

WEEKLY

# Television Digest®

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## SUMMARY-INDEX OF WEEK'S NEWS

### Broadcast

**COURT PRESS VICTORY:** Supreme Court decides criminal trials must be open to press & public. Burger sees 'implicit' First Amendment right. Broadcast journalists hail decision, which overshadows Gannett decision. Case seen largest victory since Pentagon Papers. (P. 1)

**RCA PONDERES DBS:** Launch of high-power broadcast satellites serious option for Americom, we're told. DBS system could cost \$300 million. DBS impact on local station news & public affairs must be considered by FCC, NAB says. (P. 2)

**NO CONSOLIDATION FOR NAB:** Pitch by RAB for joint radio convention rejected 24-18. RAB & TvB members no longer will get cut rate at NAB functions. High Technology Committee on satellites formed. (P. 3)

**HILL ACTION:** House Communications Subcommittee passes renewal bill introduced by Rep. Swift (D-Wash.). Senate Commerce Committee still hasn't set date for mark-up of Communications Act rewrite, says more comments are welcome during 3-week recess. (P. 4)

**FTC ON EFFECTS OF NAB CODE:** Theoretical study analyzes effects of NAB 'cartel mgr.' limits on commercials. Washington seminar on recent FTC act set for July 16. (P. 5)

**BIG COURT VICTORY FOR MEDIA:** Press and public have constitutional right to attend criminal trials, Supreme Court held last week, handing press largest victory since Pentagon Papers case in 1971. Decision came exactly year after Court ruled in Gannett decision that judges could close pretrial hearings to press and public. New decision vastly overshadows that order, but leaves it intact.

"This is a watershed case," said Justice Stevens' opinion. "Never before has [Court] squarely held that the acquisition of newsworthy matter is entitled to any Constitutional protection whatsoever." Said Chief Justice Burger: "[The] right to attend criminal trials is implicit in the guarantees of the First Amendment."

Decision, reached by 7-1 vote, noted special status of press. Said Burger: "[Public learns of trials] chiefly through the print and electronic media. In a sense, this validates the media claim of functioning as surrogates for the public." He said that unlike many years ago, people

### Consumer Electronics

**PORTABLE CAMERA-VCR** combination prototype demonstrated by Sony. Market introduction 4-5 years away. Chmn. Morita calls for industry agreement on world standard, says Sony isn't locked into new format. (P. 7)

**NEW COLOR QUOTA** agreements limit only complete 13"-&-over sets from Taiwan & Korea. Restrictions lifted on chassis without tubes, sets & chassis from Japan. Most of 36% increase in first year to Korea. (P. 8)

**ZENITH BRIEF** in Customs Court suit to void \$76-million dumping case settlement says deal is "incurably tainted" by bad faith. (P. 9)

**1979 ELECTRONICS MARKET** rose 14.3% to \$80.6 billion at factory level, with all major segments, except consumer, joining in increase, EIA Data Book says. (P. 10)

**CATALOG TV LINES** of Sears, Ward & J. C. Penney in fall-winter books show hikes of \$10-\$70 in color, selective boosts in b&w. Video prices generally down. (P. 11)

**ADVENT CUT LOSSES** in fiscal 4th quarter, year, though sales declined. Video now more than 50% of business. Matsushita sees sales record. Ampex hikes dividend. (P. 12)



don't "pass the time" by viewing trials, instead public now gets information from press.

Court did leave open right of judges to close criminal trials if there is "an overriding interest". But tone of decision makes clear this can be done only under highly unusual circumstances. Decision reverses Va. court ruling that had allowed murder trial to be held secretly. Reporters for 2 Richmond newspapers had been barred from court and newspapers filed suit, which led to Supreme Court decision. Justice Rehnquist was lone dissenter, saying he found nothing in Constitution indicating right of access to criminal trials. Justice Powell disqualified self because of friendship with Richmond publisher.

Broadcast press reaction was universal. RTNDA Pres. Curtis Beckman: "[This] is a thrilling affirmation of the First Amendment rights of the press to gather news in public places. Specifically, it is a vindication of the public's right to attend criminal trials, absent an overriding interest to the contrary, and it memorializes the important function of the news media to represent the public in courtrooms for the purpose of reporting... Our only regret is that the Court did not revisit the issue of public access to pretrial hearings." William Small, NBC News pres.: "I'm delighted the Court is apparently pulling back from the confusion left by the Gannett decision. I hope that future rulings will continue to emphasize that it is vital the public and press be present at judicial decisions." Renard Maiuri, pres. of new 100-member Public Bcstg. News Producers Assn.: "I see this as a positive step in current freedom of information issues in light of a number of press setbacks in recent years."

NAB Pres. Vincent Wasilewski: "A badly frayed thread of our history has been restored by the Supreme Court... In this decision, the Court extends an opportunity and an olive branch to the news media." He said he was "disappointed" pre-trial decision wasn't reversed. And he said: "We hope that every trial judge, asked to lock the doors to a pretrial hearing, will thoroughly consider the Supreme Court's new emphasis on the public's need to know how justice is done." CBS: "We are pleased that the Supreme Court has recognized the fundamental right for journalists to gain access to trials..." Networks, NAB, RTNDA and others filed amicus in case.

RCA CONSIDERS DIRECT SATELLITE TV: RCA Americom is exploring possibility of launching high-power direct broadcast-type satellite system. Americom is not yet "planning" DBS system, but is seriously interested in concept, we're informed. "Timing is crucial," says knowledgeable insider, who points out that being first into FCC with DBS application may not be best tactic. Key RCA tactic: Americom would not approach DBS as broadcaster — only as carrier making communications channels available to other users. Service would be logical extension of current RCA service offerings, in view of RCA.

Admission by senior RCA official that satellite broadcasting is serious option for future expansion comes at ticklish moment. Americom is extremely expansion-minded, but has in past found it hard to win approval for its plans from corp. hq. RCA entry into DBS would undoubtedly be major commitment for corp., since it would involve expenditures in excess of \$300 million for satellites, launches & related earth segment costs.

But DBS is also obvious expansion area for RCA, already involved in new video technologies spanning range from videodiscs to CATV hardware. With Comsat intending to approach DBS as broadcaster, RCA move to seek authority as carrier might find regulatory approval. RCA's experience in video carriage area is obvious advantage. DBS birds available on carrier basis may find willing customers among RCA's current stable of customers for low-power, C-band video service, since it would allow expansion of current pay-TV services from cable to DBS with minimum complication.

Other DBS developments: (1) NAB said DBS report prepared by Network Inquiry special staff (Vol. 20:25 p4): "Fails to grapple with the crucial threshold question: What role does DBS have in our broadcasting system? [Report] devotes no time to discussion of the potential impact of DBS on our existing TV system and the audience it serves. Without this vital



information, the Commission cannot properly or effectively exercise its regulatory authority on the issue of DBS.

"NAB believes that the Commission ought to approach the matter of DBS cautiously, only after it has clearly determined that DBS has a proper role... NAB does not flatly oppose satellite-to-home broadcasting. In light of its potentially disruptive social, political and economic impact on local broadcasting, however, we do have serious questions about its desirability. DBS is, by its very nature, incapable of delivering... essential local services. It would be financially able to siphon audience-building programs from off-air TV. Without the strong financial base provided by commercially viable programs, local TV licensees might find themselves unable to provide quality local news, and public affairs programming services" to their communities.

(2) Direct broadcast satellite session has been added to agenda of Public Service Satellite Consortium Oct. 8-10 conference in Washington. (3) Comsat now is aiming at filing for DBS authority in Sept.-Oct. timeframe, but some at Comsat say it may be delayed until FCC publishes its notice of inquiry on policy & plans aspects. NOI from Office of Chief Scientist — dealing with technical issues for 1984 hemispherical DBS conference — is due later this month.

**NO CONSOLIDATION FOR NAB:** On 24-18 vote, NAB board rejected proposal to form committee to meet "with other appropriate broadcast groups... to consider the consolidation of separate radio and TV conventions and meetings." RAB board had asked for "annual joint radio broadcasting convention"; request was presented to NAB by ABC's Ben Hoberman and Mutual's Martin Rubenstein.

NAB board also agreed that RAB & TvB members who aren't NAB members no longer will be able to attend "NAB functions" at member rates, starting with 1981 convention. In other actions, board:

(1) Established High Technology Committee to study implications of direct-to-home satellite broadcasting and other new technology. First members: Joel Chaseman, Post-Newsweek Stations, consultant Paul Bortz, CBS Washington Vp William Lilley. (2) Raised dues of smallest radio stations from \$16 to \$20 monthly; established new category for stations billing more than \$3.5 million, which will pay top of \$500 month. (3) Abolished Public Affairs Committee "because it had outlived its usefulness." (4) Set town meetings Oct. 7 in Milwaukee, Oct. 20 in Tucson. (5) Decided "nothing could be done" about 1981 conflict with NRBA convention, will attempt to shift 1982 NAB radio program conference to avoid identical conflict.

**Citizens coalition** made up of United Church of Christ, NOW, and Black Citizens for Fair Media will study hiring & promotion practices at stations throughout country to see if they comply with EEO laws. UCC's Everett Parker said his office will invest \$100,000 in initial stage which includes training program this fall for monitors. Project is expected to last several years. Group assailed Comr. Jones for questioning need for FCC rules on EEO.

TV networks billed \$432.7 million in April, up 12.1% over 1979, according to TvB-BAR. For Jan.-April, billings totaled \$1.664 billion, up 11.1%, with Mon.-Fri. daytime showing largest gain — 21.7%.

**League of Women Voters** announced 28-member public advisory committee, including Ex-FCC Chmn. Newton Minow, to make recommendations to League board by late summer on dates, sites, participants, and ground rules for Presidential debates. Also on committee, which "represents broad spectrum of American life" are: Ex-FCC Comr. Benjamin Hooks, now NAACP exec. dir., Ex-NBC Vp Lee Hanna, CPB Dir. Sharon Rockefeller, Films Inc. Chmn. Charles Benton, Aspen Institute Trustee Douglass Cater, Communications Atty. Lee Mitchell, and WHY-TV Wilmington, Del. Pres. James Karayn. Committee is chaired by Minow and Carla Hills, ex-HUD Secy., who replaces Anne Armstrong, former ambassador to the U.K. Armstrong resigned because she plans to be active in Republican Presidential campaign. Spokesman said League "has made absolutely no decisions to date" on participants, adding group has "completely open mind on the issue of third party and independent candidate participation."

**Pole attachment charges** must follow FCC sliding scale, Commission reaffirmed in ruling that Chesapeake & Potomac Telephone of W. Va. must radically reduce rates. Ruling is first under recently-adopted pole attachment complaint procedures and NCTA officials hope it is precedent for staff-level, rather than Commissioner-level action. Ruling states telco must reduce rate to Teleprompter of Fairmont to \$1.79 per pole from \$4 telco was charging, plus refund excess already collected. Commission said \$4 was unfair and unreasonable. Decision effectively states that Commission plans to follow its own rate formula, except where states have asserted jurisdiction (about 20 have). Commission has before it 62 similar pole attachment complaints.

**Construction permit** for bankrupt Ch. 50 WGSP-TV Washington has been granted to black engineer Theodore Ledbetter to operate as STV station. Ledbetter — who nearly was appointed to FCC by President Nixon several years ago — said pay programming will be provided by Teleprompter.



**HILL ACTION:** House Communications Subcommittee passed by 7-0 vote renewal and cross-ownership bill (Vol. 20:17 p4) introduced by Rep. Swift (D-Wash.). Bill would: (1) Bar FCC from considering, in renewal, ownership of other media properties or involvement in day-to-day station management. (2) Codify FCC rules barring future cross-ownership, protecting present cross-ownership except that it would require divestiture if person owns community's only broadcast station and only newspaper.

Bill "addresses the intolerable state of uncertainty" facing present cross-owners who fear FCC could change mind on protections, Rep. Collins (R-Tex.) said. "A station's license could be taken away even though it fulfilled every service commitment and served the public interest."

FCC has been lukewarm on measure, questioning its necessity. Bill, which eliminates some FCC flexibility in comparative renewal, tends to place existing stations in favorable position by barring cross-ownership or management as ever being considered and leaving little but programming and technical issues on which to base decisions. Rep. Swift, who said bill makes sure stations are "judged on record of service," added that it won't affect enforcement of antitrust law and makes no reference to cable. "I think we need to deal with cable cross-ownership, perhaps next year, but this needed to be addressed first."

On Senate side, no date has been set yet for Commerce Committee mark-up of Communications Act rewrite. Battle with AT&T over common-carrier provisions still is hang-up, but minority and majority staffs agreed on amendments to make broadcast provisions "more attractive" to opponents, including guaranteeing continuation of network non-duplication and must-carry rules for cable and clarifying comparative renewal language (Vol. 20:26 p3).

NAB still isn't satisfied (it's worried about bill's affect on syndicated exclusivity and allocation of radio spectrum) and lobbying blitz by local NAB members awaits senators in their home states during current congressional recess. National Federation of Local Cable Programmers came out against bill, saying it prohibits local govts. from requiring community access channels, and charged cable industry with "sabotaging" community programming by supporting bill. "Some cable companies have long used community access programming as a main selling tool... if the bill is passed, companies could cut out access channels to maximize profits, particularly in older systems," group said.

Westinghouse Bestg. completed previously-announced \$20-million acquisition of WRET-TV Charlotte, N.C. from Turner Bestg. Station is NBC affiliate, becomes Group W's first UHF. Sale was approved last fall but consummation was held up until WRET-TV met FCC EEO requirements. Turner will use money for Cable News Network.

On 4-2 vote, FCC last week approved complicated swap of radio stations and waived one-to-a-market rule so that Outlet Co. could swap WJAR(AM) Providence for WRLN(FM) Taunton, Mass. — within coverage area of WJAR-TV. As part of transaction, daytime WHIM(AM) was sold to black-owned East Providence Bestg., giving R.I. its first minority-owned station. However, waiver for Outlet didn't set well with dissenters Ferris & Brown (Jones didn't participate). Said Brown (joined by Ferris): "I believe the public interest in general, and our minority ownership policies in particular, will be better served by adherence to our multiple ownership rules. [They] should not be easily overcome once a prospective minority owner enters the picture... The transfer of the unwanted daytime station... clearly is the tail of the transaction; the majority permits it to wag the dog." Fogarty responded to Brown, stressing that no new duopoly situation was created and benefits of R.I.'s first minority owner: "Neither competition nor diversity will be worse off... Any remaining policy interest in limiting grandfathered status must be balanced with the high importance the Commission and... all 3 branches of the federal government attach to 'fostering the participation of... minorities in the ownership and operation of broadcast stations.'" Fogarty also argued that existing broadcasters also should be allowed to benefit from policy. (Note: FCC press release was somewhat unusual, pointing out in lead paragraph that transactions were approved "despite the objection of 3 citizens' media groups.")

WIVB-TV Buffalo has filed civil antitrust suit against Group W Productions for moving "P.M. Magazine" to Taft's WGR-TV Buffalo. WIVB-TV charged that Group W "coerced" station to buy other programs before it would renew "Magazine" and that producer "defamed [WIVB-TV] by causing to be published false and defamatory statements" about reason contract wasn't renewed. Station is seeking expedited trial and injunction to prohibit WGR-TV from airing program. Contract disclosed that program cost WIVB-TV \$119,600 for year.

Tokyo hotel gets mini-Qube 2-way cable TV in experiment to determine customer reaction. Terminals, built by Pioneer and similar to those in use in Columbus, will be installed in 2,500-room New Otani, offering guests choice of pay-per-view movies, hotel information or regular TV broadcasts. Channel rental is being considered for large meetings.

Reversing one of its law judges, FCC ruled last week that owner Eugene Halker wasn't guilty of "gross negligence" and refused to revoke licenses of WJPD-AM-FM Ishpeming, Mich. for double billing. Commission found stations' mgr. had carried on practice 4 years, that upon learning of it Halker stopped it and made restitution to advertisers.

TIO is offering free to TV stations 30-min. program "Your Local Station: How Good a Neighbor." It's 4th in series, is designed for local inserts for individual station to give highlights of service.



**FTC ON NAB CODE:** FTC has published general economic analysis of effects of NAB TV Code restrictions on number of commercials. "TV Program Quality and Restrictions on the Number of Commercials" (Working Paper #30), by FTC economist Howard Beales, undertakes strict theoretical analysis using variables of program quality, audience size, number of commercials aired, station competition, and broadcasters' profit. NAB is examined as "cartel manager for the commercial broadcast industry" with ultimate goal of maximizing profit for all its members. Study apparently has no connection with Justice Dept. suit against TV Code.

Beales concludes that "the cartel which can restrict only the number of commercials faces a very complicated problem... Even though the cartel's problem is that stations produce too much program quality to maximize their collective profit, there is nothing to rule out the possibility that the cartel will operate with higher quality than a competitive solution [where each station would set its own quota of commercials]. The result is clearly an extreme: It requires a relatively large reduction in the number of commercials." NAB, without power to limit amount stations may spend on programming, can produce market stability only by limiting stations' incomes by limiting number of commercials.

At presstime, NAB had received FTC report, but wanted to study it further before commenting. Spokesman said: "It looks like a pretty hypothetical sort of thing... After a cursory glance, it doesn't look very useful."

Meanwhile, seminar on recent FTC authorization act has been set up by "FTC:Watch" newsletter. "The FTC Improvements Act of 1980 Seminar," July 16 at Mayflower Hotel in Washington, features 5 panel discussions, with Comrs. Robert Pitofsky and Patricia Bailey among speakers. Details: FTC:Watch Seminar, Box 485, Alexandria, Va. 22313.

FCC Chmn. Ferris, Comr. Lee and Gen. Counsel Robert Bruce attend "senior policy level meeting" of North Atlantic Facilities Planning Process in Tours, France this week.

Cable franchising procedures are recommended by Cable TV Information Center in June issue of its Cable Reports. Publication also has article on "What to do About Lobbying."

Moving to strengthen technical services, Magnavox CATV is redesigning technical center, establishing mobile dept., developing Tec Tips customer information series.

President Carter told NAACP convention in Miami July 4 that govt. programs have helped to more than double minority ownership of stations, added that much more needs to be done.

Networks are infatuated with Rep. Anderson (R-Ill.), according to George Washington U. study of TV coverage of Presidential campaign. Study found front-runners are more critically treated than challengers, "minimal levels of partisanship" are evident on evening news, but in general TV coverage has been "extensive, nonpartisan, objective, and superficial." Report added that "hollowness" is problem, with networks more interested in "horse race" than substantive issues and said that Anderson coverage began to "sour" in mid-June but had been especially positive, possibly because candidate is articulate and liberal and "press also regards itself as articulate and liberal."

**Regional pay-TV service**, along lines of PRISM in Philadelphia, likely will be established by Total Communications System, New Kensington, Pa. Service would be minimum of 8 hours per day mix of sports & movies, with heavy emphasis on audio & alphanumeric programming, offered to operators within 100-mile radius of Pittsburgh, including western Pa., eastern Ohio (plus Cleveland) & W. Va. TCS package lacks name and price structure at present, won't be announced until next month. It's designed to complement HBO and Showtime, may carry advertising, TCS Pres. Nelson Goldberg told us. Details in this week's Video Week.

ABC's Schooldisc project was described and demonstrated by TV Pres. Frederick Pierce at July 4 meeting of National Education Assn. in L.A. Programming for NEA-ABC joint venture will be produced by ABC Video Enterprises. Schools are to receive 20 hours of videodiscs during 10-month school year beginning in 1981. Each hour consists of six 6-10 min. segments, 4 devoted to language skills, social studies, sciences & arts. Fifth, provided by NEA, will be trends in education for teacher development; last is ABC News coverage of current events, will include clips from National Archives.

**Kid-TV project** — TV for All Children (TvAC) — may have to close doors because of lapse in funding, Exec. Dir. Nate Long said. TvAC has helped place 13,257 commercial-free educational segments on 583 commercial stations since Oct. 1977 under grant from U.S. Office of Education. TvAC will apply for renewal of funds for next year, will know in late Aug. or early Sept. whether funds will be granted. "I get absolutely no word at all," about prospects for interim funding to maintain program through fall, Long said.

ABC TV will expand co-op prime-time ad program with affiliates to year-round basis, starting Sept. 1. Network will pay 50% of costs for print and radio ads, expects nearly 100% of affiliates to participate. Network has budgeted \$3 million for program.

City Council of Portage, Ind. has decided that it would rather Dan Rather doesn't become CBS News anchor upon retirement of Walter Cronkite next year. Council unanimously adopted resolution because Rather admitted in Ladies Home Journal that he had experimented with drugs.



## Personals

Roger Mudd will join NBC News as chief Washington correspondent when his contract with CBS News expires early next year... John Anderson, independent Presidential candidate, will make daily appearances on "Today" during GOP convention July 14-18... Barbara Landes, ex-CBS News, appointed vp-financial planning & analysis, NBC... Pauline Frederick, retired NPR and NBC correspondent, named Paul White Award winner by RTNDA for service to broadcast journalism... Robert Farrow, ex-WICS Springfield, Ill., named gen. mgr., WEYI-TV Flint-Saginaw... James Long, mgr.-personnel development & services, elected vp, Storer Bestg.

