed to deliver promised test equipment, refused to accept & pay for optics shipped, won't pay for startup costs. Magnavox & NAP had no comment on suit.

AM STEREO—2 MONTHS OR 2 YEARS OFF? FCC's choice of Magnavox AM stereo system (Vol. 20:15 p8) was not widely hailed at last week's NAB convention, and "guess" by FCC Bcst. Bureau's Wilson Lafollette that stereocasting could start in 2-4 months was clouded by prospects of at least 3 petitions for reconsideration and possibly 2 lawsuits to upset decision. Engineer Harold Kassens, who headed industry's National AM Stereo Radio Committee, gloomily estimated start of AM stereo could be delayed 2 years.

Although dissatisfied with decision, many broadcasters & manufacturers attending workshop on AM stereo at Las Vegas convention felt choice of system was better than nothing—or better than everything, namely Bcst. Bureau's recommendation that FCC authorize stereocasting using all systems and let marketplace dictate survivor. FCC ultimately followed recommendation of Office of Chief Scientist, which rated systems on point basis. After Magnavox, we've learned, came Belar, Motorola, Harris & Kahn systems in that order.

Lafollette said report formalizing choice of Magnavox would be issued in about month, could be effective in 2 months, after publication in Federal Register. But he added it probably would take 30-60 days after application for FCC type-acceptance of stereo exciter equipment. Thus most optimistic timetable would take 4 months. He didn't include in estimates any requests for reconsideration or petition expected from EIA to postpone starting date until June or Sept. 1981 for orderly transition.

Some engineers at heavily attended workshop complained that Magnavox system didn't fare well in field tests, and Chief Engineer Robert Reymont of WGAR Cleveland, where system was tested, agreed that there were "pops" when 95% negative modulation was reached. Magnavox's Robert Streeter said that company "has not encountered any situation it perceives as a major operational problem" and that popping resulted from "hardware difficulty in controlling negative peaks in older transmitters."

Heavy applause greeted comment from audience by Leonard Kahn, whose system was rejected: "I think we've got a problem. . . My plan is to convince the FCC not to do this so they can give you AM stereo that works." Kahn also spoke at radio workshop featuring Comrs. Lee, Quello, Fogarty & Brown—as did several engineers, who claimed choice of Magnavox system was wrong. Lee & Quello told engineers to convince them they're wrong and they'd change vote. Kahn said he would seek oral argument before FCC finalizes decision.

As for equipment for system, Streeter foresaw "considerable price range with various levels of performance," and receivers of "economic design." Request for production plans brought these comments from manufacturers in audience: National Semiconductor—receiver chip to be available Aug. 15 in response to "groundswell, particularly from SE Asia." Motorola—although "we have some concerns about the Magnavox system," can have chips in 3rd or 4th quarter, receivers (presumably automotive) in first quarter 1981. GE—not currently in stereo receiver business, but will "look into it." Delco—no comment.

Asked whether FCC action really was "final decision" for Magnavox system, Lafollette noted petitions for reconsideration would be permitted, but "to receive serious consideration, the filings must contain new information to convince the Commission it has made the wrong decision." He noted FCC's report will include "discussion on the marketplace philosophy" of choosing all systems in future proceedings—which could get another test this week when Commission considers quadrasonic FM.

Broadcaster interest in AM stereo was evident in large attendance and when NAB Engineer Chris Payne asked for show of hands by those interested in stereocasting AM, at least 100 shot up.

ACTION IN ZENITH, DUMPING SUITS: Zenith \$1-billion antitrust suit against Japanese consumer electronics manufacturers moved step closer to trial last week, while Justice Dept. TV dumping-duty collection action against many of same Japanese companies moved step backwards.

Zenith won one, lost one, in rulings by Philadelphia Federal Dist. Court Judge Edward Becker who: (1) Rejected defendants' claim that as foreign companies they're not subject to U.S. antitrust laws. (2) Dismissed portion of Zenith's claim for damage stemming from alleged violations of 1916 Antidumping Act.

Pending result of appeal, Becker's ruling means dumping issue won't be brought up when case goes to trial. That's considered important victory for Japanese, who, Treasury found in 1970, were indeed selling TVs in U.S. at dumping, or less-than-fair-value, prices. Act of 1916 provides that penalties in addition to extra duties be assessed against dumpers under certain circumstances, a provision not included in more recent laws. Becker took narrow position that wording of 1916 Act requires dumping of products identical to those sold in home & export markets, and that Japanese TVs and other AC-powered electronics sold here weren't physically same as those offered in Japan, noting differences in tuners, power supplies. Stating "there is a substantial ground for difference of opinion," Becker certified his interpretation for immediate appeal. Zenith is slated to ask for Appeals Court review this week.

Justice asked for 60-day extension of April 15 deadline to amend dumping-duty collection suits it brought in 7 different courts against 34 importers and bonding companies last Sept. (Vol. 19:39 p8). As filed, suits claim some \$33 million is owed on Japan-made TVs imported before July 1973. Since suits were brought, however, Treasury, Customs & Commerce processing of importer protests on dumping assessments have cut sum actually owed to about \$8 million (Vol. 20:10 p10).

In support of extension request, JD submitted affidavit of David Chapman, responsible for duty recalculation at Commerce. Chapman said computer problems, clerical errors and other complications have held up recalculation effort, prevented issuance of necessary reliquidation notices to various Customs Districts. Most, but not all, reliquidation information was slated to go out April 15, Chapman asserted, but "no exact date by which reliquidation will be completed can be given."

EIA SHOWS COLOR PRICE UP \$10 IN 1979: Following 3 years of price stagnation, average factory value of domestic-made and imported color TVs jumped \$9.98 last year, 3rd biggest rise in industry history (after \$25.04 leap in 1975, \$15.03 increase in 1966), according to EIA estimate. B&w average dropped \$1.03.

Average pricing is derived from "Consumer Electronics 1980 Annual Review," just published by EIA Consumer Electronics Group. Booklet indicates that value of traditional consumer electronics market, at production-plus-import level, dropped 0.3% last year to \$9.27 billion, from record \$9.3 billion of 1978.

Only continued strength in audio equipment kept industry from suffering more substantial overall market-value decline, as TV dropped 3% to \$4.18 billion, with color down 3.2% to \$3.26 billion, b&w off 1.2% to \$565 million. Also on downside was value of radios, off 9.3% to \$440 million, and phonos, down 10.5% to \$725 million. Largest increase was for audio tape equipment, up 7.7% to \$2.13 billion, while auto radios rose 7% to \$623 million and audio components increased 3.1% to \$1.18 billion.

EIA figures put average factory production value of color TV at \$359.99 last year, up from \$350.01 in 1978, and b&w average at \$83.92, down from \$84.95. Color TV data in recent International Trade Commission reports, based on factory sales rather than production totals, indicate total 1979 color market value of \$3.48 billion, down 1.7% from \$3.54 billion of 1978, putting average value at \$356.45, up \$1.81 from \$354.64. Here's historic rundown on average TV pricing, based on EIA figures (non-U.S. manufacturer brands not included before 1971):

Year	Color	Monochrome	Year	Color	Monochrome
1960	\$391.67	\$131.92	1970	\$316.54	\$75.07
1961	380.95	124.62	1971	323.76	81.21
1962	351.60	128.24	1972	319.39	78.77
1963	345.88	117.95	1973	307.52	76.74
1964	347.58	109.35	1974	316.01	79.06
1965	356.28	105.79	1975	341.05	83.97
1966	371.31	98.16	1976	349.04	88.93
1967	362.21	92.48	1977	349.96	89.00
1968	335.64	74.19	1978	350.01	84.95
1969	328.08	77.84	1979	359.99	83.92

SOUNDESIGN REPORTS: Reduced profit margins, \$2-million rise in interest expenses, lower earnings from foreign operations, were primarily responsible for Soundesign's 26% drop in 1979 earnings to \$741,000, company says in annual report. Company says it increased borrowing last year because of slowdown in payments by customers. General decline in market for audio equipment forced Soundesign to launch inventory-liquidation program last year, and it plans to continue stockpile reduction through first half 1980.

Soundesign apparently was industry's largest independent marketer of mid-fi audio equipment, with total sales of \$128.3 million, up 16.6%. Sales breakdown by product shows compacts at \$75 million, up 10.3%; consoles \$33.3 million, up 14%; component systems \$20 million, up 56.3%. Sales of clock & table radios dropped 20.7% to \$13 million, portable radios fell 19.6% to \$9 million, while other products & accessories rose 92.3% to \$11.5 million. Soundesign said order backlog, as of March 5, was \$23.5 million, down from year-earlier \$27.2 million.

Gould enters consumer rechargeable battery market with nicads priced from \$2.25 for AA to \$8.50 for 9-volt. Recharger is \$4.50.

Pre-recorded cassette trial conducted by rack jobber Pickwick International will be expanded to include 10-15 new locations, bringing Videoworks total to near 70. Among participants will be record discounters, not part of original sample (equally divided among department stores, Sears outlets and mall record shops). American Can subsidiary worked with Magnetic Video in stocking stores in Minneapolis-St. Paul, L.A., San Francisco & San Diego, approves quality of titles supplied during 3-month test, but worries that as cassette & disc competition intensifies, program distributors will begin to push product regardless of sales potential—same problem as in record industry. Pickwick Video Gen. Mgr. Robert Mitchell said mass merchandisers need better profit margins to enter field now dominated by specialty outlets, suggested buying service to end confusion caused by too many distributors. Meanwhile, Fotomat survey of some 1,300 customers, mix of those who have & haven't rented cassettes, confirms competition of pay cable & STV as factors in VCR market, according to Video Operations Vp Stephen Wilson. Wilson thinks pay TV "is the competitive issue facing the industry." Result of study will be further tests of rental prices, now around \$14 for first-run major titles.

FIRST 1980 REPORTS: Cost-price pressures in color TV industry intensified through first quarter, according to financial reports, which indicate both Sylvania & Magnavox remained in red, although RCA increased earnings.

RCA, with help from new subsidiary CIT Financial, reported record sales & earnings (see financial table), though increase in net was held down by higher interest & R&D expenses, start-up costs for Selecta-vision videodisc system. RCA said Consumer Electronics Div., Service Co., Globcom, Americom & Govt. Systems Div. all had improved results, while NBC had slightly higher earnings.

Magnavox Consumer Electronics, which suffered loss last year, had lower sales & earnings in quarter, parent North American Philips said. NAP showed 7.1% rise in net on 8% sales gain, said there was sharp sales & earnings gain in components business. NAP said there were "significantly increased expenses" in Magnavision optical home videodisc program. Results for 1979 included special \$1.54-million gain from sale of Magnavox operation in Mexico.

Sylvania U. S. consumer electronics operations results were released for first time in quarterly report of parent GTE. This stems from sale of most of European operation to Thomson-Brandt of France (Vol. 20:13 p12). Report shows domestic consumer electronics segment (Sylvania & Philco TV, Sylvania audio & picture tubes, components) suffered 74.3% drop in operating net to \$562,000 from \$2.19 million in same 1979 quarter, although sales rose 15.7% to \$174.1 million from \$150.5 million. GTE blamed decline in net on lower margins in certain segments of components operation. It's understood unit is profitable in picture tubes & components but loses money in TV.