Richard Levine, ex-MGM TV senior vp, joins ABC Entertainment as east coast programs vp... Tom Milbourn, ex-WMTV Madison, appointed news dir., WJIM-TV-AM-FM Lansing; Tony Battaglia, ex-WTVH Syracuse, named local TV sales mgr... Robert Mart, KTVU Oakland-San Francisco station mgr., departs to "explore new directions"... Robert Bridwell, vp-finance, Harte-Hanks Communications, resigns... William Castleman, ex-WFLD-TV Chicago, named program mgr., WKBD-TV Detroit... Lyle Kilgore, ex KHJ(AM) L.A., appointed dir.-public affairs, Shamrock Bestg.

Donna Hutchinson, ex-promotion mgr., promoted to dir.-advertising, WPIX N.Y... Frank Cannizzaro, ex-financial analyst, named dir.-financial planning, ABC News; Joseph Policy, WPEC West Palm Beach creative services dir., elected chmn., ABC-TV Network Promotion Advisory Board... Linda Beech Ebner, ex-NCTA dir.-congressional relations, joins Malarkey, Taylor & Assoc. as vp-research & marketing... Jerry Buford, Daniels & Assoc. exec. vp-operations, named exec. vp-corp. development & acquisitions.

Martin Zitlin, ex-dir. of bestg., Chicago Board of Rabbis, appointed dir.-programming, Cablevision of Chicago... Bruce Baker, ex-D.H.J. Industries, appointed controller, Showtime... Joseph Indelli, ex-Metromedia, joins Columbia Pictures TV as vp-domestic sales... Edward Hinshaw, public affairs mgr., WTMJ-TV Milwaukee, elected pres., NBEA... David Fuellhart, WPOC(FM) Baltimore, and Thomas Cookerly, WJLA-TV Washington, elected pres. & vp, respectively, Md.-D.C.-Del. Bestrs. Assn... Nicholas Verbitsky promoted at Mutual to senior vp-operations & stations; Jerry Wallace becomes senior vp-corp. services.

Donald Saraceno, KCRA-TV Sacramento, joins Arbitron TV Advisory Council following July 9-11 meeting in Bermuda... Gary Rosch, ex-FCC, appointed staff counsel, Antiope Videotex Systems... Charles Pater, former marketing & business mgr., named mgr.-fiber optics group, Belden Corp.

Chris-Craft owns about 20% of 20th Century-Fox, and 20th wants Chris-Craft out, has offered \$45 for its shares (now selling for under \$35). Deal would be worth \$25 million pre-tax if accepted.

## TELEVISION Digest

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"Another committee, and another study, can only delay the many new opportunities for minority-owned stations which these spectrum management proceedings promise us. It can only delay the broadened industry competition which can make the marketplace more responsive to diverse community needs," according to Pluria Marshall, NBMC chmn. In letter to FCC, he questioned whether anything would come of joint govt.-industry committee — as sought by NAB — to study radio allocations problems, said "there is no indication that the Commission's staff lacks the expertise to handle these relatively simple engineering matters" involved. NAB has taken just opposite view in asking FCC Chmn. Ferris to reconsider his earlier rejection of such a committee (Vol. 20:25 p3). Existing advisory group for radio allocations doesn't have expertise to "afford the kind of coordinated policymaking which is required in the public interest," NAB maintained.

Arbitron/Video Probe Index study of new electronic media, for late July release, reports attitudes about cable, pay TV, VCRs & disc received from 9,000-household sample. Twenty subscribers are paying total of about \$300,000 for study, including Time Inc., 3 networks, Dow Jones, Comsat, Columbia Pictures, Cox, Southern Satellite Systems, USA Network, plus ad agencies J. Walter Thompson, Young & Rubicam, Interpublic, Dancer Fitzgerald Sample, Ogilvy & Mather, Kenyon & Eckhardt, cable ad rep Eastman Cable and Mobil and Pepsico.

Cal. courts were opened to some form of TV-radio coverage last week, making it 26th state to permit cameras & microphones. Another 11 states now are considering permitting coverage. Cal. test will be for year, evaluated under \$100,000 contract by Sacramento firm.



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## STATE OF THE INDUSTRY

Sales to dealers (total market), from EIA, for week ended June 20 (25th week of 1980):

	June 14-20	1979 Week	% change	June 7-13	1980 to date	1979 to date	% change
Total TV.....	304,712	341,096	-10.7	275,366	6,267,083	6,894,307	-9.1
color.....	194,704	235,130	-17.2	177,962	3,993,222	4,337,141	-7.9
monochrome..	110,008	105,966	+3.8	97,404	2,273,861	2,557,166	-11.1
Home VCR.....	9,983*	6,459	+54.6	10,607	273,392*	170,473	+60.4

Color TV 5-week moving average: 1980—156,477; 1979—173,779 (down 10.0%).

Home VCR 5-week moving average: 1980—10,825\*; 1979—6,485 (up 66.9%).

\*Record for period.

**SONY BIDS FOR WORLD PORTABLE VCR STANDARD:** Call for all manufacturers with interest and technological capability in ultra-compact portable VCR of future "to sit down with us and discuss standardization" was issued by Sony at press conferences held last week in N.Y. & Tokyo, where company demonstrated early prototype of one-piece single-chip CCD color camera-VCR combination it's developing, tentatively named "Video Movie."

Sony Chmn. Akio Morita kept his emphasis on standardization message at N.Y. meeting, but had hard time keeping session from centering on company's latest advance, even after telling audience that market introduction was still 4-5 years off. Conference, termed a "technology development announcement," was called "as early as possible to leave enough time" for industry to get together on standardization issue, Morita said, noting that Sony "has never disclosed a prototype at this early stage of development before."

"We don't want confusion in the future," he said, referring to multitude of home VCR formats introduced over last 5 years. "In the future, when such a machine is spread all over the world, I hope the cassette and format will be the same" for all brands, Morita said. Desire, he said, was to make it possible for consumers to buy standard cassettes in any country, in same way they now can find film for their still & movie cameras.

Morita stressed Sony wasn't locked into format being demonstrated. "This is not necessarily the final version... we'll talk with any qualified company" and Sony is prepared to negotiate on standards, he said. He did note that Sony already has filed for about 50 patents on Video Movie unit, and on companion Home Editor needed to play back recordings. System with its 20-min.-per-cassette record-play time is not designed to replace current home deck formats, but will instead "expand the use of the home VCR tremendously," Morita stated.

Camera-VCR combo is just 7.5 X 6.7 X 2.4-in., weighs in at 4.4 lbs., including one pound for detachable side-mounted handle that contains rechargeable 9-volt battery pack. Power consumption is 7 watts, and current battery provides 40-minute (2 cassettes) recording time. Top-mounted camera has 570 X 490-element CCD chip measuring .4 X .5-in., has 3-1 zoom lens with macro capability, thru-lens viewer, weighs 1.3 lbs., and like recorder, provides 250-line horizontal resolution. Helical-scan 2-head recorder is really miniature Betamax, has separate fixed audio head. Mechanical parts weigh just 1.3 lbs. Cassette, at 2.17 X 1.3 X .51-in., is double width of micro audio cassette, but otherwise only slightly bigger, holds 82.5 feet of 8-mm metal tape -- choice of 8-mm rather than quarter-inch tape may be PR gesture



underlining system's future as substitute for home movies.

For playback, handle is removed and entire camera is placed inside editor. Editor contains power supply, and converts output signal to NTSC for direct feed to TV or for transfer to full-size home VCR deck. Sony hasn't yet made PAL or SECAM-output editors, but said that would be no problem. Editor has all usual VCR controls, except record. It also provides visual fast forward & reverse, freeze-frame, though demonstrated quality was far cry from Betascan. Considering prototype status, system performed admirably. Drop-out level was unacceptably high, but pictures were steady. There was noticeable color shift in tape shot during conference by Morita, but color quality of 2nd demonstration tape, made outdoors in sunlight before meeting, was much better. To show system compatibility, Morita had system tapes transferred to Sony Betamax and RCA VHS VCRs, and, reproduction from both was excellent.

Morita was hesitant to discuss market plans, but said he hoped system, including both camera and editor, could be made to sell for under \$1,000, estimated that tapes would retail for about \$10 each. He said that, at present development state, it would take Sony about 3 years to bring system to market. Additional year or 2 has been tacked on to lead time to allow for development of international standard.

There was little immediate official reaction to Sony announcement. Matsushita said it appeared to be step toward broadening general application of VTR. Matsushita, Hitachi & Toshiba are known to be working on camera-VCR systems — Toshiba's using longitudinal rather than helical scan format — and Kodak has long been reported to be involved. Closest similar product to market is Funai's quarter-inch helical-scan VCR portable deck, requiring separate camera, slated to be distributed here by Technicolor, which, it's understood, has just passed UL tests.

How Sony's call for world standard will be received is still up in air. Press demonstrations marked first-ever showing, and some noses are already out of joint. Sony may have made a tactical error, an executive of one Japanese company told us. "When trying to establish a new standard in Japan, it's usual to give the top people at other companies an advance private presentation. This Sony did not do. It laid no groundwork, and the feeling about this in Japan is not good."

**JAPAN, CHASSIS, MINIS DROPPED FROM COLOR QUOTA:** "They preferred our offer to the alternatives." That's how a senior U.S. trade official explained success of 11th-hour negotiations resulting in new 2-year Orderly Marketing Agreements restricting color TV exports to U.S. from Taiwan & Korea, replacing OMAs that expired June 30. As forecast here, OMA with Japan was not renewed, and new pacts permit unrestricted exports of 12"-&-under sets (Vol. 20:25 p8). Also now unlimited are exports of complete chassis. Covered are exports of complete color and incompletes shipped with picture tubes.

New quota agreements provide combined 36% hike in exports in first year to 785,000 from 577,000 limit under old OMAs, 27.4% jump to 1 million in 2nd year, with virtually all of increase going to Korea. Korea, previously operating under 204,000 limit, gets 88.7% increase to 385,000 in quota year ending June 30, 1981, boost of 49.4% to 575,000 in 2nd year. Taiwan gets rise of 7% in opening year, from 373,000 to 400,000, 2nd-year increase of 6% to 425,000.

Bigger jump for Korea, which could make it largest supplier of complete color imports in 1982 — Japan shipped 513,400 last year — stems from assurances of manufacturers there that they won't be shipping many small-screen sets, won't benefit from open door for incomplete sets as they have no plans for major TV assembly operations here, trade officials told us. However, even as OMA was being finalized, Korea Traders Assn. was reporting new govt. policy calling for expanding overseas production, specifically citing need for output of color TVs in U.S., color TVs & watches in Latin America, audio equipment in Europe.

Key issue for Taiwan manufacturers was end to quota on chassis. Of Big-3 manufacturers,



Tatung already has color assembly plant here, Sampo plans to be in production in Atlanta next year, and AOC has located near Kansas City — AOC plant, we've learned, did not go on stream last month as scheduled, may not start full production until next year. There has been no word on how Taiwan & Korean govts. plan to allocate quotas among their manufacturers, but it's expected they'll follow pattern set in 1979 when initial OMAs went into effect, with some modifications to allow for changes in conditions (Vol. 19:12 p11; 19:13 p10)

Ending of restraints on Japan was political defeat for labor-industry group COMPACT, which had been lobbying hard for continuation. Group expressed "deep disappointment" at action. Quota on Japan was ended, of course, because all major Japanese producers now either have own assembly plants here or assembly arrangements with U.S. or Canadian manufacturers. Official U.S. statement announcing new agreements says color exports from Japan and other countries will continue to be monitored, and appropriate restrictive action will be taken in event of sudden surge.

Exclusion of 12"-&-under sets from OMAs had been requested by RCA, was opposed by GE. GE makes 10" Portacolor in Portsmouth, Va., only small-screen color currently being assembled in U.S. Both declined comment on situation. Speculation is RCA plans to start importing complete mini-color model, most likely 9", from Taiwan plant next year. It probably isn't TV-radio combo, as combos have never been included under quota umbrella.

**ZENITH DUMPING BRIEF:** Following up on summons issued in May, Zenith last week filed first brief in Customs Court suit it's bringing to have negotiated \$76-million Japan TV dumping case settlement declared illegal and ordered canceled.

Agreement was worked out with Japanese manufacturers & importers by govt. officials who based action "primarily on political & other irrelevant considerations," and comes in wake of "many years of utter disregard of the law" by govt. agencies, Zenith charges. Statement of settlement, Zenith alleges, contains false language in that govt. says it "knows of no violation or potential violation of law" relating to false invoicing by TV importers. Zenith concludes that "settlement has been incurably tainted by an alarming history of political interference, bad faith & lawlessness" on part of involved U.S. officials, and constitutes an attempt to deprive company of its right to challenge govt. handling of issue.

Mitsubishi Electric has revamped nomenclature for U.S. marketing & manufacturing subsidiaries. Melco Sales, TV marketing unit, is now Mitsubishi Electric Sales America; color TV assembly operation is now Mitsubishi Consumer Electronics America; former Melco Industrial Products Div., which markets picture & display tubes, CRT terminals and other products, is now Mitsubishi Electronics America; Mitsubishi Electric America is new name for heavy industrial products operation.

Unfair import competition in coin-op video game field is charged in complaint filed with International Trade Commission by Midway Mfg., Bally subsidiary. Complaint charges 6 Japanese & Taiwan manufacturers and 13 U.S. distributors with trademark infringement, false origin designation, asks that imports be banned. Midway has copyright infringement suit pending against same companies in Customs Court.

**Mergers & acquisitions:** CBS has agreed to sell Leslie Speaker operation to Marmon Co., terms undisclosed... JBL has been acquired from Beatrice Foods by investment group headed by Sidney Harman. Harman is founder of Harman-Kardon, sold last year by Beatrice to Japan's Shin-Shirasuna Denki... North American Philips has dropped plan to acquire Computervision's Cobilt Div., a producer of semiconductor manufacturing equipment... Britain's GEC said it plans to acquire U.S. IC maker Circuit Technology for \$7.5 million in cash... Gamble-Skogmo has agreed to acquisition by Wikes for about \$170.6 million in shares & cash... Apple Computer has agreed to acquire its European distributor, says it plans to make same move in Canada & Japan. Apple recently purchased plant in Ireland where it will assemble computers for sale in Europe... Audio Technica has agreed to acquire U.S. speaker producer Design Acoustics... Recoton has agreed to acquire Fidelitone. Both market audio accessories... West Bend is negotiating to acquire Superphone, Cal.-based producer of MPU-controlled telephones. An appliance producer, West Bend says it wants to expand into consumer electronics.

Consumer plans to buy TV rose in June, compared with May, but continued well below buying intention level of June 1979, Conference Board says. Color TV buying interest was expressed by 5.3% of those polled in Board's June survey, up from 5% in May, but down from 5.8% in June last year. Interest in b&w was shown by 1.2% in June, up from 1% in May, down from 1.5% in June 1979. June survey was first in 8 months to show general increase in consumer confidence. Consumer Confidence Index was 48 in June, up nearly 6 points from May.

Teletext test to be conducted under govt. sponsorship in Washington this fall will use Canadian Telidon system. Receivers supplied by Canada's Electrohome will be placed in 60 homes and public sites.



**1979 ELECTRONICS MARKET:** U.S. market for traditional electronic products last year totaled record \$80.6 billion at factory level, up 14.3% from \$70.5 billion of 1978, according to EIA's new 1980 Electronic Market Data Book. Figures include domestic production plus imports.

Consumer electronics provided only exception to general market growth, with total sales of \$9.27 billion, down 0.3% (Vol. 20:16 p15). Largest gain was by components, which rose 21.5% to \$18.9 billion, followed by 18% increase to \$29.7 billion for industrial equipment. Sales of govt. products rose 14.2% to just under \$20.2 billion; communications equipment posted 10.8% gain to \$22.7 billion. Industrial equipment represented 36.8% of non-govt. segment of 1979 market, up from 35.1% in 1978; communications ranked 2nd at 28.2%, down from 28.6%, followed by components with 23.5%, up from 23.3%, and consumer products with 11.5% share, down from 13%.

In components, IC sales set growth pace, jumping 43.2% to \$4.67 billion. Results for other components: Discrete semiconductors \$1.94 billion, up 22.3%; electron tubes \$1.6 billion, up 9.8%; passive components \$2.42 billion, up 17.8%; other components \$8.28 billion, up 14.9%; replacement components \$1.49 billion, up 14%.

Value of TV picture tube sales rose 10.2% to record \$809.5 million, and while total unit volume of 12.3 million was up 4.9% from 1978, it fell short of record 12.6 million set in 1973. Color tubes set records with units up 9.8% to 10.85 million, value up 12% to \$783.2 million, while b&w unit sales were down 21.6% to 1.41 million, with value off 26.4% to \$26.2 million.

In color tubes, both domestic factory & importer sales set records. U.S.-made tube sales rose 9.5% to 10.5 million at \$761.2 million, up 11.3%. Imports rose 19.4% to 354,700 at \$22 million, up 32.7%. In b&w tubes, U.S.-made unit sales were down 28.6% to 757,000, with value down 42.2% to \$16.2 million. Import units dropped 11.6% to 657,200, although value rose 31.7% to record \$10 million. Average color tube price rose to \$72.13 in 1979 from \$70.66 in 1978, as U.S.-made average rose to \$72.47 from \$71.11 and import average increased to \$62.08 from \$55.84. In b&w, average slipped to \$18.54 from \$19.77, as price for typical U.S.-made tube fell to \$21.37 from \$26.44, while price of average import rose to \$15.28 from \$10.25.

For U.S. color tube factories, sales to OEMs jumped 11.5% to 9.12 million, exports edged up 1.5% to 973,300, and renewal volume dropped 10.9% to 406,500. In b&w tubes, U.S.-made sales to OEMs fell 27.5% to 716,300, exports sank 52.1% to 20,400 and renewal volume dropped 28.8% to 20,300. Renewal sales exclude those of independent rebuilders.

Sagging CB market showed no signs of recovery last year, according to Data Book figures showing number of license applications to FCC in 1979 was at

5-year low of 1.02 million, and down 56.1% from 1978. Number of licenses outstanding rose just 2.7% to 14.7 million. Copies of new Data Book are \$50 each from EIA, 2001 Eye St. NW, Washington, D.C. 20006.

Magnavox urged FCC to promptly "adopt and issue an opinion & order" in AM stereo proceeding to "squench the speculation and to restore the integrity of the rulemaking process." Since its April 9 decision to adopt Magnavox's AM stereo system (Vol. 20:15 p8), FCC has been subject to "rather extraordinary efforts" by those seeking reversal, and "unfortunately, it appears now that this lobbying activity may have had an impact," Magnavox said in strongly-worded letter sent to FCC last week. Magnavox noted that such an effort continuing "long after the cutoff date, is totally inconsistent with the Commission's policies & regulations." News leak indicating decision is being reevaluated (Vol. 20:26 p8) "debases the administrative process and makes a mockery of the Sunshine Act procedures." Issuance of order as originally planned would still give those in opposition chance "to seek reconsideration according to established procedures," while failure to do so "will only encourage replication of the post decisional lobbying that has characterized this proceeding," Magnavox said.

Phase II of record industry battle against home taping was introduced by Arista, CBS, Chrysalis & PolyGram Records, which announced they would exclude from co-op program any dealer ads for their records or pre-recorded tapes which also include blank tape on same print page or in same TV or radio commercial. Tape makers are fighting back, however. Cetron says it's modifying co-op program to provide increased allowance, of up to 20% of value of purchases, to dealers injured by new record company policy.

Depressed U.K. electronics industry is being hit with more plant closings. Germany's Grundig said it will close loss-plagued stereo recorder & dictation machine factory in Belfast next Oct., putting 1,000 out of work, and BSR announced plan to shut one of 4 record changer factories. BSR said consolidation was necessary as plants were all operating on part time basis. In U.S., BSR said it's expanding non-OEM business with addition of BSR-brand speaker line.

Videodisc outlook conference, July 27-29 at Highlands Inn, Carmel, Cal. is being chaired by George Kenney, Philips Research Labs. Featured speakers: Robert Erwin, Discovision Assoc.; John Hartigan, Sony; Andrew Lippman, MIT; Warren Singer, Thomson-CSF; Jacques DeVos, N.V. Philips Research Labs; Robert Woolley, Utah State U. Details from Institute for Graphic Communication, 375 Commonwealth Ave., Boston.

TV sound improvers: Telesound offers add-on simulated-stereo amplifier-speaker system to plug into TV audio output jacks, at about \$130. If set has no jack, Dynamic Compliance advertises amplifier-speaker combination which works when placed next to set without physical connection.



**CATALOG TV LINES:** Nation's 3 major consumer electronics catalog marketers, Sears, Ward & J. C. Penney, have posted \$10-\$70 price increases on many color models in their 1980 fall-winter books, compared with prices in spring-summer catalogs, show selective \$5-\$10 hikes in b&w.

Sears color starts with mechanically tuned 13" at \$290, \$320, with remote at \$430, all unchanged; 19" mechanically-tuned leader is \$320 (up \$20), with step at \$340 (up \$10), new model with one-button color control at \$390 (up \$20 from set it replaces). In electronically-tuned 19", one-knob leader is \$430, step-up with 12-button ladder tuner is \$460 (both up \$10), new 12-button step-up is \$470; 19" remotes are \$540 (up \$10), \$560 (up \$20) and high end with remote & on-set keypads, LED channel display, is unchanged at \$590. New 19" featuring built-in captioning decoder is same as high-end mechanically-tuned set, sells for \$520, a \$130 premium; captioning adaptor continues at \$250.

Consoles start with mechanically-tuned leader unchanged at \$470, first step with one-knob electronic tuning is \$540 (up \$20), step-up pair with 12-button ladder tuning are \$640 (up \$20). Series with ladder tuning at \$750, with remotes at \$820, are gone, replaced by 3 models with on-set keypad tuners, LED channel display at \$770; versions with keyboard remotes are \$850. New series with keyboard remotes, on-set keyboards, VIR, LED channel display, comb filters, are \$920, replacing similar models previously offered with limited-function remote at \$870. Version with on-screen time-channel display at \$950 has been dropped.

In AC-DC b&w, 5" at \$135, 5" with FM-AM at \$165 & 10" at \$115 are unchanged; 12" at \$95 is down \$3. Unchanged are 12" AC-only at \$79, \$88 & \$98; 19" leader is \$140 (up \$10), step is unchanged at \$155, with high end up \$5 to \$175. Sears still has no portable VCR in video line, features 2-speed Beta with mechanical tuning, Betascan at \$985 (unchanged), mechanically-tuned single-speed Beta at \$740 (up \$5). Color camera with electronic viewfinder, zoom, is \$985 (down \$155), versions with thru-lens viewer at \$830, top-mounted optical viewer at \$800 are unchanged. B&w camera at \$298 has been dropped.

Ward color line opens with 10" at \$285 (up \$10); mechanically-tuned 13" are unchanged at \$315 & \$345, with new remote at \$425; new 17" remote is \$490. Leader mechanically-tuned 19" is \$290, with step at \$350 (both unchanged), new drop in is \$370, with high-end up \$10 to \$410. Electronic-tuned leader has 12-button ladder at \$450 (up \$20), new one-knob step with mid-band CATV tuning is \$470 (up \$30 from most similar previous model); new ladder-tuned remote is \$520 and new keypad remote with VIR, mid-band CATV channels, is \$590 (up \$30).

Console line now starts with mechanically-tuned leader at \$540 (up \$110), with steps at \$610 & \$650 (up \$20). Model with one-knob mid-band CATV

tuner is \$620 (down \$50), and in double-sided console price is \$690. Pair with 12-channel ladder tuners are \$710 (up \$50). New models with scan-tuning remotes, VIR, LED channel display are \$840 & \$860. Top-of-line consoles with keypad remotes, VIR, and now mid-band CATV, are \$970, up \$70.

B&w AC-DC starts with 5" FM-AM combo at \$168, version with clock at \$188, both unchanged; new 5" FM-AM-cassette combo is \$248, 12" is \$118, unchanged. In AC-only, 12" at \$78 & \$98 are down \$10; 16" is \$138 (up \$10); 19" is \$168 (up \$10). In video, Ward features only Panasonic mechanically-tuned 3-speed VHS at \$974, b&w camera at \$300, both unchanged.

Penney dropped 9" AC-DC at \$330, now starts color with 10" at \$290 (up \$20); mechanically-tuned 13" leader is \$330, step with one-knob electronic tuner is \$350 (both up \$10). In 17", mechanically-tuned leader is \$370 (up \$10), remote with on-set scan-tuning is \$470 (down \$20). Leader 19" with mechanical tuning is unchanged at \$390, model with one-knob tuning is \$440 (up \$10), unit with on-set keypad tuner is \$490 (up \$10); 19" remotes are \$550 for model with on-set scan tuning (up \$10) and \$590 for similar model with simulated stereo audio, on-screen time-channel display (unchanged).

Leader console features one-knob electronic tuning at \$650 (up \$10), models with one-set keyboard tuners are \$700 (down \$30), new pair with on-set scan tuning is \$730, with remote versions at \$780. New remote with keypad tuning, on-screen time-channel display is \$880, replacing previous \$840 high-end model.

B&w AC-DC starts with 5" at \$144, FM-AM at \$165, FM-AM-clock at \$204 (all unchanged), FM-AM-cassette at \$259 (up \$5), 12" at \$114 (down \$23). Unchanged are AC-only 12" at \$94, 19" at \$156; new 15" is \$134, new 19" step is \$175. In video, 6-hour VHS deck with mechanical tuner is \$900 (down \$96), with electronic-tuned programmable at \$1,187 (down \$63); dual-speed portable is \$899 (down \$176), optional programmable tuner-timer is unchanged at \$389. Color camera with electronic viewer, power zoom, is \$989, model with thru-lens viewing is \$889 (both down \$86), version with optical viewer is \$689 (down \$60).

Magnavox completed move of consumer electronics administrative, mktg. & sales staff to new Knoxville hq last week. Some engineering & support operations will remain in Ft. Wayne for short time. New address: Magnavox Consumer Electronics, Interstate 40 & Straw Plains Pike, Knoxville, Tenn., 37914. 615-521-4316.

Sony-VCA venture S/T Videocassette Duplicating is doubling size of 32,000-sq.-ft. Leonia, N.J. plant, adding storage unit and label printing capability, expanding service section, increasing VCR duplicating slave capacity to 800 from 400.



**ADVENT CUTS LOSS:** Advent reported lower losses in fiscal 4th quarter and year to March 29, though sales were down 17.1% & 20.9% in those respective periods. Loss in 1979 was after special gain of \$339,000 from settlement of litigation with founder Henry Kloss. Results for 1980 are after increases in reserves for inventory obsolescence to \$2.6 million and for doubtful accounts receivable to \$892,000.

For Advent, 1980 was first year that video products accounted for bulk of sales. Sales of video equipment, mainly projectors, were down 11.9% for year to \$15.4 million, representing 50.1% of total \$30.7 million sales volume, up from 45% in 1979. Sales of audio equipment dropped 28.3% last year to \$15.3 million. In quarter, video equipment sales were off 12.4% to just over \$4 million; audio volume dropped 22.1% to \$3.36 million.

Ampex boosted quarterly dividend to 6¢ from 5¢.

**Matsushita** forecast sales would rise 12% this year to record \$8.52 billion, estimated pre-tax net at \$583 million, up 14.5%. Company said it planned to produce million VCRs in 1980, up from about 400,000 last year, export 80%.

**TDK** will seek to raise \$500 million through secondary stock offering this month. Part of proceeds will be used to expand videotape production capacity in Japan, build U.S. videocassette assembly facility.

Delete option message isn't getting through to consumers buying new GM cars because dealers hesitate to offend their supplier by ordering cars without original equipment radios, according to Custom Automotive Sound Assn. CASA said victory it won by getting GM and most other auto OEM to agree to let customers buy cars without radios, even though they're listed as standard equipment, is being eroded by lack of consumer awareness. Group is launching study on how best to get word of option to new car buyers.

New 3-year contract negotiated by Magnavox & IUE last week covering 2,600 workers at Greeneville, Tenn. plant provides immediate 46¢ hourly raise, 33¢ & 32¢ hikes in following years, cost of living increase for last 2 years expected to average 12¢. Improved pension, medical & disability benefits also are included.

Selectavision videodisc stylus tips are being produced for RCA on sample basis by Nagaoka, Japan's largest audio record stylus manufacturer. Company said it expects to receive firm order from RCA soon, and is investing about \$1.3 million in facility with initial production capacity of 3,000-4,000 pickups monthly.

GE opens multi-million dollar service training center in Schenectady, N.Y., where it expects to teach some 3,000 repairmen how to handle high-technology solid-state products.

## Consumer Electronics Personals

Kimiyasu Kobayashi, former Toshiba (Japan) International Div. U.S. & Canada mgr., named Toshiba America pres., succeeding Motoo Shinjo, who returns to parent... Jerry Hellman, Quasar TV mktg. dir., and Gil Ravelette, microwave oven mktg. dir., have resigned, effective at end of this month, to launch new TV-appliance retail operation, Flag Bros., in Tampa, Fla.; Wallace Fraser, ex-Sunbeam, joins as replacement for Ravelette.

John McCallister, recently appointed Zenith mktg. head, named vp... Howard Earhart promoted at Memorex from operations vp to pres., Consumer Products Group and named corp. vp... Harvey Urman advanced at Sharp Consumer Electronics from VTR sales & training mgr. to national video products training mgr.; Martin Rivchun, ex-Philco & Magnavox, joins as Video Div. E. region sales mgr.; Donald Mossman appointed corporate gen. counsel... Richard Carlsen, David Hillman & Anthony Schicchi appointed Sony Video Products district sales mgrs.

Frank Randall, North American Philips vice chmn., named chmn. of Optical Programming Assoc., joint videodisc programming venture of MCA, NAP & Pioneer (Vol. 20:21 pll)... James Taylor, ex-Video Wholesalers, one-time Mitsubishi, joins Carib Brand International, Coral Gables, Fla. mfr.-exporter, as ad & PR dir... Gary Bordzuk appointed MCA Videocassette ad dir... Brian Payne resigns as Magnetic Video U.K. gen. mkt. mgr. to join United Artists U.K. as managing dir... Peter Schillaci advanced from mgr. to dir. of ABC Wide World of Learning, a unit of ABC Video Enterprises.

Allen McCusker, ex-Pillsbury, joins Mattel as corporate strategic mktg. vp... Wayne Rayburn appointed Radio Shack SE Div. educational sales coordinator... Paul Ackel, formerly with Technics, advanced at Panasonic to Professional Audio Div. sales engineering coordinator... Jo Ann Weber advanced to asst. mgr., Sharp Calculator Product Planning Div... Robert Scott retires as technical editor after 34 years with Radio-Electronics magazine.

Levy Katzier, former Motorola Auto Products vp-gen. mgr., reassigned to staff post with responsibility for expanded programs in Japanese market. Duties assumed by Carl Lindholm, vp-gen. mgr. of Auto & Industrial Electronics (formerly Auto & Display Products) Group; John Dols advanced to vp-group technology dir.; Thomas Koch succeeds Dols as display systems dir.; Gerhard Schulmeyer, former Auto Div. vp & European gen. mgr., named group international operations vp-gen. mgr... James Diller, National Semiconductor consumer products gen. mgr., and Max Stanton, Asian & Pacific mfg. operations dir., named vps.

Domestic factory shipments by U.S. TV-radio manufacturers fell 6% in first 4 months this year to \$2.43 billion, with April off 12.9% to \$546 million, Commerce reports.



WEEKLY

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## SUMMARY-INDEX OF WEEK'S NEWS

### Broadcast

**CABLE DEREG, MORE TV STATIONS:** Staff favors removal of most CATV restrictions. Rulemakings for more VHF's, low-power TVs, coming in fall. (P. 1)

**PFEIFFER—'IT WAS INEVITABLE'** says prominent affiliate of firing, wants Silverman 'recontracted.' Pfeiffer called 'ill suited for the job.' (P. 2)

**SPLITTING CABLE ROYALTIES:** Parties to Tribunal hearing recommend how to cut up pie. (P. 3)

**DISHES IN DETROIT:** GOP convention draws record concentration of satellite uplink gear. More local stations using network feeds. Post-Newsweek to use PBS earth stations. (P. 4)

**ADVICE FOR MINORITY WOMEN:** CNN pres. tells minority women to get into cable franchising. (P. 5)

**PAY-TV IMPACT** on network viewing is minimal, Y&R study indicates. Agency hopes for test of commercials in pay cable within year. (P. 5)

**NBMC DECLARES WAR ON CABLE:** Marshall charges entire industry is 'racist,' will start attack on CNN policies. NAB Minority Fund endorsed. (P. 6)

**RKO DIVESTITURE PLAN:** Best. Bureau recommends RKO plan to set up new corp. with 45,000 General Tire stockholders, no directors. (P. 7)

**AT FCC—CABLE DEREG, MORE TV STATIONS:** Nearly all cable TV restrictions will go by boards — including syndicated exclusivity and distant signals — under staff proposal to be considered by FCC July 22. But being prepared for fall is another proposal that will be even more disturbing to established stations. Best. Bureau has completed first draft of rulemaking which would, in effect, do away with mileage separations under table of allocations and permit new VHF's to be assigned to any market, provided "equivalent protection" were given existing stations.

On cable issue, staff has sent commissioners economic study which concludes that removal of syndicated exclusivity protection would hurt TV stations at "very most in a minimal way." Nor would program producers be injured financially, study concludes. In fact, staff says, Commission shouldn't even consider economic viability of stations & programmers. Nor, it says, should cable systems be required to obtain retransmission rights.

### Consumer Electronics

**1980 AT MIDPOINT:** Strong June sales finish good first half. July starts with color record. Inventories highest in 3 years. (P. 9)

**MAGNAVISION PRICE** generally cut to \$695 in markets where it competes directly with Pioneer. Yamaha adopts VHD. RCA to tell all to Japanese licensees. (P. 10)

**MAY VCR IMPORTS** rose just 4.4%, marking 2nd flat month in row. B&W TV at 6-month high, color down. Color camera, videocassette imports continued strong. (P. 11)

**CORNING LAUNCHES** \$3.5 million expansion of Taiwan subsidiary Pacific Glass to increase monochrome bulb production capacity 30%. (P. 11)

**COLOR IMPORT QUOTA** pact gives Koreans average 135% annual increase over next 2 years, while Taiwan gets 11%. Allocation estimates for manufacturers. (P. 12)

**AVNET SHUTTING LAST** record changer plant in U.S., consolidating production of Tenva OEM & BIC brand models at Nogales, Mexico. (P. 13)

**'VIDEO MOVIE'** showing by Sony opens debate on camera-VCR combos. Toshiba plans showing this year. Funai seeks non-exclusive deals. (P. 14)



Commissioners have been lobbied hotly by both sides of cable issue for several weeks, but that goes by the board now since ex parte rule goes into effect July 14. Issue is expected to be very close, with many predicting 4-3 vote either way. There is some talk of compromise which would continue some sort of protection for small market UHF's. UHF group was at FCC last week, sought stay of "significantly viewed" rule, said it planned to seek rulemaking providing "a more realistic and contemporary definition of significant distant signal viewing" because "the very existence of local TV in smaller markets is at stake." (Incidentally, if FCC adopts proposed changes, Copyright Royalty Tribunal is required to reexamine whole cable royalty formula. For related story, see p. 3.)

Still on staff drawing boards are: (1) Finalization of 4 VHF drop-ins. (2) Low power TVs. (3) Rulemaking mentioned above to provide for undetermined number of new VHF stations. When drop-ins were presented to FCC in Dec. 1978 (Vol. 18:51 pl), Best. Bureau opposed all 4, but that recommendation is expected to change when item comes back in fall — there's a new chief and deputy chief of Bureau. Markets involved: Knoxville Ch. 8; Johnstown-Altoona Ch. 8; Huntington-Charleston Ch. 11; Salt Lake City Ch. 13.

In 1978, split Commission sent item back to staff, told it to conduct field measurement studies in Pa. FCC study predicts that Ch. 8 drop-in would cause co-channel interference to 740,000 viewers, including 110,000 to WGAL-TV Lancaster and 360,000 to WJKW-TV Cleveland. Adjacent-channel interference would be to WTRF-TV Wheeling and WSTV-TV Steubenville (266,000 people). Another study showed new station would have 1,001,000 interference-free viewers, could cause interference to 1.7 million.

Proposed rulemaking would allow new VHF assignments as long as they provide "equivalent protection" — that is operate with less than maximum facilities — to existing stations. Such an approach, according to first draft of document, would help eliminate "much of the uncertainty and costliness" of current procedures. Applicants no longer would be required to submit detailed engineering studies, instead FCC would rely on "public interest" benefits of new service. Also thrown out would be reliance on hypothetical gained & lost viewing areas by new & old stations, and new stations wouldn't be required to put city-grade signal over entire city of license. They would, however, be required to serve as much of area as feasible. Also thrown out would be existing mileage separations, with each application considered on case-by-case basis.

In low-power rulemaking, staff will approve VHF stations with 100 watts, UHF's up to 1,000 watts. Stations would be "encouraged" to originate, but it wouldn't be mandatory. They'd have "only a secondary status," would have to go off air if regular applicant sought same channel. Staff says such a secondary status affords FCC wide latitude and more flexible approach in providing for local needs. Staff hopes to have all 3 items ready for commissioners "as soon as possible after the August break," we're told.

**PFEIFFER FIRED—'IT WAS INEVITABLE':** Fulfilling rumors that circulated for months, Jane Pfeiffer was relieved of duties as NBC chmn. July 8 by Pres. Fred Silverman after bitter dispute between Pfeiffer and NBC-RCA broke open. Two days later, NBC announced her contract had been negotiated and that she had resigned.

"It was inevitable," we were told by prominent NBC affiliate who worked closely with Pfeiffer during her 20 months as network's chmn. "I always thought that [RCA Chmn. Edgar] Griffiths put her in there to clean house... and she did a lot of that... But I expected her to go to RCA to save face." He predicted there will be no negative fallout on NBC affiliates, said "they all want Freddie recontracted."

Most of press speculation — and much within NBC & RCA — put blame on Griffiths, speculating that he ordered Pfeiffer fired. "That's a lot of horseshit," said someone who knows all the players intimately. "She was just ill suited for the job... Ask a half dozen affiliates and a half dozen producers and they'll all tell you the same thing... Everybody who was familiar with



the situation knew this would happen... It just came too late."

Griffiths came out the heavy in several press reports of Pfeiffer's firing — with Wall St. Journal and N.Y. Times stating that RCA board is unhappy with his handling of company. Some agree with this speculation, but we were told by very knowledgeable executive that "Griffiths will last at RCA as long as he wants to." As for Silverman's tenure at NBC, same source said "he'll either quit or be fired by the end of the year, or spring at the latest. My guess is he'll quit."

**SPLITTING CABLE ROYALTIES:** Division of cable royalty pie was recommended in proposed findings & conclusions submitted to Copyright Royalty Tribunal by parties to recent hearing on subject. Here are percentages urged by each:

NAB — program producers 68%, TV stations 21%, radio stations 1.5%, PBS 4%, sports 4%, CBC 1%, NPR 0.5%. From total, NAB would then give music 3.9%, cartoons .03%.

MPAA — producers 82%, sports 7.5%, stations 6%, PBS 4.5%. Then, of total, music would get 4%.

"Joint Sports Claimants" — sports 25-30%, stations 2-5%, producers 65-73%, PBS 4% of producers' share, music 4% of total.

PBS — PBS 9%, music 6%, producers 66%, sports 10%, TV stations 8%, radio stations 1%.

NCAA — producers 71.52%, PBS 1.91%, CBC 0.28%, all other TV stations 6.46%, NCAA 3.83%, professional sports 11.48%, music 3.56%, cartoon characters 0.25%, NPR .07%, other radio 0.64%.

In March (Vol. 20:11 p1), at Tribunal's urging, attorneys for parties agreed on split of: Producers 66%, stations 13%, sports 12%, music 5%, PBS 4%. However, producers rejected attorneys' agreement — and case went through laborious hearing.

The Dial, new public broadcasting magazine to be published by WETA-TV Washington, WNET-TV N.Y., KCET L.A. & WTTW-TV Chicago, was subject of petition to FCC by Washingtonian magazine — seeking to prohibit WETA-TV from on-air promotion of Dial. National coalition of publishers has formed to prevent publication of magazine, and Washingtonian publisher Philip Merrill said his challenge is merely first stage of \$3 million effort to defeat it. Publishers charge that Dial will benefit unfairly from parent companies' tax-exempt status.

Networks got poor grades for inflation coverage in Media Institute study. Report showed "overwhelming majority" of network news on inflation was initiated by govt. and "tended to exonerate" govt. role in inflation growth. Survey found 75% of stories cited non-govt. causes, such as OPEC & wages, for inflation, said only 15% mentioned govt. policies as inflation contributors, reported none cited Federal Reserve money supply figures.

William Lilley, CBS Washington vp, is chmn. of new NAB Science & Technology Committee. Primary purpose will be to study impact of satellite broadcasting to home and other new technology. Also on Committee are consultant Paul Bortz; Post-Newsweek Stations Pres. Joel Chaseman; Thomas Cookerly, Allbritton Communications; David Henderson, Outlet Co. Other newly appointed NAB committee chairmen: UHF — Kathryn Broman, Springfield TV; Radio Allocations — Arnold Lerner, WLLH-WSSH Lowell, Mass.; Children's TV — Donald Curran, Field Communications; Bylaws — John Lemme, KLTF(AM) Little Falls, Minn.; Congressional Liaison — Eugene Cowen, ABC Washington, and Jerry Lee, WDVR(FM) Philadelphia, co-chmn.; Convention — Cullie Tarleton, Jefferson Pilot, and Mark Smith, KLAS-TV Las Vegas, co-chmn.; Engineering Advisory — Robert Flanders, McGraw-Hill; Hundred Plus TV Markets — Frank Harden, State Telecasting; International — Arch Madsen, Bonneville; Membership — Ted Smith, KUMA(AM) Pendleton, Ore.; Research — Walter Windsor, WFTV Orlando.