GTE statement includes breakout showing net operating results of consumer electronics operations outside U. S., primarily those sold to T-B. They had operating loss of \$15.9 million in 1979, showed profit of \$13.6 million in 1978 and \$4.7 million in 1977, posted loss of \$8.8 million in 1976 and \$22.9 million in 1975. Comparison of those figures with financial data released earlier indicates U. S. consumer electronics operation had net profit of \$7 million last year and \$4 million in 1978, showed loss of \$6 million in 1977, \$7 million in 1976, \$4 million in 1975. On consolidated basis, GTE had 56.1% decline in net, due mainly to \$85-million reserve to cover loss on sale to T-B as well as revaluation of other foreign consumer electronics-related assets.

Rockwell report shows company had loss of \$1.3 million in 2nd quarter last year, \$3 million for 6 months, from now-discontinued Admiral operations.

Texas Instruments said improvement in first-quarter results was held down by decline in consumer products, and it expects that segment to "soften more this year." TI said it expects to raise capital spending 31% to \$570 million, R&D outlay 27% to \$170 million, this year.

RIAA's 12th annual Cultural Award went to FBI for combatting recording piracy & counterfeiting.

HIGH-SPEED CASSETTE PRINTER: Matsushita demonstrated pre-production prototype of high-speed videocassette duplicator last week in Las Vegas during NAB convention, promising delivery in 2nd half of 1981. Representative of one major tape-duplicating house called it "fine machine," but added: "I don't know if it addresses our needs."

VTP (videotape printer) uses contact-printing technique to duplicate 2- or 4-hour cassette (T-160) in 4 minutes. Unit consists of 2 consoles—recorder, which makes mirror-image master on high-coercivity (2,000 oersteds) metal-cobalt tape (\$40,000) and printer (\$60,000). Master tape is contained in single-reel EIA-J cartridge. Printer accommodates up to 12 blank VHS cassettes in hopper. Printer automatically snips tape from leader, winds blank tape around drum with master tape, makes duplicate by contact under 900-oersted magnetic field, rewinds tape into cassette, resplices leader, drops duplicated cassette into bin. Single master will make 1,000 copies, is said to cost about \$400 for 2- or 4-hour length.

Tape samples we viewed after duplication appeared to be of excellent quality, except for occasional dropout; Matsushita officials said these would be eliminated in final version, which they claimed would produce copies superior to current master-slave "head-to-head" system.

One tape duplication engineer said printer would "represent about twice the investment of the industrial recorders we're using to make the same amount of copies; we'd face a million-dollar investment for 10 sets of machines." He said his company would be more interested in machine which replicated tape out of cassette, using tape pancake. Matsushita engineer told us it would be "technically possible" to develop pancake-type machine. Duplication-house official withheld final judgment on machine pending such further data as useful life of master-tape material and whether new printer would eliminate need for quality checks on every duplicated tape.

Some 92% of TV stations surveyed—or 844—are using VIR color test signal, GE's Michael Palladino told NAB workshop on TV receiver developments. Of those, 87% use signal at master control, 67% use it 100% of time. However, only 46% of the 816 stations using network-transmitted VIR actually use it to make own corrections of chrominance, amplitude & phase. Palladino, who is chmn. of EIA TV Receiver Engineering Committee, said field tests of stereo TV sound would be held this summer at Chicago location provided by Quasar. He said "significant improvement" in audio performance of receivers is proliferating, forecast that next move would be inclusion of audio output jacks in all sets. Zenith's Carl Eilers forecast all-out effort to reduce ghosts electronically, keyed to start of various videotext services. Sylvania's Baily Neal cited use of random-access tuning in virtually all sets. In discussion of use of comb filters, both Neal & Eilers noted it doesn't always accomplish objective of increasing resolution, may introduce new problems.

20-HOUR BETAMAX: Sony will show "Betastack" videocassette changer next week at Scottsdale, Ariz. new-product introduction, to provide up to 20 hours of recording or playback on current Betamax VCRs. Accessory accommodates stack of up to 4 cassettes, can be used in record, playback or rewind mode. Used with SL-5600 programmable VCR, it makes it possible to record up to 4 different programs, each on separate cassette, over 2-week period while user is on vacation. Betastack can be attached by consumer with screwdriver. Although no price was announced, similar changer announced recently by Sony for use with older models is \$125 (Vol. 20:11 p10).

Japanese manufacturers continue to raise goals for U.S. VCR sales, meanwhile. JVC plans to sell 80,000 units here this year, up from 15,000 in 1979. Sharp has goal of increase to 10,000 monthly by end of Aug. after introduction of new models at CES. Hitachi, still selling mainly on West Coast, plans to go nationwide in 2nd half, sell 22,000 this year.

Worldwide sales continue strong, with inventories in Japan reportedly at good level, April production said to be at full-capacity of 300,000. March output was about 280,000, Feb. 259,000, Jan. 191,000. This year's production is being estimated at 3 million.

TDK announced it would emphasize production of VCR heads, doubling business within year and reaching monthly level of over \$6 million by 1983.

Rental of VCRs & disc players, as well as software, was proposed by Sharp TV/VTR Gen. Mgr. Robert Whitehouse as key to growth of consumer market. In statement, he said lease or rental would help eliminate obstacles to "healthy development" of business—lack of standardization, pricing, continued availability of software. "If the consumer can rent a videodisc & player for \$10 a night, he can see 50 movies before the purchaser of a \$500 machine can even see his first," said Whitehouse. He said Sharp research shows public would try rental, particularly if coupled with option to buy.

Solid-state cameras at NAB convention: RCA showed developmental CCD color camera using 3 chips, demonstrating good performance, will make "commercial announcement" on availability for education & training late this year. Spokesman said it probably actually would be available in about 2 years at \$7,000-\$10,000 and that company's ultimate goal is \$500 consumer unit. RCA Labs demonstrated progress toward single-chip color camera last month (Vol. 20:12 p8). Hitachi showed previously demonstrated 3-chip MOS color camera, gave no availability date. NEC announced commercialization of CCD b&w camera with picture "equivalent to or sharper" than that produced by conventional high-sensitivity tubes. Unit will be priced in next 2 months.

A \$100,000 reward fund, to pay for information leading to arrest of record & tape pirates and counterfeiters, has been established by Warner. Company said recent survey of 500 retail outlets shows 90% carried some bogus stock.

WEEKLY Television Digest

with
Consumer Electronics ...

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Consumer Electronics Personals

Kazuo Iwata advanced at Toshiba to chmn., succeeding **Keizo Tamaki**, retiring; **Shoichi Saba** promoted from exec. vp to pres., replacing Iwata. Moves are subject to approval at June 30 annual meeting... **Stanley Moger**, SFM Media exec. vp, adds post as pres. of SFM Entertainment, formed to handle TV programming sales to home, broadcast, CATV & satellite markets.

Kjell Hagemark, former 3M Central Research Labs research mgr., appointed lab mgr. for optical videodisc recording project of Magnetic Audio-Video Products Div. ... **Pamela Arnest** advanced at Columbia Pictures Videocassette Services from sales rep to industrial sales mgr.; **Jack Weinberg** & **Kenneth King** named sales reps. ... **James Unruh**, ex-Fairchild Camera, appointed Memorex finance vp. ... **Will Wedel**, Ampex industrial relations dir., named vp.

Michael Pluchino, S/T Videocassette Duplicating, joins Sharp Consumer Electronics Div. as national service mgr. ... **Hughton Salmon** advanced at Sony Video Products to east region technical rep. ... **Robert Barnes**, ex-Yorx, is now Sonic International sales & mktg. vp. ... **Stephen Richardson** named Buckbee-Mears asst. controller. ... **Tarra Thomas** joins Lewis & Assoc., L.A. ad & PR agency, as vp.

Hitachi's Singapore color tube manufacturing plant officially opened last week. Built in partnership with Singapore Economic Development Board, plant started pilot production at end of 1979, is now ready to produce 30,000 monthly, is slated to have 60,000 monthly capacity in 1982.

Yates Industries has agreed to become 49% partner with local interests in copper foil plant in Yugoslavia. Output will be sold to East European circuit-board producers.

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
Bell & Howell			
1980-qtr. to March 31	139,840,000 ^a	5,669,000 ^b	1.01
1979-qtr. to March 31 ^c	122,147,000 ^a	1,023,000	.18
Buckbee-Mears			
1980-qtr. to March 31	2,040,000	982,000	.32
1979-qtr. to March 31	17,243,000	818,000	.27
Conrac			
1980-qtr. to March 31	37,319,000	1,658,000	.75
1979-qtr. to March 31 ^c	29,894,000	917,000	.40
Fotomat			
1980-year to Jan. 31	207,384,000	(4,690,000) ^d	--
1979-year to Jan. 31	192,474,000	6,299,000	.77
1980-qtr. to Jan. 31	53,824,000	(4,681,000) ^d	--
1979-qtr. to Jan. 31	46,657,000	(1,057,000)	--
GTE			
1980-qtr. to March 31	2,630,199,000	65,060,000 ^d	.38
1979-qtr. to March 31	2,255,931,000	148,332,000	.97
Gross Telecasting			
1980-qtr. to March 31	2,714,871	712,194	.89
1979-qtr. to March 31	2,274,686	512,286	.64
Harte-Hanks Communications			
1980-qtr. to March 31	65,804,000	3,651,000	.39
1979-qtr. to March 31	51,393,000	3,131,000	.34
E.F. Johnson			
1980-qtr. to March 31	10,829,000	1,973,000 ^b	.75
1979-qtr. to March 31	9,238,000	160,000 ^b	.06
Kansas State Network			
1980-6 mo. to Feb. 29	10,833,000	3,858,000 ^b	2.05
1979-6 mo. to Feb. 28	9,830,000	1,080,000	.60
1980-qtr. to Feb. 29	4,992,000	3,225,000 ^b	1.71
1979-qtr. to Feb. 28	4,693,000	464,000	.26
Lee Enterprises			
1980-9 mo. to March 31	68,191,000	6,633,000	.92
1979-9 mo. to March 31	57,382,000	6,722,000	.93
1980-qtr. to March 31	31,468,000	2,149,000	.30
1979-qtr. to March 31	26,265,000	2,429,000	.34
LIN Bcstg.			
1980-qtr. to March 31	12,889,000	2,435,000	.88
1979-qtr. to March 31	11,186,000	2,168,000	.79
Meredith			
1980-9 mo. to March 31	263,370,000	17,249,000	5.54
1979-9 mo. to March 31	240,942,000	12,338,000	3.99
1980-qtr. to March 31	92,590,000	6,266,000	2.01
1979-qtr. to March 31	83,571,000	4,761,000	1.54
Metromedia			
1980-qtr. to March 31	107,369,000	8,300,000	1.80
1979-qtr. to April 1	95,343,000	6,883,000	1.50
Motorola			
1980-qtr. to March 31	753,515,000	41,972,000	1.35
1979-qtr. to March 31	612,561,000	36,135,000	1.16
North American Philips			
1980-qtr. to March 31	592,379,000	15,920,000	1.22
1979-qtr. to March 31	546,129,000	14,804,000 ^b	1.14
Owens-Illinois			
1980-qtr. to March 31	938,021,000	26,510,000	.90
1979-qtr. to March 31	816,599,000	17,988,000	.60
RCA			
1980-qtr. to March 31	1,969,100,000	78,700,000 ^b	.89
1979-qtr. to March 31	1,792,100,000	62,100,000	.81