Japanese TV network has reversed decision not to cover Summer Olympics in Moscow. TV Asahi, with exclusive Japanese TV rights to games, will carry 44 hours instead of 214 originally planned before Japanese joined boycott. Even with minimal coverage, company is still expected to lose \$10 million, may lose more if no advertisers come forth. Meanwhile, U.S. networks have broken off talks with Soviets on using Soviet satellite system for news transmission during games; Soviet price of \$78,000 per network for 2 weeks of satellite access was judged too high.

CBS earnings declined 17% to \$54.4 million, while revenue rose 7.2% to \$974.3 million, in 2nd quarter. Best. Group revenues were up 15% in quarter, but Records Group revenues declined 5% due to "very soft" conditions in market. Half of earnings decline overall was due to absence in 1980 of 1979 income from sales of syndication rights to Cinema Center Films. CBS said net for first half of 1980 declined 19.3% on revenue gain of 11.5%. Earnings per share for first half were \$2.42, 20% decline from \$3.01 earned in same period last year.

Metropolitan Opera performances on PBS for upcoming season include: "Manon Lescaut," (taped) Sept. 27; "La Traviata," (taped) Nov. 5; "Lulu," (live) Dec. 20; "Elektra," (taped) Jan. 28; "L'Elisir d'Amore," (live) March 2. Series is produced by WNET-TV N.Y., underwritten by Texaco, NEA & Culpeper Foundation.



**REPUBLICANS ON THE BIRDS:** Satellite electronic news gathering gets biggest ever workout at 1980 GOP Convention this week in Detroit. Satellite carriers have mounted massive operation to handle varied needs of major networks, stations, independent news services. At least 5 mobile uplinks have been set up near riverfront convention site — Robert Wold's Satellink (2), Western TCI (2), SSS (1).

Increased availability of ground stations has allowed greater number of stations to use satellites to do live reports for local audiences. At least 62 commercial TV stations now have earth stations. Among them: (1) WCCO-TV Minneapolis will use Bonneville feed from Detroit, is planning many stories from convention on Minn. issues.

(2) KING-TV Seattle, KUTV Salt Lake City & KGW-TV Portland will share Gannett uplink. (3) Post-Newsweek stations have agreement with PBS to use public TV stations' RO stations during convention, will get 2 half-hour feeds daily from PBS uplink.

Robert Wold Inc. (Satellink) has convention's most complex uplinking system, with 2 mobile uplinks plus hookup to local fixed uplink (Star Link). "All told, we're uplinking over 200 hours of video from Detroit, plus NPR's gavel-to-gavel radio coverage," Wold said. "We've worked out a complex checkerboard operation plan for switching customers back & forth between uplinks." For Democratic Convention at Madison Sq. Garden in N.Y. in Aug., Wold has command center in Empire State Bldg. with direct microwave link to Wold fixed earth station site now under construction on Long Island.

Fixed facility uplinking at Detroit will be handled by Greater Star Link, with two 10-m dishes (being used for transmitting for first time) located 9 miles north of convention site in Royal Oak, and PBS affiliate uplink at Troy, 20 miles from city. Star Link, subsidiary of privately held Greater Media Inc. (N.J.-based broadcasting & cable company), has been in operation for 2 years in Detroit as RO station. GOP convention marks start of uplink service. But even these facilities won't be able to handle demand. Some traffic will go via AT&T land line to Western Union uplink in N.J.

CNN has channels on both Western-TCI mobile unit and Star Link station, providing redundancy for 24-hour news network. Major networks will use AT&T land lines for bulk of network feeds; they all have satellite links as backups — and to send direct feeds to affiliates with earth stations who want to do own actualities from Convention. Networks are going all out in convention coverage, each spending estimated \$50 million on Detroit gathering.

Meanwhile, NBC plan to use independent Presidential candidate John Anderson on "Today" show as commentator on GOP convention (Vol. 20:27 p6) was challenged at FCC by Accuracy in Media, which said Anderson appearance would violate equal time rules.

**U.S.-CANADA FEUD:** Calling Canadian broadcast tax policies "inequitable, unreasonable and discriminatory," NAB joined broadcast border stations and Sens. Moynihan (D-N.Y.) & Heinz (R-Pa.) in urging U.S. Trade Representative to recommend retaliatory action. Long-standing dispute is over 1976 Canadian rule that Canadian companies can't take tax deductions for cost of advertising on U.S. media. Border stations say revenues from Canada have dropped 50% as result.

Testifying at hearing of Trade Representative's Sec. 301 Committee (held to consider petition filed by border stations), NAB Deputy Gen. Counsel James Popham said Canadian law "permits uncompensated use of U.S. programming or, in some cases, forces U.S. stations to reduce by 1/2 the charges to Canadian advertisers."

Sen. Heinz, who like Sen. Moynihan sent statement but didn't attend, said Senate Finance Committee is "outraged that Canada permits piracy of U.S. programming without compensation" while at same time asking Congress to grant it exemption from U.S. tax law limiting expense deductions for attending foreign conventions. Moynihan urged Committee to continue refusing foreign convention exemption for Canada until Canada eases broadcast ad rule.

Committee next week will consider proposals by border stations to impose duties or restrictions on exports of Canadian films and records to U.S., preclude U.S. taxpayers from deducting cost of ads on Canadian media, continue denying Canada relief from foreign convention tax law. Canada argued that its law isn't unreasonable (retaliatory action is permitted against "unreasonable" restraint of trade) because its industry is smaller than that of U.S. and is only trying to protect itself by keeping TV ad revenues in Canada. (Canadian testimony included references to being friend to U.S. in Iran) Trade Representative will make recommendation to President by July 27; President has until Aug. 18 to decide if action should be taken.

New STV Assn. is to be announced at Washington press conference July 15, to represent over the air pay-TV industry before FCC & Congress. Rinaldo Brutoco, Universal STV pres., is chmn. of new group; his office said 5 of 8 operating STV companies are members (identities not yet disclosed). Major priority of STV Assn. will be support of anti-piracy legislation. He said that speakers invited to appear at press conference include MPAA Pres. Jack Valenti, FCC Best. Bureau Chief Frank Washington.

National Assn. of Deaf passed unanimous resolution at Cincinnati convention urging CBS to support closed captioning. Resolution, approved by some 5,000 members, is first such action by handicapped group; more groups are expected to react negatively to CBS's refusal to offer captioning. National Captioning Institute says it still hopes to strike compromise with CBS.



**ADVICE FOR MINORITY WOMEN:** Get into cable franchising game, CNN Pres. Reese Schonfeld urged attendants in candid comments at White House conference to help minority women assume ownership & management roles. Minorities have "enormous advantage," he said. "Get to the mayor, city council, use clout... It doesn't always take money. If you demonstrate you have clout, organization, cable companies will offer you 20% of the franchise to have you in there bidding [for them]."

(Note: Next day, NBMC Chmn. Pluria Marshall met with Schonfeld and later accused CNN of being "racist," see p. 6.)

White House selected 35 women, many of them applicants for station ownership, to attend conference sponsored by Minority Telecommunications Development Program. Speakers from White House, NTIA & industry urged new technology — teletext, MDS & low power TV, and especially cable — as best avenues for entry. "Make sure you really want to do this. It's demanding. It will have an impact on your personal life," said WJXT Jacksonville Gen. Mgr. Amy McComb, urging women to hone financial skills, take technical courses. "I discovered the chief engineer talked in a language I didn't know."

Ex-FCC Chmn. Richard Wiley urged women to retain Washington lawyers for complicated problems such as competitive applications because "they know how FCC staff and commissioners will look at it."

NTIA Head Henry Geller warned of "danger" for minorities in Senate communications bill provision eliminating comparative hearings. "Minorities finally are getting preference in comparative hearings and now they would lose it... We think that's terrible." He said efforts of FCC, White House & industry have doubled number of minority owned stations since Carter started minority program in Jan. 1978, adding that NTIA is pushing for expanded distress sale policies and more preference for women in comparative renewal. If NAB's minority investment project gains IRS approval, it "may be most important part of the program," Geller said. "The Administration has a very strong commitment to this because we think it's right... Our whole system, our nation, is based on diversity — that's the bedrock."

In unusual position was WRC-TV Washington Station Mgr. Ann Berk, who said: "This is a very odd day for someone from NBC to be talking about women in management." Conference was held on day Jane Pfeiffer was fired as NBC chmn. (see p. 2).

Watching religious TV has little impact on local church attendance, Gallup Poll revealed. Study, commissioned by American Research Corp., also showed religious TV is lowest priority for charitable contributions, while local churches remain at top.

Courtroom TV was approved in Minn. by Supreme Court, on 2-year trial basis. Court ignored wishes of state bar association, which recently voted to support continued ban of courtroom cameras.

**GAUGING PAY'S IMPACT:** Pay TV's impact on network viewing isn't what it's cracked up to be, ad agency Young & Rubicam said at N.Y. press conference last week. Gist of remarks by Y&R executives Joseph Ostrow & William Donnelly: (1) HBO & Showtime draw significant audiences only for certain programs. (2) Total viewing time of pay subscribers exceeds national average. (3) Number of TV households is growing, giving networks smaller shares of larger pie, at worst. (4) Agencies' major concern is size of total audience, not survival of particular network. "Advertisers buy ratings, not share," said Ostrow.

Y&R analysis was based on pay-TV figures reported by Nielsen in last 4 network sweeps, didn't include May statistics, due soon. Ostrow doubted latest survey would change results to date. Y&R doesn't downplay pay's importance, especially to advertisers, hopes for commercial trial within year. Ostrow takes now-standard position that ads will defray soaring pay-TV program costs and hold down subscriber fees.

Agency study acknowledged impact of pay-TV presentations of feature films *The End* and *Saturday Night Fever* — cutting network usage by 44% & 33% respectively among pay-TV subscribers — but emphasized that "these examples represent exceptional rather than typical pay-channel ratings." During 4 sweeps, average pay rating in pay-TV homes was no better than 4th, and "given the premise of commercial-free exclusive programming for \$20 a month, a better performance might be expected," Y&R said.

Insults over CB are criminal harassment only if heard by insulted party, according to finding of D.C. Court of Appeals. Ruling said "breach of peace" doesn't occur if "the language complained of is not heard by, or directly aimed at, the defendant."

#### Video Course on Videocassette

"Home Video for the 1980s," non-technical videotaped review & demonstration of all existing & planned home videocassette & disc systems, is now available from Television Digest.

The 3rd in series of Video Editions, new tape provides excellent, complete, concise course in what's going on — and what's upcoming — in home video. In segments we taped in U.S., Japan & Germany, cassette contains demonstrations of 12 videocassette & videodisc systems and views of some proposed advanced techniques. Special feature is last-minute addition of demonstration of Sony's proposed combination portable VCR & color camera by Chmn. Akio Morita, taped July 1 at N.Y. press conference (Vol. 20:27 p7).

"Home Video for the 1980s" is available for immediate delivery in U-Matic, Beta or VHS format, NTSC, PAL or SECAM color. To order, mail form printed in this issue of the Digest.



**NBMC DECLARES WAR ON CABLE:** Charging that nearly all of cable is racist, National Black Media Coalition Chmn. Pluria Marshall said he is "declaring war" on CATV industry. First offensive will be launched against "Ted Turner's Cable News Network [because] it is totally insensitive to the black community," Marshall charged.

Coalition plans to tell nation that CNN is "for white folks only," Marshall said after aborted July 10 meeting with CNN Pres. Reese Schonfeld. NBMC Research Dir. David Honig said: "We didn't even get to the first item on agenda" — which was to have been implementation of affirmative action plan by CNN. Honig said Turner committed CNN to affirmative action and minority training when he got FCC to remove renewal restrictions on WRET-TV Charlotte, since transferred to Group W (Vol. 20:27 p5).

Marshall said NBMC has been spending too much time on broadcasting, which has greatly improved record in minority employment, while ignoring cable. To back his racist charge, he said that only black-owned CATV system is KBLE Columbus, O. He said Coalition will become involved in franchise fights, inform public and franchising officials which applicants have best records in minority employment.

NBMC chmn. soon will move from Houston to Washington and devote nearly full time to Coalition. In Houston, he has been professional photographer and head of Operation Breadbasket. Last week, he publicly endorsed NAB Minority Investment Fund for first time.

Press battle in U.K. will be heard by House of Lords later this month. Granada TV appealed High Court ruling that it has to reveal source of papers showing British Steel Corp. problems are due partly to bad management. High Court said Granada acted in "deplorable manner" by not giving company more notice before running program, even though Granada told Steel Corp. chairman about papers before interviewing him.

Probe liquor ads, National Education Assn. urged FCC in resolution passed at convention in L.A. "Many TV commercials glorify the consumption of alcohol and leave the impression that drink is a hallmark of success... placing pressure on students to drink," resolution said. Delegates also urged increased use of TIO TV study guides in schools.

NAB has sent members guide on how to implement recent Supreme Court decision on media & public access to trials (Vol. 20:27 pl). NAB said broadcasters now have rights to trial coverage "without being forced to take controversial, complex or expensive legal measures."

Resigning from ITNA were WPIX N.Y. and WGN-TV Chicago. ITNA plans recruitment drive to make up loss, will try to get network affiliates to take service.

Home game football telecasts can continue through 1981 season, under "spirit" of expired anti-blackout legislation, NFL Comr. Pete Rozelle informed House Communications Subcommittee Chmn. Van Deerlin (D-Cal.), but future of such extensions is in doubt, Van Deerlin says. Move is Rozelle's 2nd extension of anti-blackout procedure (permitting telecasts when games are sold out 3 days in advance). Van Deerlin told us he was "glad to have 2 years nailed down. But the future is in doubt. We know very well that Bowie Kuhn is looking to pay cable." Van Deerlin expects anti-siphoning legislation to be offered, said it "would surely get a full hearing." He said that as "jock" he "would be emotionally moved" to support legislation protecting major sports from pay TV, but would have to reconcile with his belief in marketplace forces. "I put myself down as doubtful," he said.

Broadcasting technology in '80s will be topic of highlight session of IBA convention in Brighton, England Sept. 20-23. Chaired by CBS's Joseph Flaherty, it will include papers on "coming crisis in TV technology" (IBA), future delivery of broadcast programs (BBC), optical fiber transmission (Telecom Research), future of home viewing (Philips), high definition TV (NHK). Other sessions will be devoted to digital standards & applications, teletext & viewdata, multi-channel sound, satellites, signal distribution, signal processing, transmitters & transposers.

Warner Cable sued ABC & NCAA to wrest rights to some Ohio State football games, telling U.S. Dist. Court in Columbus that network and college sports units were violating antitrust laws by denying Warner right to cablecast blacked out games. Earlier Warner suit filed in 1978 won Warner right to cablecast 5 of nine 1979 Buckeye games not telecast by ABC. But settlement required further action by Warner to win rights to future games.

Teletext in Belgium starts on experimental basis, using Antiope equipment purchased from French Sofratev. Belgium network RTBF will call service Perceval. It will offer local news & weather, national & international news, road & traffic conditions, other services. Service will first be beamed to French speaking population of Liege.

League of Women Voters announced Presidential debate schedule but no decision on participants. Debates will be in weeks of Sept. 7, Sept. 21, Oct. 26. Decision on ground rules & participants will be made by Public Advisory Committee in Aug.

MNI Video Networks, subsidiary of 3M, has been named rep for Manhattan Cable and UA-Columbia cable systems in N.Y.C. area. MNI is reportedly holding talks with other cable system owners in area, Teleprompter & Viacom.

Telidon, Canadian govt.-sponsored teletext system, won \$750,000 contract from Venezuela to supply store front terminals for access to govt. information.



**RKO MOVES TO SAVE 13:** While RKO's appeal of controversial FCC decision to strip it of N.Y., L.A. & Boston stations still pends (Vol. 20:23 pl), group moved to protect remaining TV station and 12 radios from same fate. Commission had asked for comments on what to do about these other licenses.

RKO responded with plan to establish new company owned by present 45,000 General Tire (RKO parent) stockholders; General directors couldn't vote shares. RKO argued plan "furthers the Commission's objective by putting the 13 stations outside the range of potential influence of General Tire [and] RKO..."

FCC Best. Bureau urged adoption of RKO idea, arguing loss of 3 major-market stations already satisfied "the purpose of [FCC's] policy... deterrence." Bureau recommended that General officers and directors be required to sell stock in new spinoff company within 6 months of decision.

National Black Media Coalition called for forced sale of all stations to "non-profit entity operated for the public good" which would in turn sell them to minorities. RKO would then help in 3-year training and development period. "It is fair to expect the Commission to apply justice equally but also creatively," Coalition argued.

Variety of other special interests commented, as did applicants eager for RKO licences. National Citizen's Committee for Bestg., calling "clone" company plan "a sham," asked FCC to strip RKO of all licenses, claiming reason Commission revoked only 3 in first place was that other applications for those licenses existed at time of decision. NAB said 13-station question goes "to the heart of the Commission's relationship with all stations... The Commission has denied or withdrawn many broadcast licenses for deterrent purposes, without necessarily branding the applicant unfit to hold any license whatever."

Oak Industries' STV should attract 402,000 subscribers this year, 625,000 in 1981, according to Montgomery Securities analysis. L.A. operation grew from 18,000 in 1977 to 228,000 last year, should hit 315,000 in 1980 with 4 new stations accounting for difference.

Best. Pioneers Library has received 10,000 photos of early TV & radio personalities & programs from St. Louis Post-Dispatch. Library now has 20,000 broadcast photos in its archives.

New consulting firm, Mel Kampmann Assoc., opened at 4,000 Albemarle St. NW, Suite 310, Washington, D.C. 20016.

SCTE issued call for papers for March 16-17 engineering conference at Nashville Opryland hotel. Details: Susan Queeney, 202-293-7841.

ENG is more reliable than film for getting story on air, said 300 TV news directors surveyed by RTNDA.

FCC's 9-kHz advisory committee met for 8th time last week, heard NBMC's David Honig urge that minorities get bulk of new assignments. Idea "went over like a lead balloon," said Honig. Committee is helping FCC plan U.S. position for regional conference on AM. Working groups were established to study policy, engineering aspects. Another group will assist in development of computer program to handle bargaining over precise number and class of new stations to be introduced if conference agrees (as expected) to reduce channel spacing from current 10 kHz. Canadian Dept. of Communications, meanwhile, asked comments on its own plan for new AM band use. Canada proposes restricting nearly all new assignments to low power. Full Commission will discuss U.S. preparations for conference at July 17 meeting.

Turning down Best. Bureau, FCC has refused to reconsider 1967 approval of sale of 5 UHF CPs by D. H. Overmyer for \$1 million. Overmyer's financing of CPs was subject of lengthy investigation & hearing by House Oversight Subcommittee. In 1970, FCC ordered hearing into transfer and Review Board had ruled in Overmyer's favor; it was that decision Bureau wanted reconsidered. FCC noted that Overmyer's only remaining broadcast property — WDHO-TV Toledo — has filed for bankruptcy.

CTAM annual seminar Aug. 3-6 at St. Francis hotel in San Francisco for first time will address both management & marketing, reflecting "new area... cable is now entering... Industry is more a marketing than technical business." Sessions will be offered on cable advertising, program evaluations, impact of new technology. Contact: CTAM Hq, Suite 1103, 1725 K St. NW, Washington 20026.

Group W makes 2nd major FM buy in 2 weeks, acquiring KOSI Denver from Sen. Armstrong (R-Colo.) for stock in parent Westinghouse Electric worth about \$7.53 million. KOSI will be company's 6th FM, including KGQY San Diego, which Group W is buying from Rep. Heftel (D-Hawaii) for \$7.25 million (Vol. 20:26 p4).

Golden West announced "multi-million dollar order" of ATC System I decoders, to be manufactured by Zenith, calling it "biggest STV decoder agreement in the history of pay TV."

Social impact of TV will be examined in 13-part series slated for 1981 PBS prime time, "On TV." Series, produced by On TV Inc., received \$50,000 NEA grant.

Acton Corp. cable subsidiary signed \$9-million contract with RCA for installation of 1,111 miles of transmission lines in Cal. & Utah, to be completed by Dec. 1981

Attorneys can advertise on radio & TV in S.C., State Supreme Court ruled, but only in immediate geographic area of practice, in "dignified" manner.



## Personals

Van Gordon Sauter, KNXT L.A. vp-gen. mgr., named pres. of CBS Sports, succeeding Frank Smith, who moves to senior vp of CBS Best. Group in sales advisory capacity... Tim Slack promoted to vp for casting, ABC Entertainment.