Company & Period	Revenues	Net Earnings	Per Share
Rockwell International			
1980-6 mo. to March 31	3,314,000,000 ^a	148,400,000 ^b	4.04
1979-6 mo. to March 31	2,981,100,000 ^a	129,600,000	3.66
1980-qtr. to March 31	1,755,000,000 ^a	79,700,000 ^b	2.16
1979-qtr. to March 31	1,546,600,000 ^a	64,900,000	1.83
Scientific-Atlanta			
1980-9 mo. to March 31	138,874,000	8,717,000	1.79
1979-9 mo. to March 31	90,193,000	5,344,000	1.27 ^e
1980-qtr. to March 31	48,902,000	3,518,000	.67 ^e
1979-qtr. to March 31	32,962,000	1,913,000	.44 ^e
Scripps-Howard Bcstg.			
1980-qtr. to March 31	16,547,000	3,414,000	1.32
1979-qtr. to March 31	14,654,000	2,833,000	1.10
Seaport			
1979-year to Dec. 31	24,173,586	48,038	--
1978-year to Dec. 31	23,139,796	141,063	.02
Tandy			
1980-9 mo. to March 31	1,063,665,000	81,822,000	3.24
1979-9 mo. to March 31	934,369,000	63,227,000	2.47
1980-qtr. to March 31	325,032,000	21,943,000	.89
1979-qtr. to March 31	276,117,000	12,779,000	.49
Texas Instruments			
1980-qtr. to March 31	956,443,000	50,336,000	2.20
1979-qtr. to March 31	720,800,000	38,181,000	1.68
Time			
1980-qtr. to March 31	664,010,000	28,307,000	1.00 ^f
1979-qtr. to March 31	536,090,000	26,608,000	.95 ^f
Viacom International			
1980-qtr. to March 29	31,253,000	3,025,000	.74
1979-qtr. to March 31	24,311,000	3,957,000 ^b	1.04
Walt Disney Productions			
1980-6 mo. to March 31	403,586,000	58,666,000	1.81
1979-6 mo. to March 31	341,357,000	43,750,000	1.35
1980-qtr. to March 31	218,103,000	33,013,000	1.02
1979-qtr. to March 31	186,685,000	25,743,000	.79
Warner Communications			
1980-qtr. to March 31	427,040,000	35,015,000	1.23
1979-qtr. to March 31 ^c	435,144,000	30,818,000	1.16 ^e
Wometco Enterprises			
1980-qtr. to March 22	69,303,000	3,745,000	.42
1979-qtr. to March 24 ^c	63,536,000	3,398,000	.40

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

Recession has probably begun, said President Carter last week, and EIA sales figures for 2nd April week are expected to reflect it. Both color & monochrome sales to dealers for week ended April 11 were lowest reported for any single week since beginning of June 1978. Color sales of 117,300 were down 20.1% from year earlier, b&w sales of under 73,000 declined 19.5%. Home VCR sales, at 7,300, were up 41%. Tightening of consumer credit apparently is responsible, as bank cards and some stores began increasing charges. Sears said confusion over credit restraints is hurting retail sales.

All Sylvania color tubes made in U.S. now have pigmented phosphors to improve contrast. Although pigmented phosphors were first used commercially by RCA, Sylvania says it employs new process which produces significantly stronger pigment-phosphor bonds and has reduced particle size, improving color dot & line definition.

WEEKLY

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SUMMARY-INDEX OF WEEK'S NEWS

Broadcast

GE FIGHTS TO KEEP COX merger alive after Cox says 'terms & conditions' can't be met. Both parties accuse other of misrepresenting negotiations. FCC meets on merger April 28. (P. 1)

OIL & HOLLYWOOD: Getty Oil & 4 studios plan to launch pay-TV service. HBO main target, calls venture 'patently illegal,' as do others. Main objection: 9-month freeze on movies released to competitors. Justice will investigate. (P. 2)

PROS & CONS ON RENEWAL BILL: Bill banning consideration of cross-ownership in renewal proceedings gets lukewarm FCC reaction, support from broadcast-newspaper owners. (P. 4)

FTC KID AD SURVIVES: Possible reprieve for kid ad rulemaking as Carter tells House-Senate conferees he won't sign bill which 'terminates major proceedings.' Bill expected this week. (P. 4)

RELIGION ON THE AIR: United Methodist Church plans to buy VHF station, run it as 'ethical model;' Catholics are buying spot ads; Faith Center is selling out. (P. 5)

CHINA-COMING & GOING: Ferris-led FCC contingent of 15 arrives in China late this week shortly before Geller-led group leaves. (P. 6)

GE FIGHTS TO KEEP COX MERGER: Half-billion dollar Cox-GE merger—18 months aborning—was about to be aborted at weekend when Cox Bcstg. issued 2 sentence press release stating merger was "being abandoned since it did not appear to be possible to satisfy all the terms and conditions." GE immediately launched counterattack at FCC, saying Cox had made demands GE couldn't meet in attempting to upgrade price.

GE said it increased offer "very substantially" in effort to get Cox to close under "preliminary order" from FCC, but that parties remained "pretty far apart" and GE "cannot justify the transaction on the terms requested by Cox." Neither party would disclose how much more GE offered or what Cox was seeking.

FCC has special meeting scheduled on largest broadcasting transaction ever—announced Oct. 5, 1978 (Vol. 18:41 p1)—for today (April 28). GE wants meeting to go as scheduled. Cox asked FCC to cancel it. Meeting still is on, and before last week's flap Commission was expected to approve transaction since in spin-off of stations under cross-ownership rules black-controlled groups were to obtain 5 major-market radio stations and Ch. 2 WNGE Memphis. Merger is opposed by Citizens Communications Center and NCCB, favored mightily by National Black Media Coalition—and this caused major split among public interest groups, a split that continues.

Consumer Electronics

3-TUBE REAR PROJECTION is new trend, with at least 5 manufacturers entering field. Panasonic shows first, at \$3,299. Sylvania licensed by PSI. Others: Quasar, GE. (P. 8)

PANASONIC CUTS PRICES of color TV, holds line on other products, seeks to regain lost TV market share. Gates warns against shopping credit terms instead of merchandise. (P. 8)

SONY TO PRESS DISCS for optical video system in Japan. Advent mulls entry into videodisc, VCR hardware & software markets. Matsushita gives no delivery dates or prices on VHD system at Panasonic meeting. (P. 9)

'TOO EARLY TO TELL' depth of TV slump—or even if there is one—manufacturers say, but credit restrictions appear to be taking effect. Most makers still reasonably optimistic. (P. 10)

NIELSEN VCR SURVEY shows cable TV impact, says 2% of sample also own videodisc players. 13% plan to buy another VCR. (P. 11)

ZENITH NET JUMPS 78.4% on 14.2% sales gain in first quarter with all-time wholesale color sales record. Sanyo Mfg., Wells-Gardner also report sharply improved results. (P. 12)

Responding to GE press release, Cox told FCC GE "is substantially inaccurate and incomplete and we deem it unfortunate that GE has elected to publicize unresolved differences. . . apparently in an effort to bring maximum pressure upon Cox. . . Cox categorically disagrees with the characterization and implication. . . of late-developing or unreasonable demands by Cox. Revised terms were very recently considered by the parties at the initiation, and truly at the insistence, of GE."

Cox said any action taken by FCC April 28 "will not affect or result in the consummation of the merger." Cox released April 17 letter from GE's J. F. Welch noting that negotiations were underway and that on April 24 companies would jointly advise FCC they'd agreed on revised terms, or ask that April 28 meeting be postponed pending resolution of negotiations or that negotiations had been terminated.

In still later April 25 filing at FCC, in response to Cox, GE said Cox's letter was "substantially in error and we disagree with many of its conclusions. It reflects the desperateness of Cox's efforts to prevent a 'final order' by May 31 [date contract expires] and thus to vitiate a valid contract."

GETTY & HOLLYWOOD OFFER PAY CHALLENGE: Cable industry & pay-TV establishment were in uproar last week over announcement that Getty Oil and 4 movie producers will form rival pay network. Adding strength to "Getcom" joint venture—including 20th Century-Fox, Paramount, Columbia & MCA—is deal negotiated with Southern Satellite Systems for time on RCA Satcom I transponder now carrying Satellite Program Network. Getcom reportedly paid SSS \$1 million down, guaranteed another \$4 million if pay-TV service succeeds. Programming would be transmitted to West Coast in 10 p. m.-6 a. m. slot, Getcom using Comstar channel it has leased for East Coast.

Proposal has had "chilling effect" on HBO's cable affiliate negotiations, according to trade source, who said HBO, Showtime & Warner Amex Satellite Entertainment (WASE) are concentrating efforts on remaining 1,500 systems averaging 1,000 or so subscribers. Bigger fish have been caught. Part of chilling effect is Getcom plan to withhold 4 studios' releases from general satellite distribution for 9 months. At same time, venture said it would put 2nd earth station at more than 100 cable systems, enabling them to pick up Comstar signals.

Whole concept has drawn outraged response from HBO, Showtime & WASE. Favorite word used to describe embargo was "illegal." HBO said it "violates the basic tenets of antitrust law" by companies in an industry which "has a marked proclivity to antitrust violations," charge echoed by others. WASE got to core of pay-TV distributors' strategy, predicting Getcom venture "will become so enmeshed in litigation that it will never get off the ground." Justice Dept. said proposal would be examined, in part because of 2-year-old investigation of HBO practices instigated by movie industry. Getty & partners didn't seek JD opinion beforehand, but weren't required to do so. Main reason they revealed plans before NCTA convention in Dallas May 18-21 was to comply with SEC rules.

Legal offensive by HBO, Showtime & WASE undoubtedly will involve 1949 Supreme Court Paramount decision which forced studios to sell theaters, end film distribution. Entrance into pay-TV market as proposed amounts to resurrecting old practice, according to opponents. Distributors are looking to NCTA for help, took encouragement from Pres. Thomas Wheeler's statement that industry shouldn't be at mercy of "sole-source monopoly," while also supporting any new programming endeavors.

No one from Getcom would talk about venture for attribution, but one official very familiar with project told us: "This move is pro-competitive. We don't own systems. HBO, Showtime and the others do. Look at this in the context of what others have been doing. They're vertically integrated. Their systems are geographical monopolies. That's monopoly power. The Justice Dept. has been investigating them, as it should. We're proposing competition in the marketplace. HBO and the others are using scare tactics, crying that we'll raise prices to cable systems. That's just not true." He added that under Getcom proposal individual STV & cable operators wouldn't have 9-month delay in acquiring films.

Major cable operators we contacted were willing at least to listen to what Getcom has to say at NCTA—all except Teleprompter and Viacom, 50-50 partners in Showtime. Warner Amex Cable had no official response, presumably will back WASE position. Proposal—which apparently caught most potential customers as much by surprise as it did competitors—offers programming at per-subscriber cost guaranteed during course of long-term contract, somehow will keep prices below HBO's, yet return greater share of revenues to 4 studios. Idea is removal of HBO, Showtime & WASE as middlemen—but loss of buffer gives venture eventual opportunity to raise prices at will, claimed one cable executive.