Barbara Levy, ex-CBS, appointed vp for financial planning & analysis, NBC; Betty Hudson promoted to vp of corporate relations, Alan Baker to vp for press information, all new NBC titles... John Phillips, CBS Foundation pres., joins National Executive Service Corps on loan.

Jack McCarthy, ex-WHIO-TV-AM-FM Dayton vp-gen. mgr., assumes same post at WIICT-TV Pittsburgh, succeeding Leonard Swanson, resigned; Neil Pugh, WHIO-TV station mgr. & gen. sales mgr., succeeds McCarthy; WIICT-TV Station Mgr. Merritt Rose promoted to mktg. dir. for parent Cox Bestg., new post; Stanley Mouse, Cox exec. vp, also becomes pres. of WHIO-TV-AM-FM.

Bazil O'Hagan promoted to pres. & gen. mgr., WNDU-TV-AM-FM South Bend, succeeding Thomas Hamilton, who continues to represent stations in community & industry affairs... Stuart Mackie, ex-WISN-TV Milwaukee, appointed national sales mgr., KTVH Wichita... Mitchell Stern named business affairs dir., WBBM-TV Chicago... Glen Peiffer, ex-KCMO-TV Kansas City, joins WTOL-TV Toledo as business mgr... John Rafferty promoted to sales dir., WCBS-TV N.Y.

Brett North promoted to exec. vp, Golden West STV Div.; Kathleen Dolio to programming vp; Terry May to finance & planning vp; Ronald Mandell to technical service vp... Ray Senate advanced to mktg. dir., WIBW-TV Topeka, new post; Vince Frye succeeds Senate as national sales mgr.; Robert Fromme, gen. mgr. of Kansas City Royals Baseball Network, promoted to special asst. to parent Stauffer Vp for Bestg. Jerry Holley... Robert Birdwell resigns as finance vp, Harte-Hanks.

William Moll, KENS-TV San Antonio, Robert Donovan, KMEG Sioux City, Ia., Carl Occhipinti, KCYU-TV Cheyenne, and Richard Schafbuch, KOIN-TV Portland, Ore., elected to CBS TV Affiliates' Board; Homer Lane, KOOL-TV Phoenix, named chmn. of new CBS TV Affiliates' Govt. Relations Committee; Albert Sanders, WMAZ-AM-FM Macon, is chmn. of radio committee.

Wilner & Scheiner, Washington law firm, has moved to 1200 New Hampshire Ave. NW, Suite 300, 20036, 202-861-7800... Barbara Thomas, N.Y. securities lawyer, appointed to SEC; Perry Johnson promoted to dir., FTC Bureau of Competition.

Jack Fentress, ex-KYW-TV Philadelphia, appointed vp-gen. mgr. of Syndicast with direct responsibility for "Mike Douglas Show"... Gary Fogel promoted to business affairs dir., Columbia Pictures TV... Barr Potter advanced to legal affairs dir., UA TV... William Wormington, ex-satellite consultant,

named operations mgr., Blairsat.

Gary Frank joins Oak CATV Div. as sales dir... Milton Tenzer promoted to staff vp & research dir., General Cable... Vithear Ouk appointed data services mgr., NCTA; Katherine Rutkowski, ex-ABC, appointed asst. dir. of technical research.

With chief judge dissenting, N.Y. Court of Appeals refused to hear appeal of case brought by Albany Times-Union involving access to pretrial hearing. Paper sued after learning of closed lower court hearing in which defendant pled guilty. Top court ruled that case was moot because lower court provided paper with transcript of hearing and proceeding was over when paper filed suit. Dissenting chief judge said that failure to take action on issue "in effect, sanctions the exclusion of the public and press from a guilty plea proceeding in a criminal case" and is "not in harmony with the best interests of our system of jurisprudence."

Pope John Paul II stepped up criticism of broadcasting in speech in Brazil, stating that TV & radio breed "passivity and emotionalism... manipulation and consequently evasion and hedonism." In less strident warning last spring (Vol. 20:20 p9), he told parents to be more "vigilant" about children's TV viewing, saying that some programs don't offer view of life that family "would wish to transmit."

New service to help broadcasters and newspapers conduct national straw polls by telephone was announced by AT&T. DIAL-IT service, to be effective in 90 days pending FCC approval, permits use of special 900 number which callers can dial for 50¢ from anywhere in country and register opinions or votes, with results tabulated by phone company. Sponsors pay basic per-day charge.

Earth-station hardware package at \$2,500 is being offered by Satellite Syndicated Systems to cable systems. Package includes antenna, cable & LNA, but no receivers, to systems affiliated with Satellite Cable Network on Westar 3. Affiliates can lease units for 7 years at \$60 a month. SSS also plans to acquire 300 additional 3-m dishes.

Taft Bestg. formed motion picture production & distribution company, Taft International Pictures, headed by Chmn. Max Youngstein and incorporating newly acquired Schick Sunn Classic Productions. Hq: 9220 Sunset Blvd., L.A.

NIAC charter has been renewed by FCC for 2 years. Established by FCC in 1958 to assist in emergency communications planning, NIAC now has 114 members appointed by Commission.

New TV technology will be focus of technical sessions at next year's Montreux International TV Symposium May 30-June 4. Satellite broadcasting, new cable services & teletext highlight agenda for Swiss meeting.



# Consumer Electronics®

A Section of Television Digest with Consumer Electronics

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

## STATE OF THE INDUSTRY

Sales to dealers (total market), from EIA, for week ended June 27 (26th week of 1980):

	June 21-27	1979 Week	% change	June 14-20	1st half 1980	1st half 1979	% change
Total TV.....	445,112	490,595	-9.3	304,712	6,712,195	7,384,902	-9.1
color.....	282,241	291,203	-3.1	194,704	4,275,463	4,628,344	-7.6
monochrome..	162,871	199,392	-18.3	110,008	2,436,732	2,756,558	-11.6
Home VCR.....	13,209*	9,971	+32.5	9,983	286,601*	180,444	+58.8

Color TV 5-week moving average: 1980—185,037 1979—199,186 (down 7.1%).

Home VCR 5-week moving average: 1980—10,415\*; 1979—6,700 (up 55.5%).

\*Record for period.

**1980 AT MIDPOINT—3RD BEST COLOR YEAR:** First half showed far more strength in sales to dealers than anticipated, on basis of EIA figures, winding up as 3rd best (after 1978 & 1979) in color, which ran at annual rate of about 9,695,000. Although there was concern about creeping inventories — highest in 3 years at factory plus distributor levels — color sales followed up June strength in July's first week, soaring to new record for any 27th week.

Second half started out with good sales on all video fronts. Color sales for 4th of July week totaled 170,700, up 5.9% from previous record for week, set last year, while dealers bought more than 91,000 b&w sets, up 4.7% from year earlier, and home VCR sales more than doubled year-earlier figure at 13,800.

First-half color sales were down only 7.6% from 1979's record, b&w down 11.6%, home VCR up 58.8% (for figures, see State of the Industry). Color's 2nd quarter, with sales of 1,978,407, was down 12.8% from 1979 period, representing annual rate of some 9.03 million vs. 10.35 million for first quarter.

Minus signs in monthly figures tend to disguise just how good June really was in color sales to dealers. It started with record first week, ending up only 7.1% behind record June 1979, its annualized rate of 9.99 million comparing with 8.57 million in May, 8.15 million in April. B&w sales, according to EIA statistics, were good, too — down only 6.6% from 1979, registering 2nd best June performance since 1974.

Home VCR sales for June were up 55.5%, representing annual rate of 705,000 based on meager history for product. Second quarter VCR sales, at 128,477, were up 58.4% from 1979, at annual rate of 672,000, first half at nearly 779,000 yearly rate. Every week in first half established new record for that week in home VCR sales to dealers.

But concern has been raised in industry about growing color TV production in recession year when 2nd half appears economically murky. Color TV inventories at factory plus distributor level, though up only 4.5% from year earlier, were highest since July 1977. Color inventories at the 2 levels stood at midyear at 2,628,000, increase of 2.5% during June. Factory inventories totaled 1,454,000, up 3.3% for year and down 0.8% in month; distributor stocks at 1,174,000 were up 5.1% since mid-1979 and 6.8% since end of May.



Cited as possible reasons for increase in color inventories are buildup of production in Japanese owned plants in U.S., flat-out production by Magnavox in anticipation of possibility of strike which didn't materialize, possible adjustments in EIA figures. No matter what, industry is watching inventory figures closely. In VCR, inventories of 145,300 at factory plus distributor were up 41.4% in year, 13.8% in month; at factory, there were 96,000 units, increase of 41% in year, 14.3% in June; distributors held 49,300, up 42.5% from year earlier and 12.8% from end of May. Here are EIA statistics on sales to dealers in June, with 1979 & 1978 comparisons:

Product	June 1980	June 1979	% change	June 1978
Total TV.....	1,451,814	1,559,486	- 6.9	1,434,566
color.....	925,187	995,931	- 7.1	918,622
monochrome.....	526,627	563,555	- 6.6	518,944
Home VCR.....	52,076	33,500	+55.5	31,339

MAGNAVISION PRICES CUT IN PIONEER MARKETS: Magnavision videodisc players were generally being quoted at \$695 last week by dealers in Dallas-Ft. Worth & Minneapolis-St. Paul, only areas where it's competing directly with Pioneer's \$749 Laserdisc player. In other regions, dealers were adhering to \$775 list price. Pioneer officials said 4-market launch June 20 was successful, with all regions selling out and reordering.

JVC's VHD videodisc system was adopted by first independent Japanese manufacturer, meanwhile — Nippon Gakki Co., producer of Yamaha hi fi, pianos & organs. Company is said to be planning to produce musical software as well as players.

RCA will focus on Japanese standards battlefield, plans to tell all to its licensees this summer. In response to our question, company said it plans "extensive series of meetings in the Far East" with its licensees in mid-Aug. to update them "with all available technical specifications relating to the player based on the RCA CED system." After meetings, RCA said, "we expect Far Eastern licensees will be in a position to develop & manufacture their own versions of the CED system player for sale in world markets." Some Japanese licensees have criticized RCA for failing to divulge enough information for them to produce players.

Magnavox dealers' reaction to Pioneer's videodisc player introduction generally has been price cut to \$695 area. There has been no reduction in suggested list prices, Magnavox Senior Vp Kenneth Ingram told us, stating that "some dealers are more aggressive than others." Asked whether special promotional allowances were available to dealers in areas where there's videodisc player competition, Ingram responded that company doesn't discuss wholesale prices.

Our canvass of 20 dealers found widespread price cuts only in Dallas & Minneapolis markets, generally to \$695 price at which player was introduced in Dec. 1978 (increased to \$775 in June 1979). In Dallas, Inman's told us, it had special promotion at \$695 and that debut of Pioneer player had increased demand for Magnavox player & discs. Dealer Singer Harris also quoted \$695 price; Rick Furniture said price was \$698. Good Housekeeping Shops said it was discontinuing Magnavision, was selling out players at \$499, had one left. Orion Magnavox said it "wasn't allowed to quote prices." Only area store sampled quoting \$775 price was Joske's.

Only store which currently sells both Magnavox & Pioneer players — Schaak Electronics in Minneapolis — quoted regular \$775 list price. Elsewhere in Minneapolis-St. Paul area, Dayton's, A.C. Carlson & McGowan's all gave us \$695 price, Robert Paul TV said \$698, Kenwood Penn \$699, Donaldson's sticking to \$775 list.

The 2 original Magnavision dealers — Atlanta's Allen & Bean and Rich's Dept. Store — gave us \$775 price, but both told us players were in warehouse, not in store, although Rich's said it had demonstrator on floor. Higbee and Hall Bros. in Cleveland both quoted \$775, as did Gimbel's & Horne's in Pittsburgh.



"Selling well in all 4 markets" was how U.S. Pioneer Videodisc Mktg. Dir. John Talbot answered our question, but he said "we'll have to wait until the dust settles" to determine how well. Product was launched with minimal advertising, initially only through Pioneer hi-fi dealers. Optional remote control adds \$50 to \$749 suggested list price.

Pioneer is believed to have imported around 7,000 players from Japan. Imports in first 5 months of 1980 of non-magnetic videoplayers (virtually all from Universal Pioneer) totaled 8,600 (739 in May), figure also including industrial & institutional models. Five-month videodisc player imports from Europe (almost all Philips) totaled about 1,700 — but number of optical players entering market is higher because Magnavox is assembling players in U.S.

**VCR IMPORTS FLAT IN MAY:** VCR imports were essentially flat in May, marking 2nd consecutive no-growth month, though imports of blank videocassettes continued to surge and color cameras stayed strong, Commerce figures show.

May VCR imports of 53,800 were up just 4.4% from same 1979 month, smallest such percentage gain since last Aug. and barely improving on 5.7% rise posted in April. April import total of 52,600 was lowest of year. In 1980's first 5 months, VCR imports were up 48.5% to 309,500. Videocassettes were just short of million a month import average they've been maintaining, with May total at 949,400, up 174% and putting 5-month total at 5.88 million.

Color camera imports hit 2nd highest monthly total ever in May, rising 246.8% to 13,400, while b&w cameras fell 35.2% to 4,100. Combined total of 17,500 was up 72.2%. May color camera surge put 5-month camera import total at 66,200, up 0.2%, with color up 55.5% to 48,000, offsetting 48.2% drop to 18,200 for b&w.

Total May imports of complete & incomplete TV, 860,300, were up 35.8%, setting new record for month, on strength of 82.7% jump for b&w to 6-month high of 551,700. Month's color imports of 308,600 were down 7%. For 5 months, total TV imports were up 14.1% to 4.23 million, with color up 10.7% to 1.8 million, b&w up 16.9% to 2.43 million.

Imports of complete color were off 7.9% in May to 90,200, for 5-month total of 400,900; color chassis & kit imports were down 6.6% in May to 218,400, putting year to date at 1.4 million, up 42.6%. Imports of b&w mini combos, being reported for first time this year, totaled 40,500 for month, 180,400 for 5 months, represented 7.7% of full period b&w imports.

**CORNING TAIWAN EXPANDING:** Corning received Taiwan govt. approval for \$3 million expansion program for Pacific Glass, its monochrome tube glass manufacturing subsidiary.

Corning will increase production capacity by about 30% to some 4.7 million tubes annually. Due for completion next July, expansion will center on 12"-&-under size tubes, including 5" used in portable minicombs, as well as special tubes for CRT display terminals. Pacific Glass accounts for about 1/3 of Taiwan's monochrome glass production, rest coming from Picvue & Philips.

Solid-state cameras will be marketed soon by Hitachi for industrial use — 3-chip color version at about \$11,000 (2.5 million yen), single-chip b&w at \$2,200 (500,000 yen)... Toshiba is introducing low-light home camera in Japan requiring as little as 50 lumens, about half amount needed by conventional cameras. Single-vidicon camera will sell at about \$890 (200,000 yen)... VCR sales worldwide by JVC (Japan) are estimated at \$137.7 million this year, about half of that already reached.

Tatung slipped last year to 4th place from 3rd in 1978, in ranking of Taiwan's largest private companies. Still largest electronics manufacturer there, Tatung's volume was up 30% to \$358.3 million, not enough to maintain its position, since Yue Loong Motor had 50% increase to \$366.7 million. Leaders remained same, with Nan Yah Plastics on top with 35% rise to \$494.4 million, followed by Formosa Plastics with 27% increase to \$388.9 million. Matsushita Taiwan jumped to 8th place from 10th, with 41% rise to \$197.2 million, while Sampo dropped from 8th to 9th as sales increased 16% to \$188.9 million.

China electronics industry development plan has been dropped by Matsushita. As proposed last year, it called for consortium of Japanese companies to provide capital & technology for manufacturing joint ventures with Chinese firms (Vol. 19:29 p10). Matsushita said it couldn't get adequate support in Japan. Proposal was opposed by some major Japanese companies which wanted to make individual deals with Chinese. There was also belief that U.S. & European companies would view it as Japanese attempt to freeze them out of China.



**HITACHI RECORDS:** Hitachi reported record consolidated results for year to March 31, as net rose 18.7% on 14.9% sales gain (see financial table). Company said consumer product sales rose 12.7% to \$2.86 billion, and volume from communications, electronic & measuring equipment was up 16.6% to \$2.54 billion. Company said its VCR sales doubled last year, also reported particularly strong gains for audio equipment & ICs, said VCRs, color TV, computers & semiconductors were major contributors to profit rise. It reported export sales jumped 20.4% to \$2.73 billion, while home market volume rose 13% to \$10.7 billion.

GE reported higher sales & earnings in 2nd quarter but said consumer products & services segment didn't share improvement. Company said sales of consumer durables were impacted significantly by recession.

CBS earnings declines in 2nd quarter & first half were attributed in part to depressed performance of CBS Records' domestic operations and start-up costs of CBS Video Enterprises.

Matsushita parent-only net rose 13.9% to \$153.4 million on 17.6% sales gain to \$3.52 billion in half to May 20. Company said both domestic & export volume increased.

Plessey reported net in fiscal year to March 30 rose 28.4% to \$85.6 million, after \$10.2 million special charge, mainly covering loss on sale of Garrard. Results for preceding year were after \$6.2 million charge stemming from restructuring of Garrard.

Radio Shack parent Tandy says it expects to report volume for year to June 30 of about \$1.38 billion, up 14%, notes international sales topped \$100 million for first time, rising 43% to \$112.8 million.

Sanyo Mfg. was well in black in half & quarter ended May 31, compared with losses in 1979 periods, and its sales were more than double those of year-earlier periods. Company explained sales increase resulted from resumption of demand for company's products after 1979 lull and change in billing practice of major customer Sears. Also contributing to increase were sales of microwave ovens & TV Telecaption adaptors, not produced in last year's period. Cost saving programs and increased productivity helped profit picture, company explained.

**Ad notes:** RCA appoints Dancer Fitzgerald Sample for videodiscs. Leo Burnett retains account for RCA disc players... Discovision Assoc. appoints Leber Katz Partners, N.Y., for industrial ads and market consulting for videodisc players & software... Granada TV Rental names Warren, Muller, Dolobowsky, N.Y., for launch of 13-outlet TV rental program in N.Y. metro area... Megatron appoints Dancer Fitzgerald Sample for estimated \$1 million audio account.

**TV QUOTA ALLOCATION:** New color TV import quota agreement is something of bonanza for Korean manufacturers, who got average 135% increase in complete set shipments to U.S. over next 2 years, compared with limit under Orderly Marketing Agreement which ran out last June 30, while Taiwan producers settled for average annual increase of just under 11%. As announced by President Carter, Korean quota for year ending next June 30 was increased from 204,000 to 385,000, will rise to 575,000 in following year. Taiwan quota was increased to 400,000 from 373,000 for current year, edges up to 425,000 next year (Vol. 20:27 p8).

Assumption is that Korea will stick with existing allocation formula in assigning color quota shares to its manufacturers. Here's rundown by company, showing allocation for last quota, followed by amounts manufacturers can be expected to ship in each of next 2 years: Samsung 99,600, 187,900, 280,600; Gold Star 64,300, 121,300, 181,100; Korea National 23,700, 44,700, 66,700; Taihan 16,500, 31,200, 46,600. Kumho applied for quota allocation last year but was turned down since it hadn't started color production. Company could be given share this time, which would of course reduce allocations of others.

Breakdown for Taiwan manufacturers: AOC 145,600, 155,800, 165,800; Sampo 84,500, 90,400, 96,300; Hitachi 82,300, 88,100, 93,800; Tatung 55,800, 59,700, 63,600; United 3,500, 3,700, 3,900; Matsushita 1,400, 1,500, 1,600. RCA, which has been exporting only color chassis from Taiwan, had no complete set quota. As new quota agreements cover only complete sets, chassis quota allocations are no longer necessary.

Quota allocations by company are only guidelines, and individual manufacturers can get increases when shipments by other companies fall short. Taiwan's Sampo, for example, claims it captured 1.3% share of U.S. market last year, which would mean sale of 127,000 sets, or almost 15% more than its annual allotment.

**Hanky-panky under the table?** Supposed freeze frame capability of VHD videodisc system is becoming increasingly controversial. Reporting on late June London demonstration by Thorn EMI & JVC, New Scientist charged JVC engineers "used concealed equipment to disguise" poor still picture reproduction. "After the [press] conference," article said, "bulky solid state frame stores were found hidden under the table on which the player was being demonstrated." London Financial Times last week picked up story, noting frame store would cost about 10,000 pounds (\$24,000). Neither JVC nor Panasonic apparently used any such device at last month's CES demonstration. Questioned by Television Digest at that time about freeze frame claims, engineers admitted specially prepared discs were used to show stop action capability. JVC officials couldn't be contacted at press time for comment on British charges.



**CHANGER PLANT CLOSING:** U.S. is losing last mainland record changer plant. Avnet says it's shutting down IPM Development facility in St. Joseph, Mich., shifting production to Nogales, Mexico plant.

Avnet opened St. Joseph plant in 1976 to produce automatic turntable for subsidiary BIC. Until opening of Nogales plant in late 1978, IPM also produced belt-drive changers marketed only to OEMs by Tenva subsidiary which also started operation that year.

For last 2 years, IPM has been manufacturing only for BIC, Avnet spokesman told us, and fluctuations in demand have made facility unprofitable. "Having a captive company with a single customer made it too exposed when you get down to the economics of manufacturing in the U.S.," he said. IPM has been cutting back since last Dec., and plant has been effectively shut down since Feb. At peak, IPM employed 500.

As for Tenva, its business is up this year, even though overall phono sales are down, "because our customers are putting our changer in more of their models." Tenva turns out relatively high priced changer, so isn't in direct competition with industry's other 2 major OEM suppliers, BSR & Matsushita. Only remaining changer plant on U.S. soil is Matsushita's in Puerto Rico where it conducts final assembly & testing of basically Japan made models.

Fairchild pulled out of \$38.8 million U.K. IC manufacturing venture launched in 1968 with GEC. GEC acquired full ownership of plant built for venture, said it would be used to manufacture military electronics. Move reopens door for possible GEC participation in Immos, govt.-sponsored IC company also started in 1978. Acquisition of Fairchild by French based Schlumberger last year is basic cause of Fairchild-GEC venture collapse. French have own IC development programs, and GEC is among U.K. companies that French view with suspicion because of their close ties with Japanese manufacturers.

IBM Japan plans to start production of 64K bit RAMs by 1983. New semiconductor plant will be IBM's 5th — it has 2 in U.S., one each in France & Germany. Though IBM does not sell semiconductors to others, new plant could help ease worldwide chip shortage since IBM has become major customer of U.S. & Japanese manufacturers over past year.

Gold & silver price increases can be passed on by manufacturers who use precious metals in their products, under anti-inflation guideline change by Council on Wage & Price Stability. Higher costs can be passed on, retroactive to last Oct. 1, providing value of gold & silver used represents at least 1% of total product value, COWPS said.

Microwave oven sales by U.S. producers & importers rose 22.5% in May to 211,000, for 5-month total of 806,400, up 45.2%, AHAM reports.

**TAIWAN 9-YEAR PLAN:** Increased self sufficiency in both production & marketing, as well as tripling of production value, is aim of 9-year electronics industry development proposal by Taiwan's Economic Planning & Development Council.

Council plans to establish committee of experts in areas of technology, management, marketing, finance, taxation & training, which in turn will set up industry service centers to aid local manufacturers.

Taiwan's electronics production was valued at \$3.27 billion last year, up 16.8% from 1978, with 25.7% of that representing value added by domestic factories. Goal of project is 12.7% average annual growth to \$10.7 billion by 1989, with value added at 30% of total. Taiwan currently has 1,255 electronics plants employing 270,000.

**Projection TV notes:** Kloss Video has raised price of 2-piece system to \$2,995 from \$2,500, Pres. Henry Kloss saying move was necessary to help finance expansion. Company is backordered on system... Mitsubishi has introduced projection TV in Japan with claimed 23% increase in brightness, at \$3100... New giant color-&-motion display for sports stadia was unveiled July 8 at All-Star Baseball Game at Dodger Stadium in L.A. Developed by Mitsubishi, Diamond Vision uses 1x1.25" CR tubes instead of light bulbs in 20x28-ft. array (to be increased next year to 25x33), is visible in full daylight... Matsushita has developed 3-tube version of 6-tube flat-screen theater projection TV shown at last year's Japan Electronics Show for 10-14-ft. screens, plans to make 50 monthly at about \$44,500 within year.

Keyboard market will more than double to \$221 million by 1985, from estimated \$109.9 million this year, according to International Resource Development survey of noncaptive market segment. Demand from TV manufacturers will be among fastest growing, rising 278% from \$6.3 million this year to \$17.5 million, while demand from game & toy producers will increase 85% to \$25 million from \$13.5 million. Largest demand will come from manufacturers of smaller computers, with volume increasing to \$37.4 million from \$15 million, followed by typewriter & word processor producers, who will account for \$35.8 million, up from \$16.5 million, IRD estimates.

Semiconductor sales by U.S. factories, on worldwide basis, will rise 27.5% this year to \$8.4 billion, if recession continues to be mild, but could finish year up only 20% to \$7.4 billion if economic situation takes severe downturn in 2nd half, Semiconductor Industry Assn. estimates. It estimates value of IC shipments will jump 34.9% to \$6.3 billion, while discrete semiconductor volume will rise 10.5% to \$2.1 billion.

Venezuela opened market to color TV imports by dropping import licensing requirement, substituting 1% tax on 13", 50% tax on 19" & 25" models.



**'VIDEO MOVIE' FALLOUT:** Sony apparently has achieved its goal in U.S.-Japan showings of prototype "Video Movie" combination portable video camera-VCR (Vol. 20:27 p7) — bringing subject of all-in-one electronic home movie system into open as prelude to standardization talks. At least, there's been plenty of publicity & discussion on subject since demonstrations.

Japan's powerful MITI said it had been kept informed of work by Sony and by others on similar systems and that debate is already going on within industry on "minimum required standards." MITI said it expects movement toward standardization.

Toshiba, known to be developing 1/4" LVR version of system, indicated in Japan it probably would show own prototype this year. Sony's unit uses 8-mm tape (.03 in.). Matsushita's guarded reaction — that Sony system was experimental step toward broader VCR applications and generally in line with aims of electronics industry — was reported here last week. Eastman Kodak had no comment.

Meanwhile, Funai, which is ready to market 7-lb. 1/4" Compact Video Cassette (CVC) system, says it's considering approaching photo equipment trade group instead of EIA-J for standardization, because of device's potential impact on traditional film market. Funai official in Japan told us company hopes to avoid granting exclusive distribution rights, prefers to have as many companies as possible fielding product in order to promote new format. Technicolor long has been discussing sale of the unit in U.S. Funai indicated unit would be sold by Ikegami as well as Bosch-Bauer, didn't mention Technicolor. In U.S., Ikegami said it has no plans to market Funai portable.

Funai says miniature camera is under development as companion to recorder, but it would use conventional pickup tube technology rather than CCD or MOS, which company believes to be at least 3 years in future. Funai VCR will be shown at Sept. Fotokina exhibition in Cologne, Germany.

**Note:** Both Funai CVC & Sony Video Movie miniature VCR systems are featured in new Television Digest videocassette, "Home Video for the 1980s," now available. To order, see coupon elsewhere in this issue.

\* \* \* \*

**Other VCR developments:** (1) Toshiba announced in Japan that it will start marketing its LVR which can record 2 programs simultaneously (Vol. 20:25 p10) on U.S. professional market next year. (2) Matsushita introduced 19" monitor-receiver in Japan designed for use with portable VCR, which slides into compartment in front of set and uses TV set's tuner. It's priced at about \$1,325 (298,000 yen), or \$2,200 (496,000) with VCR. (3) Fuji will be producing 4 million videocassettes monthly when new plant at Odawara facility goes into full operation next year.

**HOME EARTH STATIONS MATURING:** Low cost home satellite gear displayed at San Jose Satellite Private Terminal Seminar July 4-6 ranged from \$2,000 do it yourself kits to \$10,000-plus units offered by Microwave General and Microwave Assoc. Communications unit of M/A-Com. But real action is between 2 extremes — in consumer oriented packages designed to come to market at \$5,000 or below.

Stars of show were 30 hardware exhibits — more than at any previous SPTS — showing range of equipment much more suited to consumers than any previously displayed. Antennas included novel "Umbrella Antenna" by Robert Luly Assoc. that can be assembled in 30 sec., according to them. Sized 3-m, it costs \$499-\$225, depending on quantity; 5-m is \$575-\$375. Like other umbrellas, disadvantage is wind loading performance; enclosure is recommended. Gain is reportedly 40 dB, shipping weight 25 lb. Details: Box 2311, San Bernardino, Cal. 92406.

Sat-Tec systems showed R2 receiver billed as "versatile, consumer-oriented unit" at \$995. Resembling CATV converter, set top unit requires 3-m antenna, low noise amplifier. Microwave General announced 3 personal earth station packages \$9,900 to \$13,900, flooded SPTS with snappy promotional material aimed at key market of ranchers, wealthy suburbanites, institutions. M/A-Com advertised similar options at similar prices.

Non-technical news was in presentation by new Society for Private & Commercial Earth Stations (SPACE, 1521 O St. NW, Washington 20005, 202-387-1856) on proposed legislation to protect satellite signals from unauthorized reception (Vol. 2:25 p5). Richard Brown, attorney for SPACE, said that if passed, legislation could severely restrict home earth station market.

Beta-format VCRs will be dropped from next edition of Inovision catalog, due next month. Inovision Vp Fred Mirick said VHS accounts for 75% of mail order demand, plans to add RCA portable to JVC programmable already available. Catalog will list more than 200 pre-recorded titles, including Disney, MCA, Columbia & Warner movies for first time. Success of specialty titles, music & computer graphics program has promoted purchase of more sports & how-to features, including Viacom dance & magic shows.

Videcom '80, Sept. 29-Oct. 2 in Cannes, will be oriented heavily to home video systems, with 3 days of sessions on consumer video market, plus others on teletext & viewdata, industrial & institutional video. Information: John Nathan, Suite 4535, 30 Rockefeller Plaza, N.Y. 10020, 212-489-1360.

Walkman, meet Cassette Boy. That's name of latest pocket entertainment center introduced in Japan by Aiwa. "Boy" is claimed to be world's smallest stereo cassette recorder. Aiwa is affiliate of Sony, Walkman's maker.



Development of system to balk home taping from TV is being underwritten by MPAA. Originated by unidentified west coast engineer, technique reportedly involves microsecond pulses that disrupt broadcast signal enough to make tape unwatchable. Supposed advantage of this interference pattern over others is that it doesn't require special TV receiver or VCR circuitry. Presumably, black box of some sort would have to be installed at station or cable headend. MPAA has agreed to pay consulting fee and development costs through Dec.

Home burglar alarm market will double to about \$240 million by 1985, most of increase coming from do it yourself appliance type systems, according to study by Frost & Sullivan. Sales of hard wired systems, of type selling for \$1,500 & up, are expected to rise from current \$87 million to \$115 million, while volume of motion detection appliance systems are seen jumping to \$125 million from \$55 million. Most appliance systems retail in \$25-\$125 range, though some sophisticated systems can run as high as \$1,200.

Technology transfer from U.S. to Japan continues. Mass merchandiser K Mart said it has agreed to provide knowhow to Daiei, one of Japan's largest retailers. Agreement calls for K Mart to train Daiei personnel, make its executives available for consultation. Terms weren't disclosed.

Video keyboard terminal is expected from Radio Shack later this year at \$400. Unit hooks to phone lines and standard TV, is designed for those who want access to news, weather and other data now available from computer service organizations but don't want to own personal computers.

Airline projection TV made by Matsushita will be marketed exclusively by Bell & Howell's Avicom Div., under agreement with Panasonic & Matsushita. Bell & Howell says it will continue to offer its own 5" tube system as well as Matsushita's 7" system.

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Gross margin of average retailer participating in NARDA's annual Cost of Doing Business Survey dropped to 26.1% last year from 27.3% in 1978, retailing group reports. Electronics, appliance, furniture & servicing retailers averaged 9% sales increase in 1979, but those specializing in audio components suffered 11% decline, NARDA said. Average sales gain for dealers handling both electronics & appliances was 12%, with bulk of improvement represented by VCRs & microwave ovens.

Casio plans to enter personal computer market here by next spring with CPU featuring keyboard, 5.5" b&w CRT display. Expected to retail under \$900, unit accepts customary peripherals.

## **THE COMPLETE PICTURE OF HOME VIDEO FOR THE 1980s**

***A 60-minute overview of all home videocassette & disc systems on a  
Television Digest Videocassette***

Including demonstrations and complete easy-to-understand narrative description of all existing and proposed systems:

**VIDEOCASSETTE:** U-Matic . . . Beta . . . VHS . . . Video 2000 . . . BASF LVR . . . Toshiba LVR  
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JVC/Matsushita/GE VHD . . . developmental disc players by Sanyo, Sharp and  
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**FIRST DEMONSTRATION** of Sony "Video Movie" portable combination VCR and color camera as shown at recent New York/Tokyo press conferences.

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## Consumer Electronics Personals

Laura Reitman, ex-McCann Erickson, joins RCA Selectavision as videodisc program evaluation mgr... William Burkhalter advanced at EMI Videograms from mkt. research dir. to mkt. research & planning vp... Randall Garrett named Inovision exec. asst., mktg. & adv., John Hathorn telephone mktg. supervisor, Anne Ruttger telephone mktg. representative... Ronna Wallace, ex-Vidamerica programming dir., joins CBS Video Enterprises in same post.

W. R. (Walt) Seuren resigns as RCA Service commercial products mktg. & distribution vp (hotel TV & telephone interconnect products) after 32 years with company to seek other opportunities in commercial electronics field (117 Warfield Rd., Cherry Hill, N.J., 609-428-4745)... Paul Miller resigns as Maxell product & ad mgr... J. Peter Moe advanced at Tandberg from vp to exec. vp-chief operating officer, retains responsibility for administration & finance... Paul Gordocki, ex-ESS, joins Marantz as loudspeaker product mktg. mgr... Lewis Solomon named General Instrument vp, new ventures, also continuing responsibilities for corporate mktg.

Leon Machiz, Time Electronics pres., adds post as pres. of parent Avnet; Chmn. Anthony Hamilton named chief exec.; Harris Fisher appointed secy.; William Rose named vp-gen. counsel... Jack Blaeser appointed Gould Electronics Group vp, succeeding David Simpson, advanced to pres.-chief operating officer.

"Indoor TV Antenna Performance" is technical bulletin released by Commerce Dept.'s National Telecommunications & Information Agency (NTIA), presenting measured gain data for various antennas and discussing effects of building attenuation & height gain on performance. NTIA Report 79-28 is available for \$5 from National Technical Information Service, 5385 Ft. Royal Rd., Springfield, Va. 22161.

## 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
<b>Advent</b>			
1980-52 wk. to March 29	30,684,000	(2,229,000)	--
1979-53 wk. to March 31	38,789,000	(2,586,000) <sup>a</sup>	--
1980-qtr. to March 29	7,371,000	(1,563,000)	--
1979-qtr. to March 31	8,895,000	(1,674,000)	--
<b>CBS</b>			
1980-6 mo. to June 30	1,943,200,000	67,500,000	2.42
1979-6 mo. to June 30	737,400,000	83,600,000	3.01
1980-qtr. to June 30	974,300,000	54,400,000	1.95
1979-qtr. to June 30	908,700,000	65,800,000	2.37
<b>GE</b>			
1980-6 mo. to June 30	12,080,000,000	744,100,000	3.27
1979-6 mo. to June 30	10,720,000,000	685,500,000	3.02
1980-qtr. to June 30	6,200,000,000	402,600,000	1.77
1979-qtr. to June 30	5,640,000,000	382,100,000	1.69
<b>Hitachi<sup>b</sup></b>			
1980-year to March 31	13,388,109,000	523,595,000	7.98 <sup>c</sup>
1979-year to March 31	11,702,354,000	441,055,000	6.77 <sup>c</sup>
<b>MGM Film</b>			
1980-9 mo. to May 31	130,889,000	10,192,000	.32
1979-9 mo. to May 31	154,595,000	24,330,000	.75
1980-qtr. to May 31	39,222,000	1,796,000	.06
1979-qtr. to May 31	46,007,000	2,246,000	.07
<b>Raytheon</b>			
1980-6 mo. to June 29	2,447,000,000	137,600,000	3.32
1979-6 mo. to July 1 <sup>d</sup>	2,168,000,000	116,800,000	2.83
1980-qtr. to June 29	1,249,000,000	72,400,000	1.75
1979-qtr. to July 1 <sup>d</sup>	1,118,000,000	62,700,000	1.52
<b>Sanyo</b>			
1980-6 mo. to May 31	110,484,000	593,000	.13
1979-6 mo. to May 31	35,954,000	(1,707,000)	--
1980-qtr. to May 31	54,457,000	399,000	.09
1979-qtr. to May 31	26,549,000	(820,000)	--
<b>Texscan</b>			
1980-year to April 30	16,095,910	809,698	.76
1979-year to April 30	10,797,855	324,574	.33 <sup>e</sup>

Notes: <sup>a</sup>Includes special credit. <sup>b</sup>220 yen = \$1.  
<sup>c</sup>Per ADR. <sup>d</sup>Restated. <sup>e</sup>Adjusted.

## TELEVISION DIGEST VIDEOCASSETTE — Order Form

(see preceding page)

Please send me \_\_\_\_\_ copies of the Television Digest Videocassette, HOME VIDEO FOR THE 1980s at \$250 for the first copy, \$119 each for additional copies.

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IMPORTANT: Check format — Beta-1 \_\_\_\_\_ Beta-2 \_\_\_\_\_ VHS-2 \_\_\_\_\_ U-Matic \_\_\_\_\_

Please check here for non-U.S. color standard: PAL \_\_\_\_\_ SECAM \_\_\_\_\_  
 (PAL and SECAM orders \$100 additional per copy)

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JULY 21, 1980

VOL. 20, NO. 29

## SUMMARY-INDEX OF WEEK'S NEWS

### Broadcast

**GOP TV FEST:** GOP Convention makes for good TV. Three-way Presidential debate seen. Networks say facilities at convention among best; sufficient space cited. (P. 1)

**CABLE MORATORIUM SOUGHT:** League of Cities proposes halt to franchising until cable industry recognizes rights of cities to set terms; joint franchise project ends. (P. 2)

**EXCLUSIVITY OUT, DISTANT SIGNALS IN:** Vote is expected to be 4-3 on relaxing cable restrictions; 3-year moratorium on exclusivity likely. (P. 3)

**COMSAT REEVALUATES DBS:** Satellite TV plans being reconsidered at Comsat after year without FCC filing; no pullback seen by Comsat aide. (P. 4)

**STV ASSN. FORMED:** STV companies form new Subscription TV Assn., pledge to fight piracy. FCC official urges STV to serve 'unmet needs' of specialized audiences. (P. 5)

**MINNEAPOLIS FRANCHISE FRACAS:** State cable board hears of purloined ATC application; Storer aide denies unfair advantage. (P. 5)

**FCC SEEKS \$91.7 MILLION** for fiscal 1982, including \$500,000 for reimbursement of public interest groups. (P. 6)

**GOP CONVENTION PRIME TV MATERIAL:** Equipped with what network news officials said were best facilities ever, TV news operations had field day at GOP Convention in Detroit. And prospect of 3-way debate among Pres. Carter, Gov. Reagan and Rep. Anderson offers TV news further opportunity for dramatic TV.

From opening Pledge of Allegiance & National Anthem by TV stars to suspenseful prime time live drama surrounding possible choice of former President Ford as vice president, convention was a natural for electronic journalists.

Only thing missing was good ratings; figures came out lower than expected. CBS was winner in national average Mon. through Wed., garnering 7.8/17.1 for 8-11 p.m. Next was ABC with 7.3/15.9, then NBC with 7.1/15.7. Networks estimate 50 million watched Mon., 45 million Tues., 50 million Wed. Thurs. national numbers were unavailable.

### Consumer Electronics

**1980-MODEL COLOR TV** sales down 7.7% from '79 in history's 3rd best model year. B&w sales 2nd best since 1974. (P. 7)

**ARGENTINA COLOR BOOM** spurs imports of U.S. sets. Fla. plant modifying RCA products for PAL in major export-manufacture operation. (P. 7)

**FINANCIAL REPORTS** of 4 top U.S.-brand TV makers show RCA & Zenith apparently outperformed smaller Sylvania & Magnavox in 2nd quarter. (P. 8)

**MW OVEN DUMPING** by Toshiba found by Commerce, putting margin at 80%. Sanyo, Sharp & Matsushita not sold below value, agency says. (P. 9)

**TV STEREO TESTS** to start soon, with industry committee hoping to submit recommendations to FCC next spring. 1982 start possible. (P. 9)

**B&W TV IMPORTS** from Japan, Taiwan & Korea rose sharply in May, breakout by country shows. Color chassis from Singapore soar. (P. 10)

**VCR VS. VIDEODISC:** Survey indicates consumers consider them competitive. Non-VCR owners prefer VCRs; owners more likely to buy both. (P. 10)

**RCA SLIPPED NOTCH,** Zenith improved position in 1980 ranking of electronics sales leaders. (P. 11)



"We're very pleased [with facilities]," NBC News Pres. William Small told us during convention, "They're the best I've seen and I go back to 1952." Echoed Les Crystal, NBC senior exec. producer: "We've never had so much space."

Actually, until Ford story broke wide open during Ford interview with CBS's Walter Cronkite, good facilities were almost only highlight of convention for networks. "I just wish the story was as good as the facilities," CBS News Pres. William Leonard lamented several hours before Cronkite scoop. Leonard said CBS newsmen were making coverage "kind of special because this is Walter's last convention."

While facilities were tops for networks, some reporters for independents and other TV services had complaints about late decisions by convention organizers on assignments of space, number of floor passes and problems with security officials.