HBO's success has allowed it to drive hard bargains and keep lid on prices, in some cases negotiating flat-rate fees with major studios as well as smaller independents which need cash to finance new features. Studios have objected, occasionally rebelled. Paramount refused to deal with HBO for a while, then made large package available last year; more recently, 20th Century-Fox sold popular movie "Breaking Away" to NBC for \$5 million rather than follow now-accepted sequence of theatrical-pay-broadcast release. NBC scheduled film for May sweep period.

Studios chafe at HBO's grip, at same time think they can withhold enough features to give venture competitive edge. Problem for Getcom partners will be HBO's growing inventory of "pre-buys" and made-for-pay specials—and fact that venture will have to buy rights to at least 50% of proposed all-movie schedule. Hollywood executive said HBO has more current movies under contract than combined production of 4 studios, meanwhile has shifted 35% of schedule to original programming. Strength and possible legal problems may be reasons why Warner & UA declined invitation to join venture. Also, value of their films increases if HBO & Getcom engage in bidding war.

Getty's role includes access to money & satellites. Company is thought to be investing \$30 million to start, keeping studio cash outlay to minimum. Deal with Southern Satellite Systems requires move of Satellite Program Network evening schedule to Comstar in Jan., means Getcom will negotiate further with Home Theater Network, tiny pay-TV service which has 8-10 p.m. slot on SPN.

Announcement heats up already frantic pace of pay-TV distribution. Less than month ago, HBO revealed plans for 2nd full "maxi" service (Vol. 20:13 p3) for 2 remaining Satcom I transponders. Move is designed to block addition of Showtime & WASE as 2nd pay services, trend accelerating throughout industry. Getcom could undermine strategy, especially if cable operators stick to wait-&-see attitude expressed to us.

CBS will delete "closed captions" from programming & commercials delivered to network with such captions included. Move means deaf can't use caption decoding equipment by Sears to see subtitled CBS programs, National Captioning Institute (NCI) said. Previously, CBS declined to pay new NCI to create closed captions for network programs. NCI Pres. John Ball told us CBS now has informed him that programs delivered to CBS with captions (including advertising from Procter & Gamble, others) will have vertical interval captioning deleted. Ball said he had intended to caption forthcoming "Hallmark Hall of Fame" telecast at no cost to CBS. CBS said: "We have told the Captioning Institute as a matter of a general policy that CBS was not participating in any way in the captioning experiment for all of the reasons that we told the FCC last April." CBS called captioning "a technically outdated system."

NCTA has joined Best. Rating Council because of "importance of cable advertising and NCTA's commitment to industry leadership in the vital task of accurately measuring cable audiences," according to Senior Vp Kathryn Creech.

Courtroom TV legality will be decided by Supreme Court, accepting appeal by Fla. defendants (2 former policemen convicted of burglary) claiming that their fair trial rights were violated by broadcast coverage. Legal precedent doesn't favor cameras in court: Court ruled in 1965 that TV coverage of Billy Sol Estes swindling trial violated due process. But TV journalists argue that improved technology makes cameras less conspicuous than 15 years ago. Likely to vote against TV trials: Chief Justice Burger, constant media critic. Court decision to hear case comes as U. of Pa. Communications Prof. George Gerbner writes, in Journal of American Judicature Society: "Before we allow TV in even one more courtroom we must know more about its effects on trials and our image of justice." He said "only issue" is whether broadcast trials "will reduce or increase the risk of prejudice."

FCC has imposed sanctions on 17 stations—including short-term renewals and required goals & timetables—for not complying with EEO requirements. Only TV station involved was WHMB-TV Indianapolis.

PROS AND CONS ON RENEWAL BILL: Lukewarm FCC reaction, support from broadcast-newspaper owners, opposition from public interest groups, marked House Communications Subcommittee hearing on legislation barring FCC from considering ownership of other communications properties in renewal proceedings.

Richard Shiben, FCC Best. Bureau chief, said bill was unnecessary, Commission doesn't "intend to restructure the broadcast industry through the renewal process." He also opposed 2d part of bill, putting into law FCC's prohibitions on newspaper-broadcast cross-ownership, saying it removes commission flexibility, "deals with only one of a number of ownership rules."

Although FCC rules protect companies which had cross-ownership before limits were adopted, issue is "clouded" by fear that FCC will change its mind, said Donald Perris, president of Scripps-Howard Bestg. Said Francis Martin, vp of Chronicle Publishing & Bestg.: "There is a great need for clarification of the law to establish the principle that a broadcast license will be renewed based on the licensee's performance record and not on unrelated factors."

Bill would add "much-needed measure of stability," said Erwin Krasnow, NAB senior vp, adding that instead of codifying present FCC cross-ownership rules in 2d part of bill, Congress should prohibit Commission from imposing stricter rules.

Striking out against "evils of fewer voices" in media, NCCB Exec. Dir. Samuel Simon said that fears of newspaper-broadcast owners are "exaggerated," that bill would unduly tie FCC's hands. Granting "additional immunity" to cross-ownership would be "disservice to the community," said Pluria Marshall, NBMC chmn. "I've listened to all this talk about the wonderful service monopolists give public," he said. "I can tell you black Americans simply caught hell in Memphis trying to get their views aired." (Until recently, Scripps-Howard owned station & newspaper there).

"Important changes designed to improve the quality of the data" FCC obtains in required annual financial reports (Form 324) from stations is announced purpose for rulemaking to revise & expand form. Commission proposes to require "generally accepted accounting procedures" pretty much standardized, expand information on income, separate program expenses into local & non-local, separate program logs into local & non-local, require more data from TV stations than radio. FCC also will seek comments on proposal by NAB that Form 324 be abolished (not considered likely) or be filed only every 3 years. Question of making financial reports public isn't part of proposal. Deadline for comments hasn't been set. NAB already has expressed "strong objections" to proposed new form.

Sidley & Austin, receiving largest share of AT&T's legal work given to outside counsel, was paid \$5.97 million last year. AT&T's annual report to FCC listed Covington & Burling as 3rd largest with \$682,092. AT&T paid total of \$11.1 million to outside counsel.

FTC KID VID LIVES? President Carter, in 11th-hour meeting with House & Senate conferees on FTC authorization legislation, may have saved FTC kid ad rulemaking. According to White House, Carter told conferees he'd refuse to sign any bill "which terminates a major ongoing proceeding" at FTC. He also concurred with recently suggested compromise between House & Senate positions: Kid ad rulemaking would proceed, not under old Magnuson-Moss standard against "unfair or deceptive," but under "false & deceptive" standard suggested by Sen. Ford (D-Ky.).

White House painted picture of near-total agreement between conferees, but pleasant portrait was contradicted by minor shouting match between Sens. Ford & Packwood (R-Ore.) and Reps. Staggers (D-W. Va.) and Broyhill (R-N.C.) before TV cameras outside White House after meeting with Carter. Despite smoldering passions, however, House & Senate aides predicted agreement on bill would be reached this week.

Agreement is absolute necessity, since FTC emergency appropriations run out April 30, and House won't be providing any more temporary funds. FTC could work on retroactive pay system, with workers receiving back pay once authorization is approved, but probably for only couple of weeks. Meanwhile, FTC officials have nervously been asking where Congress will find money for FTC for rest of fiscal 1980, since budget already has been cut to bone. Agency needs approximately \$30 million to make it through fiscal year.

NAB now expects deficit of "at least \$300,000" for fiscal year ended March 31, although final audit won't be ready for Exec. Committee meeting this week. Among major expenses for year not already reported (Vol. 20:3 p3): \$55,504 for setting up minority investment fund; \$182,000 to Washington law firm Howrey & Simon in Justice Dept. antitrust suit against TV Code; \$63,000 for proceedings before Copyright Tribunal, with another bill soon due for similar amount (NAB expects to recoup much of this since, once copyright fees are paid, legal expenses will be deducted before money is passed on to stations). NAB has hired Pierson, Ball & Dowd to represent industry before Supreme Court in radio format case, has instructed Senior Vp-Gen. Counsel Erwin Krasnow to "keep the cost down to a reasonable figure." Also this week, Exec. Committee will consider request for funds from Best. Pioneers Library, first presented at March meeting. Library hopes to raise \$3 million for capital investment, more space & technical equipment. (Note: NAB doesn't charge Library rent for space on ground floor of NAB hq.) Library is seeking substantial contribution from NAB, and Richard Shafto, original pres. of Library Foundation, has agreed to match 20% (up to \$20,000) of whatever NAB contributes.

"Cable TV and the Home Information Revolution" is title of lecture by Warner's Gustave Hauser May 1 at Harvard's Institute of Politics, followed with comments by Peggy Charren, ACT; Anthony Ottinger, former member of Mass. Cable TV Commission. Moderator is Tanya Melish, CBS civic affairs dir.

BROADCAST SATELLITES—THE COST: Cost of equipping homes with TV broadcast-satellite hardware is probably significantly higher than previous estimates, French TV official told satellite engineering session in Orlando organized by American Institute of Aeronautics & Astronautics.

Previous figures have estimated home receivers will cost in \$300 range, but J. F. Arnaud, Telediffusion de France official, said cost of installation as well as hardware must be taken into account, and final figure is closer to \$600. He said cost of 5 million home earth stations in France suggests "a capital expenditure by the public amounting to 20 billion francs (\$4.5 billion)."

H. Kellermeier, head of German TV-Sat program said, nevertheless, that "a direct TV-broadcasting system will require much lower investment and operations cost than a large network of ground transmitters, certainly will be a major argument for a wide future use of such systems." In other satellite developments last week:

(1) FCC said it will cut off satellite applications until it sets policy for 2nd generation satellites. Moratorium on accepting new applications for immediate processing will become effective following publication in Federal Register, expected this week.

(2) Sweeping changes in Comsat structure plus revamped rules governing international communications were proposed by FCC. Plan would restructure Comsat into 2 entities: Parent restricted to Intelsat/Inmarsat activities, subsidiary charged with all other business. TV networks would be permitted to buy satellite time directly from Comsat—cutting costs of international feeds. Govt. "observer" would be added to Comsat delegations to Intelsat and Inmarsat to insure public interests are represented.

(3) PBS Pres. Lawrence Grossman and NPR Pres. Frank Mankiewicz have sent joint warning to CPB on plan to sell public programming to direct satellite broadcasting company (Vol. 2:15 pl). Two specifically oppose justifying money-making on "public dividend" basis—labeling profit from Comsat or other DBS ventures as "return" on public investment in space program: "We think the chances of success in gaining acceptance for the public dividend concept are slim," they said. "We also think it vital that the impact of DBS on the long-standing public policy of local control and responsibility in broadcasting be reviewed."

(4) We hear that Continental Telephone may pull surprise—apply to FCC to launch direct broadcasting satellite as carrier. We're told final decision hasn't been made; any move might be made through Continental's American Satellite Co. joint venture with Fairchild Industries.

(5) New venture to trade earth stations to TV stations for advertising air time was announced by Maxisat. Offering is being made only to stations in top 100 markets. As part of cashless deal, Maxisat will also supply stations with satellite engineering consulting service, and stations will receive, along with standard terminal, Maxisat "Digital Cueing Initiated Response System"—said to automatically reset TV station's earth station receiver to a calling

satellite, activate station's video recorder and write hard-copy log of incoming traffic. Maxisat Pres. Charles Cohen claimed agreements with earth station hardware suppliers already have been reached.

(6) Rapid growth of AP satellite system was predicted at annual board meeting in Honolulu last week. AP Communications Vp David Bowen said current total of 16 cities equipped with AP earth stations will grow to 400 by end of this year, 900 by end of 1981. "We don't pretend to know exactly where we will stop—at 900 or 1,500 or 2,500," he said.

RELIGION ON THE AIR: Model of "ethically run" station is goal of United Methodist Church, which says it plans to buy VHF network affiliate in \$10-\$15-million range in late 1981 or early 1982. Church, first mainline Protestant denomination to enter commercial TV, would use station profits to produce syndicated religious programs for airing on other stations and cable systems, with later sale on videotape to churches and religious groups.

Station will set standards for commercials & programming, said Curtis Chambers, church communications secy. "You can't reject too many programs and hold your affiliation, but we do hope to set a model of how a station should operate. We have a responsibility as a church." If unable to get VHF affiliate, church would seek UHF in larger market, he said.

"Perhaps 2 top-notch programs" will be produced monthly for syndication, Chambers said. "We're not talking about preachers and a chair. There will be some high quality devotional programming, but most will be entertainment and education." Church's General Conference approved 3-year \$25 million fundraising campaign to finance purchase and early programming.

Catholic Church also is entering new TV venture—evangelization via paid commercials. Tested in Washington and Baltimore, spots aimed at inactive Catholics are being expanded nationwide. Spokesman said church had to overcome concern about "getting into the tub and competing with fundamentalists," now is considering 30- & 60-min. specials next year because of ad campaign's success.

Faith Center Inc. has pulled out of broadcasting, selling KHCT-TV Hartford, KHOF-TV San Bernardino & KVOF-TV San Francisco to Interamerican Entertainment Co., L. A.-based Mexican-American group for \$15 million. Faith Center, under FCC investigation for alleged fraudulent solicitation of over air funds, said selling stations was preferable to "going through years of costly litigation."

Initials & Abbreviations

Included herewith to all subscribers is a Television Digest White Paper, "Commonly Used Initials and Abbreviations," listing some 400 entries—handy reference for industry veterans as well as newcomers. Extra copies—no charge—available from Barbara Pratt, 1836 Jefferson Pl. NW, Washington, D. C. 20015, 202-872-9200.

CAMERAS SHINE AT NAB: If the star of equipment show at NAB convention was 1" Type C VTR (Vol. 20:16 p9), biggest attention-getters once again were TV cameras, and there were usual number of new ones. Show also saw expansion of many broadcast equipment lines, exemplified by larger & more elaborate display spaces of such companies as Thomson-CSF, Hitachi, JVC & NEC.

Although not new at this show, diode-gun pickup tubes were becoming universal for first time in high-quality cameras. Among "all-new" cameras: Ampex showed computerized self-contained portable camera of studio quality with microprocessor memory in head for control; it's first camera to offer fiber-optic RGB interconnections. NEC offered "new-generation" ENG/EFP camera weighing under 11 lb. (without lens), starting at \$35,000 with saticon tubes, through Camera Products Corp. Ikegami's new ENG camera, weighing in at 11 lb., is designed for budget production, starting at \$13,000 with industrial saticons & 10-1 zoom. Sharp introduced "best mid-range camera" with prism optics, starting at under \$12,000, deliveries in late May or June.

New "extended performance" version of RCA's TK-47 camera uses 30-mm diode-gun tubes, designed to raise level of picture quality of that standard camera, of which 2,000 have been delivered so far. Sony's new entry is high-end portable studio-quality camera weighing under 12 lb., requiring as little as 2 ft.-candles of illumination. Panasonic unveiled new line of ENG color cameras, highlighted by lightweight diode-gun high-performance ENG unit and including low-cost camera as well as self-contained ENG/EFP camera with single 1" Newvicon tube, weighing 11 lb. including viewfinder & lens.

Completely new series of telecine cameras was introduced by RCA, available this summer. Photoconductive units provide wide choice of features, designed to be operated unattended.

Digital framestore, switches & character generators were displayed widely. Adda showed updated version of its Still Processor which stores up to 3,000 stills. NEC debuted new line of digital gear, including Strobe Action Unit, incorporating CBS-developed Actiontrak special-effects device as well as CBS digital noise-reduction circuits. NEC's Digital Mix Effects controller contains memory for 18 complete effects and counts 1 to 17,982 frames for repeatable effect recall. Quantel of England announced licensing of new firm, Micro Consultants Inc. (MCI/Quantel), headed by Pres. George Grasso, to produce its products in U.S. MCI/Quantel showed 3 new digital devices, including first effects generator capable of manipulating 5 images simultaneously, still-store with production-effects facilities, tiny framestore synchronizer just 1-3/4" high.

Sony showed new digital Multi Processor, performing noise-reduction, freeze-frame, frame-sync, color-correction & image-enhancement functions.

Panasonic & JVC both made major new thrusts in equipment field. Panasonic announced formation of Professional Video Products Dept. under National

Mgr. Morris Washington, introducing 3 new ENG cameras (one with prism optics, all 3 using three 2/3" tubes) and its first broadcast-quality 3/4" tape editor. JVC completely revamped its line, highlighted by under-\$26,000 magnetic disc recorder for fall delivery, direct-drive editor/recorder, recorder & player, as well as line of editing controllers and under-\$4,000 color camera.

Biggest crowds in Ampex exhibit were attracted to AVA (Ampex Video Art) system which permits creative artist to originate & store work electronically; "painting" is done with electronic stylus. Unit is designed as shortcut to graphic art for stations, is priced \$100,000-\$150,000. Sony showed direct-view receiver, remote-controlled color monitor-receiver with 30" screen at \$8,950, deliveries in late summer. Closed-captioning encoders were displayed by EEG Enterprises, Farmingdale, N. Y.

CHINA—COMING & GOING: Contingent of 4 FCC commissioners and 8 top staffers will be arriving in China this week few days before delegation lead by NTIA Chief Henry Geller is leaving. Commission contingent, led by Chmn. Ferris, leaves May 1 (with 2-day stopover in Tokyo), returns May 21. Geller's group—which includes White House staffers Rick Neudstadt, Steve Simmons and military aide Col. Wayne Kaye, Philip Rubin of CPB and John McElroy of NASA—returns May 8.

Going with Ferris are Comrs. Lee, Fogarty & Brown (Washburn & Jones declined), Common Carrier Bureau Chief Philip Verveer and Deputy Chiefs Thomas Casey & William Ginsberg, Bcst. Bureau Chief Richard Shibben, Private Radio Bureau Chief Carlos Roberts, Office of Science & Technology Chief Stephen Lukasik and Frank Lloyd, administrative asst. to Ferris. Commission aide Elliot Maxwell is traveling with Geller, will remain for FCC tour. Expenses for trip will come out of international travel funds, mostly from Common Carrier Bureau. Going at own expense are wives of Lee, Fogarty & Brown.

In Tokyo, Commission contingent will meet with Ministry of Post & Telecommunications, and with its Hong Kong counterpart on way home. Most of time in China will be spent in Beijing (Peking), Shanghai & Canton for meetings with Chinese govt. & broadcast officials. FCC hosted 10-man Chinese delegation Feb. 23-24, 1979; that group also visited RCA, ITT, GTE (where Chinese attempted to buy equipment on spot), Rockwell, Collins, Stanford Research Institute, among others.

All Presidential candidates have been invited to NCTA convention in Dallas May 18-21, and NCTA officials hope they'll snag one or more. That's closest they'll get to President Carter, who last year addressed convention via satellite. NCTA had explored having FCC Chmn. Ferris address convention via satellite from China, found cost too high, logistics too difficult.

FCC's ARTEC decision has been challenged by NAB in D. C. Appeals Court, saying Commission rewrote own cable rules through decision, without rulemaking.

PERSONALS

Thomas Cookerly, Allbritton Communications, Virginia Wetter, WASA(AM) Havre de Grace, Md., and Michael McKinnon, KIII Corpus Christi, elected dirs. of TARPAC & TARPEC, industry political action and educational fund-raising arms.

Richard Gitter, ex-ABC, appointed east coast vp-broadcast standards, NBC; Jeff Ryder promoted to dir.-miniseries & novels for TV, NBC Entertainment; Samuel Ewing, ex-ABC, named mgr.-children's programs... Terry Allen joins ABC Entertainment as program exec.-current comedy; Ann Daniel promoted to dir.-dramatic series development... David Cassaro, ex-TelRep, appointed dist. mgr., CBS TV Network affiliate relations.

Mitch Turner, ex-WKYC-TV Cleveland, appointed national sales mgr., WDVM-TV Washington... Robert Donohue advanced to vp-local sales mgr., WNEW-TV N. Y., succeeded as national sales mgr. by Leslie Prager... Robert Protter, ex-Field Communications, appointed gen. sales mgr., WDRB-TV Louisville... Meyrick Payne, ex-GTE, joins Reeves Communications as senior vp-chief financial officer... Edward Knapp, ex-WXLO(FM) N. Y., appointed mgr.-technical operations, WNBC-TV N. Y... John Owen promoted to engineering dir.-TV, Taft Bestg.; Ted Ruscitti for radio.

FCC Comr. Tyrone Brown replaces Chmn. Charles Ferris as featured speaker at June 23 TV Critics Assn. meeting in L. A. (Vol. 20:16 p11)... Katharine Graham, chmn., Washington Post Co., elected chmn.-pres., American Newspaper Publishers Assn., succeeding Allen Neuharth, Gannett... Charles Adams, who retired Jan. 1 as D'Arcy-MacManus pres., appointed AAAA exec. vp-head of Washington office... Valerie Schulte, ex-Washington law firm Cadwalader, Wickersham & Taft, joins NAB legal dept. May 1.

Ralph Davidson, vp-office of pres., and Clifford Grumm vp-office of chmn., elected Time Inc. dirs.

Cable logging requirements decision will not be reconsidered, FCC ruled. It said in reply to United Church of Christ's request for reconsideration that requirement would be burdensome to industry, wouldn't serve public because mandatory origination & access requirements were eliminated. Church had asked Commission to reinstate origination & access requirements, claimed elimination of logging requirements predetermined that request.

Former FCC Chmn. Newton Minow and Anne Armstrong, former U.S. ambassador to U.K., are co-chmn. of League of Women Voters Presidential Debates Advisory Committee. Lee Hanna, ex-NBC news vp and dir. of League's Presidential Forums, will be project dir. League series of 4 debates will begin in mid-Sept.

No more translator experiments will be considered by FCC pending result of inquiry into future of low-power telecasting. FCC said it expects to act on inquiry "in the near future." Translator experiments already applied for will be examined on "case-by-case" basis, FCC said.

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Despite record first quarter revenues, ABC reported drop in net income and earnings per share. ABC cited increased program costs, startup costs for late night news and coverage of Persian Gulf crisis as causing drop in profits. Revenues for Jan.-March were \$546.9 million, up 21% over 1979 period. Profits dropped from \$25.5 million last year to \$24.3 million in first quarter 1980; earnings per share were 86¢, down from 91¢ in 1979. TV Network and Radio Div. reported lower profits, while net of owned TV stations increased, ABC said.