CNN Exec. Producer David Newman said his main complaint was that he had so few people (50) to cover convention. Before Cronkite's Ford interview, Newman said whole convention seemed "carefully choreographed and scripted." He compared convention with smooth running 1972 GOP meeting in Miami. But he said CNN is particularly well prepared not to be manipulated, noting that when Republicans turn down lights for movie or whatever "we can just go back to Atlanta" to provide some other story. CNN was crammed into 2 trailers at rear of Convention site, looked like Luxembourg army up against Allied invasion force made up of networks.

David Goldberg, news mgr., WFAA-TV Dallas-Ft. Worth, also praised facilities, said station had 11 people at convention and had no problem providing live coverage through uplink in Chicago. Main complaint: Lack of hotel space. "We're 35 miles outside of town."

Networks encountered few technical problems, although transmission difficulty CBS blames on telephone company resulted in short loss of audio Sun. ABC, during testing Sun., experienced loss of power when transformer shut down. Problem was resolved but it left residue of fear. Problems with interference between security radios and cameras also were discovered, but ABC resolved that. Another problem, also resolved, was complaint from city fire inspector about miles of cable he saw as hazard.

President Carter wasted no time in calling for debate, personally called Reagan to congratulate him and proposed 3-4 debates. Reagan accepted challenge, also said it's fine with him if Anderson is included. Carter first said he was opposed to including Anderson, later indicated willingness to include him. League of Women Voters is deciding whether to include Anderson.

Reagan officials told us campaign is expected to pump record \$15 million into TV advertising. Peter Daly, Reagan TV advisor who also worked on Nixon campaign, is handling TV plans, Reagan spokesman said. Meanwhile, Carter-Mondale Reelection Committee last week sent "Dear Broadcaster" letter warning stations of fairness implications of accepting anti-Carter or anti-Democratic spots from conservative groups describing themselves as independent. At issue is whether groups are really independent, thus free to air paid spots without endangering Reagan's \$30 million in public campaign funds. Common Cause and FEC have filed suits contesting independence, and Carter-Mondale letter cites "threat to the delicately balanced system of campaign spending limitations and public financing..."

While setting up for GOP Convention was monumental task for networks, perhaps even more monumental is task of tearing things down and moving them to N.Y. for next month's Democratic convention. "It's going to be like the circus leaving town," said Robert Seigenthaler of ABC. "The big top will fall and we'll be out."

LEAGUE OF CITIES ASKS FRANCHISING HALT: Nationwide cable TV franchising moratorium has been proposed by National League of Cities as lever to make cable TV industry drop its



support of cable deregulation provisions in pending Senate telecommunications legislation (S-2827). League wants cable to "recognize the legitimate government role in the franchise process."

Giant urban lobby (950 cities, 48 state municipal leagues) also: (1) Broke off effort with NCTA to jointly develop program designed to ensure integrity of franchising process. (2) Said it wants hearings on S-2827's cable provisions. (3) Wants bill to include language specifically recognizing rights of cities to regulate cable.

Call for consideration of moratorium was sent to mayors of 60 cities currently involved in franchising, including Boston, Detroit, Dallas, Miami, Milwaukee, Cincinnati, Denver, Portland, St. Paul, Omaha, Indianapolis, Sacramento & Tucson — plus suburbs of Chicago, Detroit, Minneapolis, St. Louis & Washington. NCL spokesman Randy Arndt said he couldn't "say directly" whether moratorium proposal will be supported by mayors, but "we've had support at least for the concept of protesting in strong terms." Legal considerations may make moratorium difficult in some cases "where the process has already started," Arndt admitted.

NLC Exec. Dir. Alan Beals wrote mayors that moratorium "may be necessary to counter a sweeping deregulation bill now before the Senate Commerce Committee. We must now question the good faith of the cable industry and the sincerity of NCTA's interest in developing franchising standards that are in the public interest."

In mailgram to NCTA, Beals stated that cities group "cannot justify working with NCTA to develop a code of good franchising practices" because of "NCTA's support for deregulation of cable TV and the elimination of a meaningful role for local governments in the franchising process. We believe that if federal regulation is enacted it must explicitly recognize a strong role for local governments in the franchising process."

"Sections 238 and 509 of S-2827 prohibit the requiring of local program origination and public access and the establishment of subscriber fees and authorize the FCC to establish franchise fee ceilings. If local governments cannot negotiate on these matters, the franchise process becomes an empty giveaway."

In stiff reply, NCTA Pres. Thomas Wheeler said facts "do not justify what appears to be the contentious and adversarial position your telegram assumes. NCTA has taken no positions intended to 'undermine local govt. responsibilities' as you suggest." Wheeler called moratorium call "an unwarranted punishment of consumers for the League of Cities' misunderstanding of the pending revision of the Communications Act." He said NCTA will continue to develop principles & programs to insure integrity of franchise activity, without NLC participation.

"It's a strong-arm move," complained NCTA aide last week, saying it's still too early to know whether "paper war" would escalate into effective moratorium, because: "We have no sense of what sort of clout NLC has with the cities." Aide called dispute "tempest in a teapot," ascribed blame for quarrel to NLC staffers who "are radical in terms of business and public relationships."

EXCLUSIVITY OUT, DISTANT SIGNALS IN: Rules (1) restricting number of distant TV signals cable systems may import and (2) providing for syndicated program exclusivity for TV stations are expected to be repealed by FCC at special July 22 meeting. Vote is likely to be 4-3, with Comrs. Lee, Quello & Washburn dissenting. There's strong likelihood, however, that removal of exclusivity rule won't be effective for 3 years. Long staff document doesn't recommend moratorium on exclusivity but we're told it will be brought up at meeting. "I'll take anything I can get," advocate of retaining exclusivity rule said.

Comr. Jones had been considered swing vote but she tipped her hand in July 14 speech before New England Cable TV Assn. "When I first considered the distant signal and syndicated exclusivity rules soon after coming to the Commission, I was generally sympathetic to them,"



she said. "My primary concern was that if they were abolished program producers might be denied the full fruit of their labors and cable operators might enjoy an unfair economic advantage. In the past year, however, I have heard increasingly good arguments against retention of these regulations. The strongest one, to my mind, is the existence of the Copyright Tribunal... In any case, it's not the function of the FCC to protect one industry from another."

Commission majority is fortified with staff study which purports to show that removal of syndicated exclusivity protection would hurt TV stations at "very most in a minimal way," cause even less harm to syndicators (Vol. 20:28 p1). Couple of majority also believe that independent & UHF stations are being helped more than hurt by cable. "We've got 2 industries [cable & TV] that are extremely well off," advocate of deregulation told us. He admitted that cable "is getting a free ride... but that's a copyright problem, not a communications problem." Copyright Act provides that Tribunal "may" increase rates CATV systems pay if FCC changes syndicated exclusivity and/or distant signal rules.

Whatever FCC does, decision is on way to court. NAB already has announced that "the broadcast industry will immediately file and appeal, either at the FCC or in the courts," and MPAA is sure to join in on syndicated exclusivity. If Commission does remove 2 major cable restrictions, left on regulatory books will be EEO requirements, network non-duplication, must-carry rules and technical standards.

Meanwhile, NAB & FCC versions of an April 1979 meeting between NAB UHF Committee and FCC Chmn. Ferris and staffers are somewhat at odds. UHF Chmn. Donald Curran wired Ferris (as did Committee member Kathryn Broman) that "I am extremely disappointed and concerned because of a promise you made" to hold oral argument before rules are rescinded. "We ask that the promise be made good." Ferris wrote back that he might have mentioned an oral argument as a possibility but "neither I nor any member of my staff can recall my making a specific commitment to this effect. Indeed, I could not make such a procedural commitment on behalf of the full Commission." He said that written record is "voluminous" and that comment deadline had been extended twice.

**COMSAT REEVALUATES TV-SAT:** New examination of DBS tactics is underway at Comsat, as one-year anniversary of satellite subscription TV announcement nears Aug. 6 — without filing at FCC. Comsat denies that evaluation could result in decision to abandon DBS plan or to scale down its objectives significantly.

Said Judy Elnicki, public affairs vp, Comsat's Satellite TV Corp. subsidiary: "Things are still in a go position. We've been investigating ways of expediting introduction of this service. We continue to be interested in a joint venture. We are not drawing back from broadcast status. The evaluation going on is to evaluate ways to expedite the filing.

"It's not an evaluation of the company's commitment to this proposal. We think it's an excellent idea. We think the time has come. We continue to have discussions with companies but they're still of a preliminary nature. We've got significant interest from companies that are very attractive potential partners."

Reorganization of DBS activities under Comsat General Pres. John Johnson hasn't yet resulted in confidence at Comsat that DBS venture will proceed anytime soon. Proposed FCC filing, almost finished in April, was put on hold in April after Sears said it wouldn't join Comsat in DBS joint venture, now has no scheduled filing date.

Using RKO decision as basis for argument, Multivisions cable system, Alaska, asked FCC to rule RKO subsidiary Cablecom General unfit to operate. Multivisions contends that Cook Inlet Cablecom, owned by Cablecom through joint venture with CIRI Cable, is using "harassing techniques" to thwart Multivisions' service to Anchorage. (Cook Inlet Cable appealed Multivisions award in Alaska courts.) Multivisions charged that action in Alaska plus relationship to RKO is sufficient basis for disqualification. Meanwhile, Cablecom-General said parent RKO General has retained broker Blythe Eastman Paine Webber "to assess the possible value of Cablecom and to determine potential acquisition interest."

Proposed \$150 million gift from Annenberg School of Communications to Corp. for Public Bestg. cleared first major roadblock when IRS ruled that gift, to be used for airing college courses (Vol. 19:47 p1), wouldn't endanger tax-exempt status of either organization. Decision frees CPB planners to work on details of how to handle donation, largest single gift in public broadcasting history. Walter Annenberg is prepared to discuss details of donation (to be spread over 10 years) with CPB representatives.

NBC earnings were up in first quarter on operating basis, but net was down because of \$16.1 million after-tax charge for uninsured costs of terminating planned coverage of 1980 Olympics in Moscow, RCA said (see p. 8).



**STV ASSN. FORMED:** Pledging to fight piracy through courts, FCC & Congress, group of STV companies announced formation of Subscription TV Assn. (STVA). Assn. will work for mandatory carriage of STV signals on cable and promote industry in general, but "major issue" is piracy — with lobbying effort planned to support anti-piracy bill introduced July 2 by Reps. Kildee (D-Mich.) & Preyer (D-N.C.).

In unusual appearance by FCC official at an industry press conference, Best. Bureau Deputy Chief Frank Washington urged STV to use its "great potential" to serve unmet needs of specialized audiences, adding "failure to provide alternatives to the current fare will be a tragic waste." (STVA members at press conference emphasized recently released uncut & uninterrupted movies, Las Vegas style entertainment, live sporting events.) In apparent reference to STV push for mandatory cable carriage, Washington also warned that FCC would "meet with jaundiced eye" any attempt by STVA to "stifle" competition with same kind of regulatory restraints that hindered STV until one-to-community limits were dropped.

MPAA Pres. Jack Valenti urged STVA to join fight to retain syndicated exclusivity & distant signal protections (see p. 3). Sounding familiar battle cry, Valenti said: "It's morally wrong... for cable to take our property and sell it for enormous profits... I have a serious quarrel with the FCC [for considering loosening rules]... It's a terrible injustice."

New STVA directors are Rinaldo Brutoco, Universal Subscription TV (chmn.); Richard Wolfson, Wometco; James LeVitus, American Subscription TV; H. Brian Thompson, Subscription TV of America; Robert Cahill, National Subscription TV. Conspicuously absent from membership list was Oak, also Golden West which Brutoco said "has talked with us and we anticipate they will be joining." In answer to question, Brutoco said it would be "speculative" for STVA to take position on Premiere "until we see what industry of 1981 looks like."

FCC Comr. Quello is sure to remain on Commission until early next year — unless he resigns — even though term expired June 30. White House official reportedly has sent word informally to Senate that no appointment will be made until after election. And, even if name were sent up, Republican senators certainly would block confirmation. In fact, Sen. Thurmond (R-S. C.) said at GOP Convention last week (see p. 1) that Presidential candidate Ronald Reagan has asked that hold be put on all White House appointments until election.

NCTA has moved 1981 convention (May 25-28) from L.A. to Las Vegas because of expected increase in attendance to more than 10,000 and need for 110,000 sq. ft. of exhibit space.

Mark-up of communications bill (S-2827) by Senate Commerce Committee is set for July 29.

**MINNEAPOLIS FRANCHISING PROBED:** State Cable Communications Commission hearing started last week into tangled circumstances surrounding hard-fought Minneapolis franchise award in Sept. 1979 to Minneapolis Cablesystems unit of Canadian Cablesystems, subsequent vote in late Nov. favoring Storer's Northern Cablevision. Highlight of week: Testimony that employe of Communications Equity Assoc., Tampa consulting firm working for Storer, obtained copy of ATC franchise application from city hall day before filing deadline, brought it to Storer Franchising Vp Beverly Land. In deposition to state hearing examiner, Land said she ordered ATC material returned immediately, didn't use it to amend Storer's own application.

ATC has asked that employe concerned be deposed — likely to happen this week or next. Jeffrey Marcus, Communications Equity partner, said purloined application was due to overzealousness. "We absolutely did not change our application. Obviously it was an error in judgment. The heat of the battle was absolutely intense and you can see from the fallout it continues."

State cable board hasn't certified franchise award to Storer, will vote on further action after hearing is completed. Hearing was demanded by local Committee for Open Media after series of questions was raised about franchise procedures. In Jan., local press reported that \$20,000 bribe was allegedly offered to Alderman Patrick Daugherty to vote for Storer; FBI investigated, but Daugherty didn't acknowledge it happened.

Censorship of western press stories on Moscow Summer Olympics began July 13 when Soviet technicians "pulled plug" on West German ARD TV network story which included interview with Soviet dissidents. Next day, Soviets refused to broadcast traditional Bastille Day address of French ambassador to Soviet people because it contained reference to invasion of Afghanistan. Meanwhile, International Olympic Committee received direct protest from President Carter on its plan to raise U.S. flag at end of Moscow ceremony. Games traditionally end with raising of flag of next host country; L.A. is site of Games in 1984.

Satellite TV regulation inquiry starts at FCC, part of preparation for 1983 western hemisphere DBS planning conference. FCC last week asked for comments on 3 major issues: (1) Basic service requirements of U.S., including needs for spot beams, time zone splits and orbital positions. (2) Specifications and sharing criteria for satellites, including protection ratios needed to prevent inter-satellite interference. (3) Planning principles and procedures to be used by hemispherical delegations in developing plan. (Details in July 21 Satellite Week.)

Skirting ad ban, new tobacco-less Free cigarettes are being advertised on TV in Cal. & Colo. test markets. American Cancer Society says International Brands cigarettes still pose health hazards because they produce carbon monoxide and contain 4 milligrams tar, but law bans only tobacco cigarettes.



**FCC SEEKS \$91.7 MILLION:** OMB will be asked to approve \$91.7 million for FCC's operations in fiscal 1982 (starting Oct. 1, 1981), agency decided last week. However, it's not expected to get all it's seeking.

"We are in a very difficult situation with OMB," according to Thomas Campbell, chief of FCC Financial Div. "We haven't even been close to getting what we asked for in the last couple of years," he said, but noted other agencies are in similar position.

Campbell said it's hard for FCC to project personnel situation because of hiring freeze which allows agencies to replace only one person for every 2 who leave. He said about 20 leave monthly, meaning that only 10 can be hired. Freeze is likely to continue at least until after election.

New request is up \$15.6 million (21%) from 1981 budget of \$77 million (FCC had asked for \$81 million), provides for 2,395 positions — increase of 242, including economist for each commissioner (same request was rejected by Congress this year).

Comr. Washburn raised only objections: (1) Should make "a more modest request" for additional people. (2) Didn't like idea of seeking \$500,000 — plus \$113,000 for administration — to reimburse public interest law firms which participate in FCC proceedings. Fogarty, on other hand, called reimbursement "essential."

Just a little govt. bureaucracy involved: AT&T paid "several thousand dollars" for a party closing out NTIA conference on minority women in broadcasting (Vol. 20:28 p5) at Sheraton Carlton Hotel. Grant had been cleared in advance with NTIA gen. counsel by Program Mgr. Darlene Palmer — but not with Dir. Henry Geller, who didn't find out about AT&T involvement until day of party. Geller tried to return money because of "appearances" and NTIA's involvement with telephone legislation in House. He found out that, although it was legal for NTIA to accept AT&T's gift, it would be illegal to return it. Geller stressed that Palmer acted properly. "It's our problem, not hers," he said.

Saving reporter from jail, U.S. Supreme Court Justice William Brennan issued last minute injunction July 18 preventing WBZ-TV Boston reporter Walter Roche from entering jail July 21. Mass. Supreme Court justice found Roche in civil contempt of court for refusing to reveal sources of information used in 1979 broadcast criticizing state judge. Brennan intervened after Roche's appeal to full Mass. Supreme Judicial Court was denied.

FCC revised 1978 TV financial report to show total TV ad expenditures at \$8.1 billion (vs. \$8.06 billion previously reported). Network figure was revised to \$3.73 billion (from \$3.72), national & regional spot to \$2.34 billion (from \$2.3), local \$2.04 billion (from \$2.03). For complete new report, contact FCC Information Office.

## Personals

Robert Sutton, ex-WALA-TV Mobile, named vp-programs & promotion, NBC Entertainment... Robert Hammer, currently gen. mgr., CBS Network Operations, becomes vp-production facilities; Charles Cappleman, now gen. mgr., TV City, Hollywood, named vp-production facilities in Hollywood; Bernard Oseransky, former gen. mgr., CBS Studio Center, Hollywood, selected vp-production facilities, CBS Studio Center... Christine Warshaw, ex-ABC west coast business affairs dir., named dir.-business affairs, ABC Motion Pictures... Johnny Carson selected Governors Award recipient, ATAS.

Donald Baer promoted to vp-operations, NBC Sports; Alfred Jackson to dir., employee counseling & development, NBC... Ed Trimble advanced to gen. sales mgr., WPGH-TV Pittsburgh... Bruce Smithwick, Nielsen Station Index, elected vp.

Shirley Mecklin, fund-raising & PR consultant (Census Bureau, U of Chicago, League of Women Voters, etc.), named dir. of fund raising for Best. Pioneers Library... Patti Grace, new chief of FCC Consumer Assistance Office, answers questions at July 24 "brown bag" lunch, Carnegie Bldg., Washington, sponsored by NCCB, U.S. Office of Consumer Affairs & FCC.

Karl Brimmer, ex-planning & policy staff, named acting special asst. to deputy asst. secy., NTIA... Stephen Sewell, asst. chief, FCC Office of Complaints & Compliance, promoted to acting chief; Jack Sharkey, chief of FCC Data Automation Div., resigns to join VA; Thomas Heiple, labor-management relations, joins Treas.; Ryan Taylor, budget chief, resigns.

Benjamin Hooks, NAACP exec. dir., will address AFTRA annual convention in Detroit Aug. 7... Russ Barry resigns as pres., 20th Century-Fox TV, reportedly will become pres., Playboy Productions... Ron Mack, ex-news dir., WWJ-TV Detroit, named program & production mgr., WANE-TV Ft. Wayne... Roy Carden, ex-KCBD-TV Lubbock, appointed news dir., WPTF-TV Raleigh... Ron St. Charles, WUAB-TV Cleveland program dir., named dir.-programming & operations... Jo Anna Chvala, ex-Hubbard Bestg., joins KFVS-TV Cape Girardeau, Mo. as promotion mgr.

Christopher Derick, pres. of Viacom Communications, appointed pres.-chief operating officer of Premiere, pay-cable service owned by Getty Oil and 4 movie companies... Arthur Cooper promoted to vp-treas., Viacom International; Dennis Ellis, ex-tax mgr., promoted to dir.-taxes... Henry McGee, ex-HBO, named dir.-program acquisition, Time-Life Films... Daniel Black joins Kleiman Co. as business affairs dir... Herman Rush, ex-Marble Arch TV, appointed pres., Columbia Pictures TV... Samuel Merion, ex-pres. of Ultracom, forms CATV consultant Merion Assoc., 1380 Glenbrook Rd., Meadowbrook, Pa. 215-884-8698.



# Consumer Electronics®

A Section of Television Digest with Consumer Electronics

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

## STATE OF THE INDUSTRY

Sales to dealers (total market), from EIA, for week ended July 4 (27th week of 1980):

	June 28- July 4	1979 Week	% change	June 21-27	1980 to date	1979 to date	% change
Total TV.....	261,845	248,191	+5.5	445,112	6,974,040	7,633,093	-8.6
color.....	170,725*	161,156	+5.9	282,241	4,446,188	4,789,500	-7.2
monochrome..	91,120	87,035	+4.7	162,871	2,527,852	2,843,593	-11.1
Home VCR.....	13,776*	6,552	+110.3	13,209	300,377*	186,996	+60.6

Color TV 5-week moving average: 1980—191,669 1979—205,895 (down 6.9%).