D. C. Appeals Court has refused to consider appeal by NAB of Copyright Royalty Tribunal ruling that rejected broadcasters' claims for royalties for retransmission of broadcast day as a compilation, plus syndicated programming & sports (Vol. 19:51 p1). NAB official said case was dismissed because Tribunal hasn't made final decision on how to divide royalties, making appeal premature. Official said NAB could be expected to refile appeal following Tribunal decision.

Cable systems needn't carry scrambled STV signals, FCC said last week, affirming decision made in 1978. Blonder-Tongue and Suburban Bestg. had petitioned to require STV carriage. Commission said there's no evidence that STV needs cable to prosper. FCC noted STV carriage would impose new burden on cable systems because signals are scrambled. Comr. Brown dissented.

Pre-empting prime time, 5 stations will broadcast jointly produced special June 10, "What Does Your Mom Do?" Program about working mothers is first production of 8th Decade Consortium, formed to produce & broadcast issue oriented programming. Stations are KOMO-TV Seattle, KSTP-TV St. Paul-Minneapolis, WCVB-TV Boston, WJLA-TV Washington, WRAL-TV Raleigh-Durham.

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STATE OF THE INDUSTRY

Sales to dealers (total market), from EIA, for week ended April 11 (15th week of 1980):

	April 5-11	1979 week	% change	March 2- April 4	1980 to date	1979 to date	% change
Total TV	190,017	237,175	-19.9	214,985	3,974,761	4,272,258	-7.0
color	117,323	146,884	-20.1	128,997	2,543,376	2,658,615	-4.3
monochrome	72,694	90,291	-19.5	85,988	1,431,385	1,613,643	-11.3
Home VCR	7,321*	5,190	+41.1	8,716	174,161*	110,593	+57.5

Color TV 5-week moving average: 1980—164,478; 1979—182,333 (down 9.8%).

Home VCR 5-week moving average: 1980—10,922*; 1979—7,070 (up 54.5%).

*Record for period.

3-TUBE REAR-PROJECTION TV A TREND: More compact, single-cabinet production TV sets using 3 tubes for greater brightness—that's one direction industry is definitely going, and models are scheduled for marketing under at least 5 brand names.

Panasonic was first to break ice, as we forecast (Vol. 20:14 p8), showing model at last weekend's sales convention (see also below), featuring 45" screen, 7" tubes, plastic optics, remote control, tentatively priced at relatively low \$3,299. Scheduled for delivery in Aug. or Sept., it will be assembled at MIC's Franklin Park, Ill. plant. Front-projection 60" unit remains in line at \$3,999. Quasar is expected to introduce similar model.

Sylvania has signed license to produce 3-tube rear-projection set developed by Projection Systems Inc. (PSI) and demonstrated for first time at Winter CES (Vol. 19:48 p12, 20:2 p12). GTE Senior Vp Thomas Shepherd declined comment. Sylvania may not show projector at its sales convention, but introduce it later. PSI's unit has 3 in-line tubes, 50" screen, Sylvania VIR chassis, remote tuning, lists at \$3,100. GE, which currently has single-tube rear projector, is expected to introduce 3-tube version late this year.

PANASONIC CUTS TV PRICES, HOLDS LINE ON AUDIO: Panasonic's color TV line, unveiled at Miami sales meeting last weekend, shows retail price reductions of \$10-\$20, heralding what Exec. Vp Ray Gates called "the beginning of the road back in the color TV business for this company." There are no price increases on any of company's products.

Panasonic has solved its color TV supply problems, said Gates—2 of its three 13" sets and all 19" are produced at MIC's plant in Franklin Park, Ill., all 25" at Matsushita Canada. "While our prices are still high," Gates said, "we're coming down a little bit and everybody else is coming up a little bit. Company has been able to hold price line on other products, he explained, because Matsushita kept production in Japan when others moved out because of soaring yen. With greater strength of dollar and increased production efficiency, Panasonic can freeze prices while others must go up.

Biggest conversation piece in line—in more ways than one—was first all-electronic talking clock radio, at \$150. Panasonic is entering calculator business as complement to its translator-computer (\$170), with line at \$11-\$90. TV line was highlighted by rear-projection TV, heavily featuring keypad tuning & remote control. (We'll have details of line next week.)

Gates warned retailers against buying on basis of credit terms rather than merchandise. He said Panasonic is neither cutting back nor increasing credit, but hopes to concentrate on

saleable products. He forecast 16-18% increase in Panasonic sales this year. He estimated that 60,000 quality projection TV systems were sold last year, said market could increase by 30-40% this year.

SONY TO PRESS OPTICAL VIDEODISCS: Sony will master & custom-press consumer video-discs for Philips/MCA system in Japan, company announced last week, but its officials said it still hadn't decided which format to back with hardware. Meanwhile, Advent is taking serious look at possibility of entering video hardware & software market, and is believed to have optical system in mind.

Sony-made videodiscs are being previewed at current "Holland Fair" at Tokyo's Seibu dept. store on Philips optical player. Sony Video Products (U.S.) Pres. Koichi Tsunoda said presses now are being installed at company's Atsugi video plant and that Sony is "open to discussions with any interested party concerning pilot runs of disc mastering & stamping." As for hardware, Sony is exploring entry into industrial field with optical player, "contacting customers to determine the market potential—we're in the video business and we can't afford to lose customers to companies like Pioneer." He reiterated that Sony is still studying all systems for consumer market.

Philips was approached by Sony for use of its discs in Tokyo demonstration, we were told by William Zeiss, videodisc gen. mgr. of Dutch Philips. He said Philips would start marketing Holland-made players on Japanese market in 1981, with Japanese-language discs to be made by Sony & Universal-Pioneer. Sony has video cross-licensing agreement with Philips. Tokyo reports indicate Philips-Siemens subsidiary Polygram plans to offer 200-title Japanese-language videodisc catalog.

Zeiss said Philips has manufactured "tens of thousands" of videodisc players to date but declined to give specific figures. He said it has "clear-cut plans to establish adequate mastering & replication facilities in the U.S.," in addition to those to be set up by licensees such as 3M. In players, he saw "very important price decreases" coming, with gas laser costs declining significantly. Solid-state lasers won't be priced acceptably for videodisc players for next 3-4 years, he indicated—but "they're very close to reality" for Philips' Compact Disc audio system, which will use them from outset. Final standards for digital audio disc are just "few months away," he said.

Zeiss called Thorn-EMI's decision to adopt VHD system "incomprehensible," revealed it was made while company was in discussions with Philips. He attributed choice to "problems inside the company." (CBS official last week called JVC's recruitment of Thorn-EMI "desperation move.") In Japan, JVC said it has begun testing for mass production, will be able to fill OEM player orders about one year from receipt. It said its 1980 investment in VHD system will total about \$40 million.

At Panasonic sales meeting in Miami, meanwhile, there was no mention of videodisc system prices or delivery dates, but Matsushita Chmn. Masahara Matsushita said his company will have players at same time as JVC, offer EMI software. He urged other manufacturers to join VHD team, said there were talks with "many." Asked whether Matsushita would manufacture any other system if VHD should bomb, he replied flatly: "We will not make that."

Matsushita forecast videodisc player market in next 10 years "will not be as big as color TV, but [we] expect it to be as big as audio. We believe the price should be lower than VCR; we regard them as different products and they will be able to coexist in the market." He revealed that Matsushita now is looking toward marketing separate PCM audio disc player rather than audio attachment for videodisc player. Players shown at meeting were on film & slide, rather than live.

Advent is exploring both videodisc & VCR markets, Pres. William Anderson told us. Vice Chmn. Bernie Mitchell, who headed U.S. Pioneer in preparations for videodisc player launch was in Japan last week, presumably in connection with exploration of field. "This is the beginning of the video-audio revolution, replacing the hi-fi revolution of the '70s," Anderson said. "Projection TV & hi-fi don't by themselves represent a mainstream business. We must diver-

sify and become a stronger participant. We're looking at ways to expand our product, through a combination of build & buy. We have a good factory and may produce for ourselves or others who need facilities here."

Big job, said Anderson, is to educate hi-fi specialists that "they must diversify to capitalize on the video-audio revolution. Audio is a tough business and won't get any better. Software must be part of the total system, and we're probing with software people where we can capitalize."

Another industrial giant intensified its videodisc activities last week when Xerox & Thomson-CSF announced agreement for joint development of optical disc technology for data-processing applications. Philips & DVA last week announced videodisc cross-licensing agreement. Philips already had similar agreement with MCA, which is now 50% partner with IBM in DVA.

'TOO EARLY TO TELL' DEPTH OF SLUMP: April's TV sales slowdown isn't spreading any panic among set manufacturers. They're divided as to whether a TV recession has arrived—some almost seem relieved that "it's finally come," while others maintain it's simply too early to say what is happening. But among both camps there's no disposition to change forecasts for year's sales, which average out to about 9.2 million color sets.

Color sales decline moderated somewhat in April's 3rd week, dipping only 8.7% from year-earlier week to about 133,400, after earlier April drops of 14.9% & 20.1%. B&w sales for 3rd week continued year-long patterns at 71,400, down 26.6%. Home VCR sales set another weekly record at 7,500, up 56.4%. For first 3 weeks of 4-weeks April, color sales were down 15.2% from last year, b&w down 38.8%, VCR up 46.7%.

Most set makers point out April always is slow month, compounded this year by advent of Easter & tax deadline in consecutive weeks. There's absolutely no doubt, however, about audio business—one major supplier to mid-fi market called first half of April "total disaster."

Public opinion surveys weren't consistent on how consumers view near future. U. of Mich. consumer survey found respondents more pessimistic last month than they've ever been since it started measuring sentiment in 1946, and increasingly negative about buying consumer goods. Conference Board's Confidence Index was also down in March, but buying plans moved upwards. Some 6.8% of families surveyed planned to buy color TV sets in March, up from 6.4% in Feb. and 5.9% in March 1979. B&w buying plans were expressed by 1.6%, vs. 1.7% in Feb. and 1.3% in March 1979. Much of data for both surveys was collected before mid-March announcement of credit restrictions.

Confusion about credit apparently is as responsible for slowdown as actual restrictions. Sears found many customers thought credit buying was banned, took ads to stress it wasn't. J. C. Penney resumed mail soliciting for credit-card customers after applications slumped. Here's how some industry leaders view situation:

Zenith Sales Co. Pres. Walter Fisher, whose company just reported record first-quarter color sales to dealers (see p. 12), saw "very definite slump" in April's first 2 weeks, although he said Zenith wasn't hit as hard as others and enjoyed "3-4 point" increase in share. "It's the result of credit cutbacks on top of talk of gloom & doom," plus normal seasonal decline, he said. "Retail is definitely down, although some dealers didn't feel it until this week. We'll watch it very closely—the next couple of weeks will tell us more accurately. We've been there before—we'll just work a little harder."

RCA Consumer Electronics Vp-Gen. Mgr. Jack Sauter said biggest problem seems to be "publicity about credit restrictions." He noted that marketplace reports are "spotty—some reporting strong sales and others concern over developments of the last few weeks." Despite credit restrictions, he said some dealers who are "aggressively seeking credit can still come up with increased sales." He added: "What we're looking at is a seasonal turnaround emphasized by publicity given the economy and specifically the credit situation." It's too early, he said, to label current situation a strong downturn.

GTE Entertainment Products Senior Vp-Gen. Mgr. Thomas Shepherd said turndown "seems to have finally come." Inflationary buying "is being curtailed. It's hard to tell, because factories are down in April. From the field we're getting mixed input on credit restrictions—some

say they've definitely hurt, others say they didn't impact. I think business will be down for some time. It won't cause a crisis because inventories are in good shape. I'm not wildly optimistic, but business is still pretty resilient."

Quasar Pres. Alex Stone saw "things slowing down at about every level." There's caution all along line, he observed, with dealer-plus-distributor inventories down 250,000 units from year ago, production down 10%. First quarter marked 5th consecutive one in which production dropped from year-earlier, he said. He forecast 2nd-half decline of about 7.5% from 1979 for year's sales of 9 million color sets.

Magnavox Senior Vp Kenneth Ingram called reports from field mixed. "Some of the big dealers are over-reacting" in cutting orders. "There's still some movement at retail, and some holding back on reorders. Price doesn't seem to be the issue. We could live with the short-term problem if we had the feeling it would get better."

Advent Pres. William Anderson said dealers "are feeling [credit restrictions] pretty severely in credit turndowns." However, he saw signs some financial sources are "loosening up on installment buying as an alternative to plastic."

NIELSEN'S VCR SURVEY: Results of first Nielsen VCR survey, revealed at April 25 Radio & TV Research Council luncheon in N. Y., shows that VCR is used much like broadcast TV, with 67% of owners taping programs during evening & prime-time hours. Sample of 726 households generally supports findings of other surveys, indicates families are younger & larger than TV norm, more affluent & gadget-prone. Some 42% already own video games, 11% video cameras, 6% projection TV, 2% videodisc players. (Time magazine study of 400 VCR & 400 Magnavision owners showed 17% had one of each.) Cable's impact was apparent. Nielsen said 35% of homes subscribed —62% taking pay as well as basic service.

Other points: (1) Typical household recorded 4-6 hours weekly, playing back programs within 2 days of broadcast. (2) Some commercials were deleted by 14% of sample, but they had to be watched first. (3) 22% avoided ads during playback. (4) 75% planned to keep some tapes permanently. (5) 25% bought pre-recorded programs, vintage movies accounting for 41%, adult 25%, contemporary 23%, children's 5%. (6) Male head of household was primary VCR buyer & user. (7) 95% considered purchase worthwhile, and an "enthusiastic" 13% planned to buy 2nd unit next year.

Mergers & acquisitions: Ampex & Signal canceled merger agreement (Vol. 20:8 p14). Reason is 29% drop in value of Signal shares Ampex holders were to receive... **ITT** sold Swiss consumer electronics marketer Radio TV Steiner to local buyer, terms undisclosed. ITT said sale was to help cut losses in European consumer electronics business... **Advent** has agreed to sell its high-end car stereo Audio-mobile Div. back to Paul Sary, unit's founder and current div. pres... **Saint-Gobain**, diversified French glass producer, is buying 10.5% of Italy's Olivetti for \$77.4 million, intends to raise holding to 20%. Object is to strengthen Europe's business equipment & computer industry by tying Olivetti in with CII-Honeywell Bull, in which S-G also has interest.

Pioneer has launched semiconductor production at own research lab in Kofu, plans to manufacture 25% of its IC needs within several years.

Ad notes: Nixdorf Computer Personal Systems appoints Creamer Inc. for \$500,000 hand-held translator/computer account, replacing Bozell & Jacobs... Consumer complaints to BBB about TV services & dealers declined last year, although total business complaints rose 2.2% to 412,700. TV servicers continued to rank 10th on list of most-complained-about businesses, although number of cases processed dropped 2.5% to 7,300. Retailers of TV and other consumer electronics drew 4,700 complaints, down 20.2%, and dropped to 21st on list from 17th... **Amana** agreed to clarify in future ad claim its microwave ovens were exempt from federal radiation safety labeling requirements. Move was in response to request from BBB's National Ad Div., which had received complaint from Panasonic noting that any manufacturer participating in voluntary testing program can win same exemption.

First video game publisher is recently-formed Activision, Sunnyvale, Cal., headed by Pres. James Levy. Company is designing, producing and plans to market proprietary cartridges for Atari's programmable video game. First 4 cartridges, to be introduced at June CES with Sept. availability, are Drag Race, Boxing, Checkers & Fishing Derby. They carry \$22 list, same as Atari cartridges. Activision is starting with Atari system because it's one with greatest market penetration, but will offer cartridges for Magnavox Odyssey & Mattel Intellivision when there are more of those in consumer hands, Levy said. Levy added his cartridges are designed to offer better graphics & playing characteristics than those available from game producers.

Columbia Pictures will be first major studio to distribute own videodiscs independently of MCA, is having 10 features custom-pressed by DVA at about 5,000 copies per title. Meanwhile, CBS took full-page ad in April 21 Electronic News seeking engineers & technicians for pilot videodisc production operations in Stamford & Milford, Conn.

Sen. Goldwater (R-Ariz.) on radio frequency interference at NAB Convention: "If the industry does not take steps to resolve the problem soon, the policymakers in Washington will act."

ZENITH, SMC, W-G NET UP: Zenith, Sanyo Mfg. Corp. (SMC) & Wells-Gardner all reported sharply improved first-quarter sales & earnings (see financial table).

Zenith posted 78.4% jump in net on 14.2% sales rise. Results for 1980 include operations of Heath, acquired last Oct., plus net of about \$1.1 million from sale of former audio electronics & TV components plant in Sioux City, Ia. Plant was among those on hit list in Oct. 1977 when Zenith announced consolidation of U.S. production facilities, shift of more manufacturing operations to Taiwan & Mexico (Vol. 17:40 p11). At that time, Zenith employed 1,400 in Sioux City.

Zenith color TV sales to dealers set all-time first-quarter record, Pres. Revone Kluckman told annual meeting, at time when industry sales were down 3%, and "we improved our color TV market share by a full percentage point over the same period last year." Total TV-audio sales were about same as last year, he said, inventories are in "excellent condition." Profit improvement resulted from plant sale, inclusion of Heath in results and cost reduction. Cost reduction programs improved profits by more than \$10 million—"equal to substantially all of our pretax profits in the first quarter." Company's costs were up about 6% during quarter, Kluckman said, but Zenith was "only able to cover about half the costs of inflation by increasing our selling prices—and the inability to fully recover [these costs] reduced profits by about 30¢ per share" in first quarter.

SMC attributed improvement, in part, to sales of small-screen color & microwave ovens, neither of which it was producing in Forrest City, Ark. plant in same 1979 period. It also noted general pickup in demand, said material cost savings outpaced rise in labor & overhead expenses, and sales rate growth was higher than rise in production costs. Profitability was held down by increased general & administrative costs.

Sixfold jump in sales for period is exaggerated as result of change in sales contract with Sears. Starting in Aug. 1978, set sales to Sears were recorded on an as-shipped, rather than a when-produced basis. So bulk of first-quarter 1979 shipments to Sears were from Sanyo's inventory of already paid-for sets.

In just-issued annual report, SMC says color unit sales volume dropped 6%, indicating company sold about 519,000, down from estimated 552,000 in 1978. Based on EIA figures, that would give SMC about a 5.3% share of 1979 market on sales-to-dealers level, down from 5.4% in 1978, and 6% share of total U.S. production, down from 7%. Figures indicate average SMC-made color set sold for \$281.88 last year, down from \$287.62 in 1978, \$308.02 in 1977.

SMC data indicate company sales to Sears totaled \$111.1 million in 1979, down 15.9% from \$132.2 million in 1978, accounting for 76% of total volume, down from 83.3%. Sales to Sanyo Electric, mainly for resale under Sanyo brand in U.S., rose 32.3% to \$35.1 million from \$26.5 million. SMC's color TV parts purchases from Japanese parent declined 13% to \$76.1 million from \$87.5 million, indicating that the U.S.

parts & labor content represented about 54% of cost of goods sold, down from 55% in 1978. The report also notes that Sears has renewed purchase contract agreement with SMC. New pact calls for Sears to buy at least 70% of its color requirements from SMC. Under earlier contract, Sears also was committed to buy 70% of its color from Sanyo, but had choice of dealing either with SMC or Sanyo Japan.

Wells-Gardner reported 60.8% jump in first-quarter sales, showed profit, against loss in same year-earlier period. Company said it increased output of Teknika-brand color TVs under assembly agreement with General of Japan, had improved sales of color TV game monitors and expanded customer base for intrusion alarms. It put April 1 order backlog at \$9.22 million, up 7.6% from same time last year.

Atari had sellout of programmable video games and cartridges last year, and while further market improvement is expected, IC chip shortage may hold down volume again this year, parent Warner Communications says in annual report. It estimates 1.5 million U.S. TV homes had programmable video games at end of 1979, representing 2% market penetration. Atari coin-op video game sales rose 42%.

"Lead time" of at least 9 months between FCC's final AM stereo report and effective date will be requested by EIA Consumer Electronics Group, it was decided at EIA Spring Conference in Washington. Group also reorganized to reflect absorption of IHF. CEG now has 60 company members, expects total to reach 80 by midyear. Total of 29 companies serve on new 33-member CEG board, with Jerry Kalov, Jensen, elected to EIA board. CEG elected chairmen for newly organized Audio subdivisions—former IHF Chmn. Kahlov heading IHF Components Subdivision; Frank Myers, Arvin, General Audio; Jack Doyle, Pioneer, Auto Audio. In other actions, CEG: (1) Voted "substantial expenditure" for detailed consumer study of audio market, including compacts, components & autosound. (2) Announced 35 companies are participating in new audio statistical program, with first reports to be provided to participants by midyear. (3) Heard report that its engineering committees are developing standards for turntables, AM stereo receivers, loudspeakers, tape recorders & autosound gear.

Labor Dept. rejected import adjustment assistance eligibility requests for former Buckbee-Mears, General Instrument, Delco & BMPI workers. LD turned down those formerly employed producing color tube aperture masks at B-M plant in St. Paul, Minn. after finding all output at facility had been earmarked for export, so wasn't subject to import competition. Delco workers who produced car radios & parts at Kokomo, Ind. were turned down because plant's sole customer was parent General Motors, which doesn't use imports of similar items. LD ruled prime cause of job loss at GI Chicago Miniature Lamp Works Div., Neptune, N.J., was transfer of production to Chicago, while general business turnaround, rather than import competition, was found to be reason workers lost jobs producing plastic parts for audio equipment & indoor TV antennas at BMPI, Somers Point, N.J.

PERSONALS

Kelichi (Tex) Takeoka, a Matsushita senior managing dir. who headed Quasar from time of its 1974 purchase from Motorola until his return to Japan hq in 1976, named chief exec. officer & pres. of Matsushita Electric Corp. of America (MECA), responsible for activities of Panasonic, Quasar & Matsushita Industrial Co.

George Hrbek, ex-Arco Development, rejoins Zenith as videodisc engineering dir.; **George Schupp** appointed video operations vp-gen. mgr., adding operational responsibility for Zenith's entry into videodisc mkt., retaining duties in VCR & accessories area; **Mike Tamkin** appointed b&w TV gen. mgr., replacing Schupp; **Ken Kindness** succeeds Tamkin as mfg. methods & support dir.; **Melvin Moore**, color TV mfg. exec. dir., and **Kenneth Jaeggli**, controller, named vps.

Joseph Dash, ex-dir. of planning, & diversification of CBS Records and architect of its move into videodisc, promoted to CBS Masterworks vp-gen. mgr., succeeding **Simon Schmidt**, on leave; Dash's replacement hasn't been named yet... **W.E. Calligaro** joins Mattel Electronics as mktg. dir.; **Clifton Crowder** appointed Activision national sales mgr... **Donald Klaber** named Warner Communications consultant on home video & pay-cable program acquisitions.

William Kopp, ex-Macy's, joins Panasonic as portable radios national sales mgr., replacing **Dan Stolz**, resigned... **John Grant**, ex-Ford, appointed Clarion Custom Div. vp, succeeding **George Wafer**, now mgr. of Clarion's N.E. distributor Eastern Auto Sound... **Al Kovac** rejoins J.I.L. as exec. vp... **James Thornton** appointed gen. mgr. of Robins Industries Vac-O-Rec Div.

James Lancaster appointed Oak Technology corporate development vp... **Richard Kovener** named dir. of new National Semiconductor Automotive Applications Lab... **Michael Lazar** appointed Burndy Components Div. new-product development vp; **Leonard Feldberg** succeeds Lazar as engineering dir... **Harry Marschausen** named JVD Electronic Components Div. national sales mgr... **Richard Booker** appointed Centralab distributor sales mgr.

Lee Moules appointed vp-gen. mgr. of Sylvania Parts Div., succeeding **Vincent St. Onge**, now pres. of GTE Precision Materials; Moules is succeeded as pres. of GTE's Gibson Electric Div. by **William Wind**, ex-gen. mgr. of Sylvania Connector Products.

Clarion Corp. of America, subsidiary of Japan's audio-equipment producer Clarion, is out to become power in subscription TV business. Company has purchased 35% interest in American Subscription TV of Cal. and 45% interest in AST of Wis. from Robert Block, owns 80% interest in 5 AST applications for STV licenses. Clarion manufactures AST's decoder boxes.

Soaring demand for CRT data display terminals continues to attract new marketers. Latest to announce entry into field are Panasonic & Wells-Gardner.

JVC's 1981 COLOR: JVC is first to unveil 1981-model color sets to reps & dealers, and pricing on short line shows obvious benefits of having it assembled here rather than in Japan. All JVC's color is being put together from Japan-made parts by Canada's Electrohome.

JVC is offering only 4 models, all 19", with mechanically-tuned leader at \$540, down \$40. Pair of step-ups with one-knob electronic tuning are \$570 & \$580; remote is \$730, down \$90. Shown, but still unpriced: Single-speed battery portable VHS VCR with variable-speed slow motion; color camera with electric zoom & electronic viewfinder, step-up from similar unit with optical viewer now offered at \$1,050; 5" color mini-combo.

Mitsubishi introduced new audio line at press briefing in N. Y., including first receivers priced at \$290, \$390 & \$560, plus vertical turntable with electronic control and straight-line arm tracking at \$690. Separately, Pres. Yoshito Yamaguchi said leader pricing on MGA color line was being increased \$10 in all screen sizes—13", 19", 21" & 25"—other prices unchanged. All are being produced at new Compton, Cal. plant, which now is operating at 150,000 annual production rate. He said factory should be running at 200,000 capacity level next year.

Sony introduced hi-fi line, highlighted by new turntables with electronic speed control in \$200-\$500 range; high-end model has MPU-controlled tone arm. Also new were battery portable stereo cassette deck at \$700, matched component system—receiver, speakers, turntable—at \$550, with cassette deck optional at \$220.

Second expansion is in works for ICI Americas' Melinex polyester film plant in Hopewell, Va. Project to triple capacity is slated for completion this summer, and ICI says it will spend \$30 million for further 25% increase. Film is used to make video & audio tapes, other products.

Electronic mail service will be tested this year by British post office in 150 sites. System is compatible with Telex (although 50 times faster) and Britain's Prestel viewdata, as well as with experimental mail services planned by Canada & West Germany.

"Stereoscopic TV—Past, Present & Future" will be among sessions at conference on 3-D display techniques May 20-22 at Andover, Mass., sponsored by Institute for Graphic Communications. Information: IGC, 375 Commonwealth Ave., Boston 02115 (617-267-9425).

CBS will enter audiophile record field May 13 with inauguration of "Mastersound" discs & tapes, claimed to provide "new levels of sonic accuracy & realism for a wide variety of music including pop, rock, classical & jazz."

TI will offer speech-synthesis chips on OEM market in competition with National Semiconductor. Chips are same ones used in TI's Speak & Spell, will be priced at about \$13 for 2-chip set of synthesizer circuit & 128-kilobit ROM.

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.			
1980-qtr. to March 31	546,893,000	24,332,000	.86
1979-qtr. to March 31	451,607,000	25,467,000	.91
Andrea Radio			
1980-qtr. to March 31	770,261	100,490	.20
1979-qtr. to March 31	618,362	65,116	.13
Arvin Industries			
1980-qtr. to March 30	103,524,000	767,000	.06
1979-qtr. to March 31	124,065,000	6,540,000	.94
BBDO International			
1980-qtr. to March 31	35,900,000	2,514,000	1.00
1979-qtr. to March 31	31,700,000	2,257,000	.90
Capital Cities Communications			
1980-qtr. to March 31	106,726,000	15,111,000	1.14
1979-qtr. to March 31	89,795,000	11,970,000	.87
Chomerics			
1980-qtr. to March 31	8,023,100	818,700 ^a	.55
1979-qtr. to March 31	4,822,000	414,400 ^a	.35 ^b
Clarostat			
1980-qtr. to March 29	5,191,100	112,600	.20
1979-qtr. to March 31	4,928,500	99,700	.18
Cohu			
1980-qtr. to March 31	6,073,484	239,400	.14
1979-qtr. to March 31	5,034,143	204,502	.12
Comsat			
1980-qtr. to March 31	70,030,000	9,889,000	1.24
1979-qtr. to March 31	59,991,000	11,902,000	1.49
Cowles Communications			
1980-qtr. to March 31	3,884,000	1,323,000	.33
1979-qtr. to March 31	3,367,000	1,130,000	.28
Cox Bcstg.			
1980-qtr. to March 31	69,470,000	9,231,000	1.37
1979-qtr. to March 31	55,802,000	9,374,000 ^a	1.40
CTS			
1980-qtr. to March 30	47,248,679	2,820,278	.63
1979-qtr. to April 1	46,688,695	2,974,341	.65
Dynascan			
1980-qtr. to March 31	11,687,000	301,000	.09
1979-qtr. to March 31	14,433,000	225,000	.07 ^b
Fuqua Industries			
1980-qtr. to March 31	491,004,000	10,678,000	.81
1979-qtr. to March 31	464,230,000	10,239,000	.78
Heritage Communications			
1980-qtr. to March 31	5,249,218	403,410	.13
1979-qtr. to March 31	2,877,088	113,268 ^a	.04 ^b
International Rectifier			
1980-39-wk. to March 30	113,586,000	6,697,000	2.46
1979-39-wk. to April 1	89,772,000	4,310,000	1.62
1980-13-wk. to March 30	40,858,000	2,451,000	.89
1979-13-wk. to April 1	31,757,000	1,783,000	.67
Masco			
1980-qtr. to March 31	205,100,000	19,920,000	.78
1979-qtr. to March 31	180,310,000	18,710,000	.71
3M			
1980-qtr. to March 31	1,494,000,000	167,300,000	1.43
1979-qtr. to March 31	1,305,000,000	152,100,000	1.30
Regency Electronics			
1980-9 mo. to March 31	42,047,131	3,645,147	1.36

Company & Period	Revenues	Net Earnings	Per Share
1979-9 mo. to March 31	37,066,043	4,009,842	1.49
1980-qtr. to March 31	14,662,232	1,528,657	.57
1979-qtr. to March 31	15,458,929	1,425,936	.53
Rollins			
1980-9 mo. to March 31	285,627,186	21,440,837	1.59
1979-9 mo. to March 31	247,247,235	18,154,808	1.35
1980-qtr. to March 31	98,563,610	7,430,480	.55
1979-qtr. to March 31	83,516,116	6,447,739	.48
Sanyo Mfg.			
1980-qtr. to Feb. 29	56,027,000	194,000	.04
1979-qtr. to Feb. 28	9,405,000	(887,000)	—
Storer Bcstg.			
1980-qtr. to March 31	39,523,000	5,835,000	.54
1979-qtr. to March 31 ^c	35,098,000	3,252,000	.32 ^b
Trans-Lux			
1980-qtr. to March 31	4,470,666	418,667	.24
1979-qtr. to March 31	3,933,746	530,948 ^a	.29
TRW			
1980-qtr. to March 31	1,223,500,000	47,900,000	1.47
1979-qtr. to March 31	1,064,800,000	43,800,000	1.36
20th Century-Fox			
1980-qtr. to March 29	210,247,000	29,926,000	3.66
1979-qtr. to March 31	159,546,000	19,090,000	2.33
Wells-Gardner			
1980-qtr. to March 31	5,436,000	403,000 ^a	.97
1979-qtr. to March 31	3,380,000	(160,000)	—
Zenith			
1980-qtr. to March 31	271,100,000	6,600,000 ^a	.35
1979-qtr. to March 31	237,400,000	3,700,000	.20

Notes: ^aIncludes special credit. ^bAdjusted. ^cRestated.

Home computer price increase of \$250 was effectively instituted by Texas Instruments, which is informing dealers it's no longer offering system package. TI is leaving unchanged suggested lists of \$950 for computer console, \$450 for monitor, but has stopped selling 2 together for \$1,150... Mattel has again delayed introduction of \$500 computer keyboard converter for Intellivision programmable video game. May delivery had been promised; now company is saying it won't be available until late summer. Keyboard is being produced by Technicolor Audio-Visual Div.

Buckbee-Mears is closing Cortland, N. Y. color tube mask plant for 2 weeks to trim inventories. Despite apparent record color tube production in industry in first quarter, B-M said mask sales were down in period, cited increased competition here from Japan's Dai Nippon Printing, a B-M licensee. B-M said Zenith, among others, has shifted some business to Dai Nippon.

FM quad was removed from FCC's April 24 agenda pending rewriting of staff document, now scheduled to be ready in June.

Obituary

Max Abrams, 82, former pres. & co-founder of Emerson, died April 22 at N. Y. home after brief illness. He was last survivor of 3 brothers who started Emerson in 1922 with purchase of small recording company on borrowed money--Louis died in 1963, Benjamin in 1967. Emerson is credited with introducing first radio-phono combination, midget radio, self-powered portable & clock radio, was sold to National Union Electric in 1966. Abrams is survived by wife, 2 sons, daughter, 8 grandchildren, 2 great-grandchildren.