Home VCR 5-week moving average: 1980—11,496\*; 1979—6,875 (up 67.2%).

\*Record for period.

**1980-MODEL COLOR SALES DOWN 7.7%:** Dealer purchases of 1980-model color sets totaled 9,493,606, down only 7.7% from 1979 model-year's record, making it 3rd best model year in history. Monochrome sales declined only 4.8%, turning in 2nd best performance since 1974. Home VCR sales totaled 581,533 for model year, up 32.3%.

We define model year, for sake of convenience, as period from beginning of July to end of following June. For comparison, annual going sales rates (to dealers) for first half of 1980 were 9,695,000 color and 779,000 VCRs, compared with rates of 9,330,000 & 508,000 in 2nd half of 1979. Does that mean business is getting better? Here are figures on 1980, 1979 & 1978 model years, based on EIA statistics on sales to dealers:

## MODEL-YEAR SALES TO DEALERS

Product	1980 models	1979 models	% change	1978 models
Total TV.....	15,428,381	16,521,179	-6.6	15,634,264
color.....	9,493,606	10,286,351	-7.7	9,816,841
monochrome....	5,934,775	6,233,828	-4.8	5,817,423
Home VCR.....	581,553	439,434	+32.3	N/A

**ARGENTINA—BOOM EXPORT MARKET FOR U.S. TV?** Although it adopted PAL color system, Argentina may turn out to be important market for U.S. TV sets, thanks to enterprising Argentinian group which has taken over 64,000-sq.-ft. former IBM plant in Canaveral, Fla. to modify American sets and Japanese video equipment to accommodate PAL as well as NTSC color.

Carib Brand Electronics, established by Norberto & Jorge Alvarez, who head \$80-million-a-year Argentinian fish & meat export business and hold banking interests in Argentina, claims to have become accredited RCA distributor and plans to process & export 100,000 color sets as well as 10,000-15,000 Japanese-made RCA VCRs, RCA cameras, plus projection TV made by PSI, in next 16 months. Last year's entire U.S. color TV set exports (none to Argentina) totaled only 374,652. RCA said it had sold products to Carib and is "in negotiation for some type of distribution agreement."



Why modify sets so they'll accommodate both PAL & NTSC? So they can play American pre-recorded videocassettes. Carib is understood to be negotiating to distribute Magnetic Video cassettes in Argentina. Carib's customers are 3 largest retail chains in Argentina — Scioli, Hector Peres Picero & Dante. Argentina's choice of "PAL N" color system makes modification relatively simple, since that system uses U.S. channel frequencies; RF section of set needn't be changed. Uruguay & Paraguay have adopted same system and are potential markets.

Carib currently is modifying 180 sets a day in Cocoa Beach plant, employs 68, plans to employ 280 in new Canaveral facility, with goal of 10,000 sets monthly. Vincent Donohoe, ex-PSI, a director, says some 40,000-50,000 sets will be processed this year. Carib, he adds, has already ordered \$26 million worth of RCA products, and that figure is "likely to double over the next 3 months." Carl Muller, who established RCA's Nicaragua plant (now closed), is manager of Carib's Electronics Div.

Color boom in Argentina, which started colorecasting last month, combined with rampaging inflation and soaring labor costs there — compared with labor surplus in Fla. — opened door to new export manufacture enterprise. Until May, Argentine govt. banned imports of complete TV sets, but now encourages them to point of taking out newspaper ads to urge purchase of imports as way to beat inflation. Imported TV sets, according to Donohoe, cost 20% less than locally made sets (Argentine-made 19" remote Sony sells for about \$2,200 there).

Domestic Argentine color production currently totals about 10,000 sets a month, producers including Philips, Sony joint venture with local interests, Zenith licensee. Thus, Carib's goal is exports equaling all of Argentina's current domestic production. Demand for color sets in Argentina totals 35,000 monthly, says Donohoe, and eligible purchasers are selected by lottery. Country has 28 million population, 50 TV stations, 7 million b&w sets, 120%-a-year inflation rate.

MIXED PICTURE IN 2ND-QUARTER RESULTS: Big color TV marketers apparently improved their market positions in 2nd quarter, while smaller ones struggled. That's picture developed from financial reports issued last week by 4 of top 5 traditional U.S. brand color manufacturers — RCA, Zenith, GTE (Sylvania & Philco) & North American Philips (Magnavox).

RCA reported record sales but lower earnings for quarter (see financial table), said Consumer Electronics, RCA Service & Solid State Divs. all turned in strong performances. RCA said record earnings for half came in face of substantial investments in videodisc product, R&D & higher interest costs.

Zenith's net jumped 78.3% in both quarter & half on respective sales gains of 8.6% & 11.4%. Like RCA, Zenith also reported sharply higher interest and research & engineering costs.

GTE had reduced sales & earnings for both periods. It said net income from domestic consumer electronics business dropped 7% in quarter to \$1.83 million from \$1.97 million, as sales edged up 1.6% to \$153.2 million from \$150.8 million. For full period, net was off 42.4% to \$2.4 million from \$4.16 million, although sales were up 8.7% to \$327.3 million from \$301.2 million.

North American Philips cited high costs of videodisc program and increased interest expense in reporting slightly higher sales, reduced net, for both quarter & half. Company reported significantly increased sales in components & professional products segment. Spokesman said Magnavox had small sales gain in 2nd quarter, which essentially offset effect of modest first quarter decline.

FM quadrasonic rulemaking was approved by FCC last week. Commission shied away from recommending specific system, though staff focused discussion on RCA and Quadracast Systems Inc. designs (compatible with each other). Commissioners

said they want to avoid selecting single system, as with AM stereo, instead wished to set general performance standards. Staff will now set comments & reply deadlines, return to Commission in approximately 6 months with recommendations.



**MW OVEN DUMPING:** Toshiba is dumping microwave ovens in U.S., with dumping margins running as high as 80%, Commerce Dept. said in preliminary ruling last week. At same time, agency said it found no evidence of less than fair value sales by Sharp, Sanyo & Matsushita (Panasonic & Quasar).

Finding is result of complaint filed last year by AHAM, charging those companies, as well as Mitsubishi & Riccar, with dumping ovens in U.S. (Vol. 19:31 p9). As result of ruling, Toshiba will have to post antidumping duty payment guarantee, in form of cash or other security, equal to 80% of value of any future microwave oven imports. Other Japanese oven exporters not specifically excluded from finding will be required to put up 5% of value.

Commerce is scheduled to issue final determination Sept. 22, and case will then go to International Trade Commission, which will have 45 days to rule whether dumping has injured domestic industry. In preliminary finding earlier this year, ITC said there was likelihood of such injury.

Finding comes at time when Japanese manufacturers are shifting from importing complete ovens to importing key parts for assembly in U.S., often in their color TV plants. U.S. imports from Japan peaked at 765,000 in 1978, dropped to 740,000 last year, although in first 4 months this year shipments were up 24.6% to 157,000, believed to represent stockpiling in anticipation of dumping finding. Matsushita Industrial in Franklin Park, Ill., Sanyo in Forrest City, Ark. and Sharp in Memphis all have oven assembly operations, and Toshiba, which reportedly accounts for about 12% of imports from Japan, has announced plan to start building ovens in Lebanon, Tenn.

In Japan, Toshiba issued statement denying it's dumping ovens in U.S., said higher priced models it sells in home market aren't same as those exported. It also indicated that dumping finding and bonding requirement mean little, because it has stopped exporting ovens to U.S.

Color TV sales to dealers in 2nd July week followed up record performance of first (Vol. 20:28 p9) with 2nd worst showing of year — 128,000 sets sold, down 11.9% from same 1979 week. B&w sales plunged to 58,500, down 38.4% from last year, poorest for any week in more than 6 years (our Early Warning Report on retail activity in June, mailed last week to EWR subscribers, showed deepest decline in b&w sales in its 5-year history). Home VCR remained single bright spot, sales of more than 10,000 units representing increase of 145% over 1979 week.

Sprague forms 2 new Far East subsidiaries in expansion of IC marketing effort there. Company acquired 60% of Philippines IC assembly & test venture, Deltron-Sprague, with local investors holding remaining 40%. Until now, Sprague has been using outside subcontractors for assembly work in Far East. Also new is Sprague Japan, wholly owned warehousing & quality control operation.

**TV STEREO TESTS:** Testing of 3 multichannel TV sound systems and 3 audio-improving techniques is due to start in next few weeks at Matsushita plant in Franklin Park, Ill. under auspices of EIA's all-industry subcommittee on multichannel TV sound.

Subcommittee is hopeful it can complete work and recommend single system to FCC some time next spring. If proposal isn't controversial and isn't contested by losing parties, TV stereocasting and multilingual sound conceivably could start in 1982 — but don't hold your breath.

Under consideration are systems proposed by EIA-J, Telesonics & Zenith. Differences among them are relatively minor, relating principally to modulation of subcarrier. Before tests on multichannel systems are conducted, tests will be made of 3 companding systems under new task force on subject, headed by U. of Michigan's Fred Remley. The systems, proposed by CBS, dbx & Dolby, are designed to increase distance range of good sound, help reduce noise and improve dynamics, and are considered useful companions to stereo.

Commercial networks are interested in multitrack sound primarily for multilingual broadcasting. PBS has been actively pushing for stereo aspects. Final system, of course, will be capable of both types of broadcasting.

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GTE is closing color TV picture tube manufacturing unit in Tienen, Belgium in Sept. Company will continue producing lighting products there. Tube operation wasn't included in deal last March when GTE sold its European consumer electronics business to Thomson-Brandt of France (Vol. 20:13 p12). Package included German TV-audio manufacturer Saba and French component maker Videon. Saba, which makes about 400,000 color sets annually, was essentially sole customer of Tienen plant. T-B, as 51% owner of Europacolor, operator of former Telefunken & Videocolor color tube plants, had no need for extra capacity. Cost of tube plant closing was included in \$85 million reserve GTE set up in first quarter to cover expected loss on sale of European units to T-B and writedown of investments in other foreign consumer electronics businesses.

Digital Audio Disc Council in Japan is now looking at 3 formats in hope of coming up with signal encoding standard. Under review are optical system, backed by Dutch Philips, Sony, CBS/Sony Records & Polygram; AHD capacitance system, sister to VHD videodisc, from JVC & Matsushita; mechanical TED system from Telefunken, which failed to make it as videodisc. Hope is to set standard for digital-to-analog audio converters so circuitry could be used in adaptors or built into new receivers by all hardware manufacturers.

Programmable TV set, dropped from RCA's nationwide line in May (Vol. 20:20 p14), is available in 2 versions — 19" & 25" — from dealers in "selective markets" who can sell high technology products, RCA said in response to our query. RCA's previous TV line had model in 19" size only.



**MAY TV IMPORTS:** Japan, Taiwan & Korea all were contributors to 82.7% hike in May b&w TV imports to 551,700, setting new record for that month and monthly high for year (Vol. 20:28 p11). In color, imports of both complete & incomplete (chassis & kits) were down for month.

Here's by-country TV import breakdown for May, with 5-month results in parentheses: Japan total TV 76,600, -8.4% (460,000, -25.1%); color 32,200, -47.5% (276,200, -14%); b&w 44,500, +97.6% (183,700, -37.3%). Taiwan total TV 388,400, +26.1% (1.83 million, +16.2%); color 71,300, -13.5% (348,800, -10.1%); b&w 317,100, +40.6% (1.48 million, +24.7%). Korea total TV 197,673, +213.7% (740,400, -5.2%); color 18,900, +49.4% (78,800, -60.6%); b&w 178,800, +254.9% (661,600, +13.8%). Singapore 64,300 (326,000); color 57,900, +694.6% (304,700, +886.8%); b&w 6,400 (21,300) against none in same 1979 periods. Canada color 5,500, +28.8% (49,900, -16.8%). Mexico color 107,900 (670,000), with no comparable 1979 totals.

Imports of complete color: Japan 31,200, -39.6% (131,000, -45.6%). Taiwan 26,000, +10.3% (120,700, +3.5%). Singapore 5,000, -5.6% (23,200, -19.5%). Canada 5,000, +16.9% (32,700, -41.4%). Mexico 776 (3,700) against none in same 1979 periods. All color from Korea was complete.

Imports of incomplete color: Japan 908, -90.4% (145,200, +80.7%). Taiwan 45,300, -23% (228,000, -15.9%). Singapore 52,900, +2544.5% (281,500, +13973.2%). Canada 506 against none in May 1979 (17,200, +306.5%). Mexico 107,100, -33.3% (665,900, +9.4%). Philippines 11,700 (20,000) against none in same 1979 periods.

**Tape topics:** Sony shifts total responsibility for Betamax videocassette sales to Magnetic Tape Div. Previously, both Consumer & Tape Divs. handled product. Tape Div. also announced addition of C-60 & C-90 lengths to metal audio cassette line, priced at \$10 & \$13, respectively. Sony says audio cassette sales jumped 439% in past year... InterMagnetics forms technology & research unit for magnetic tape & related products. Heading team are James Ward, IM international technology staff dir., Leroy Hester, ex-Memorex, and Natasha Vaynerov, former research scientist in Cinema, Photo & Film Institute in Moscow.

Agfa-Gevaert picked Huntsville, Ala. as site for \$25-million 60,000-sq.-ft. tape plant, its first in U.S. Slated to go on stream by end of 1982, plant will employ 100, produce audio & half-inch videotape for OEMs & duplicators. Initial function will be slitting & packaging of tape imported from German parent, with coating, plastic molding and cassette assembly to be added later.

Audio record & tape wholesale prices have been raised 3-3.5% by Capitol, CBS, MCA, Polygram & Warners, and RCA is expected to go along. In many instances lists are unchanged, and consumers will feel boosts in form of smaller discounts.

**VCR vs. VIDEODISC:** Videodisc players & VCRs may be noncompetitive, but nobody has yet told consumers. That's conclusion drawn by Venture Development Corp. from survey at this "very early stage of development."

Survey results indicate consumers who don't currently own video equipment prefer VCRs to disc players by more than 3 to one, and VCR owners are more interested in owning both than non-owners. Results of VDC's survey:

	VCR owners	Non-owners
Want VCR, not disc	60.0%	35.3%
Want both VCR & disc	28.9%	20.1%
Want disc, not VCR	—	10.4%
Want VCR or disc (not both)	8.0%	23.2%
No interest in either	3.1%	11.0%

Further information on survey is available from Raymond Boggs, VDC, 1 Washington St., Wellesley, Mass. 02181, phone 617-237-5080.

**Programming notes:** Syndicator Worldvision Enterprises expects to have 250-500 hours of home video programming on market in year, plans original productions when VCR population reaches 2 million. First selections will be from current library, including specials Give 'Em Hell Harry, Trial of Lee Harvey Oswald, 10-hour series on 1960s ... ABC Video Enterprises has licensed RCA Selectavision to produce five 90-min. discs from V.E.'s Big Fights library. It's first RCA-ABC deal... Codart will publish catalog of audio programs available via cable in next 3-4 weeks (Vol. 20:20 p15), hopes to follow with videocassettes 6 months later. MPU, keyed by signal, turns home recorder on & off automatically for unattended recording of special subscription material.

**Guarded comment from JVC on Sony** demonstration of Video Movie one-piece combination camera-VCR (Vol. 20:27 p7, 20:28 p14): "As the developer of the VHS system, we've been consistently developing innovative technologies to meet the needs of consumers... We would assume that there will be several other technological developments of this kind being announced in the near future. [The] announcement by Sony is only one of several developments being introduced to the industry. We will monitor the developments..."

**Korea may drop 50% local ownership** requirement for some high technology export-only manufacturing ventures. Govt. is considering permitting full foreign ownership of electronic, electrical & other large-scale operations which require major foreign capital investment and foreign management skills.

**Seiko plans U.S. assembly of quartz clocks** at plant being built in El Segundo, Cal. Seiko will assemble movements imported from Japan, use U.S.-made casings.



**ELECTRONICS LEADERS:** RCA & North American Philips lost ground, while Zenith improved position in 1980 list of nation's top 50 electronics manufacturers. Rankings, compiled annually by Fairchild Publications, are based on announced & estimated electronics sales in last 4 reported quarters. Despite recession, list was harder than ever to make in 1980, with sales of \$341.9 million as minimum level, against \$294.5 million last year. For 2nd year in row, 28 companies, or more than half of those ranked, had volume more than \$1 billion.

Ranking of industry's big 4 was unchanged, IBM continuing as undisputed No. 1 with electronics sales of \$18.3 billion, followed by Western Electric at \$7.98 billion, ITT at \$3.49 billion, GE at \$3.28 billion. GTE retained 7th place with \$2.87 billion.

Jump by Texas Instruments from 12th place last year to 8th, on sales of \$2.87 billion, dropped RCA, with \$2.868 billion, down a notch to 9th, marking 2nd consecutive year of slippage for RCA. Hewlett-Packard moved up to 10th with \$2.72 billion, dropping Motorola one place to 11th, with sales of \$2.66 billion.

Results for other consumer electronics related companies, with sales in millions: Raytheon 15th, up from 17th, at \$2,200; GM 18th, down from 14th, at \$1,989. Fairchild Camera parent Schlumberger, ranked 21st at \$1,572 and Rockwell 23rd at \$1,426, had positions unchanged. North American Philips dropped to 24th from 19th at \$1,423, and Zenith moved up a slot to 27th at \$1,025.

National Semiconductor, 29th, up from 32nd, headed under-\$1 billion group at \$980. Avnet moved up 2 places to 32nd at \$825, while Memorex slipped one to 34th at \$745. General Instrument was unchanged in 35th at \$718; Ampex slipped one to 44th at \$469, while Corning dropped 2 places to 45th at \$465.

Dutch Philips, with volume of \$11.7 billion, was largest company ranked among foreign leaders. Other Europeans ranked, in order, were Germany's Siemens, Thomson-CSF of France, GEC & Plessey of U.K., Sweden's Ericsson and, new this year, U.K.'s Racal. Japanese on roster were Matsushita, NEC, Hitachi, Fujitsu & Toshiba. Also listed was Canada's Northern Telecom.

Video fatigue is problem for those working with video display data terminals, according to study covering 500 clerical & editorial workers contacted by National Institute for Occupational Safety & Health (Vol. 20:8 p13). Report says operators experience higher than normal levels of psychological distress, including anxiety & irritability, also have eye problems with glare from screen, and experience fatigue because of improper screen & keyboard heights and poorly designed desks & chairs.

Nikko Audio has relocated to 20,000 sq. ft. office & warehouse building at 320 Oser Ave., Hauppauge, N.Y.

## Consumer Electronics Personals

Frank Lann promoted at Magnavox Consumer Electronics to exec. vp, new post; Robert Lukingbeal advanced from mfg. engineering mgr. to operations vp, succeeding Lann... William Delaney advanced at Sharp from east region mgr. to national TV sales & mds. mgr... N.K. Woo, Gold Star asst. vp responsible for western sales, named midwest region mgr. in charge of new Chicago office; Y. Nam, former Operations Dept. mgr., named western region mgr. in charge of new L.A. office; M. G. Hur appointed Operations Dept. vp... Bernard Grae promoted at Radio Shack from mgr. to dir., industrial design.

Jerry Kalov joins Harman International as JBL Div. pres.-chief exec., succeeding Herbert Paige, who reassumes post as HI pres.; Robert Erazmus advanced at International Jensen Mfg. Group from vp-finance & treas. to pres., succeeding Kalov; James Twerdahl promoted from Jensen Car Audio Products Group vp-gen. mgr. to group vp-consumer products, assuming Kalov's former responsibility for Jensen Sound Labs... Murray Moore joins Fuji Magnetic Tape Div. as midwest region mgr... Ken Yoshino promoted at Sansui to special mkts. development mgr.; Len Gielarowski advanced to west coast region mgr., succeeding Yoshino... Steve Girod advanced at Altec Lansing from asst. mgr. to mgr., national sales for consumer markets.

Ralph Campbell, ex-Computer Sciences, joins ABC Video Enterprises Video Sales Div. as mktg. mgr.; Susan DiNapoli named mktg. rep... Steve Yanovsky, ex-3M, joins RCA Selectavision as videodisc ad dir... Albert Hartigan, Worldvision senior vp, adds responsibility for home video.

Erich Burlefinger, ex-ITT, joins RCA Solid State Div. as electro-optics & power devices vp... George De Maio, ex-Servo Corp., appointed Arco Electronics pres., succeeding Reini Schlaefli, who returns to post with Swiss parent... William McGorry advanced at Mart from sales dir. to publisher... George Kopp, former Consumer Electronics Monthly managing editor, joins Billboard N.Y. editorial staff.

No copies of report on Japan's strategy for worldwide domination of color TV manufacturing are currently available from Developing World Industry & Technology (Vol. 20:26 p8). Study was done for Office of Technology Assessment, and research group says it will be unable to distribute copies of report without OTA permission. That clearance isn't expected before end of year when OTA is slated to complete own, more comprehensive report on entire electronics industry based on number of studies, including one done by DWIT.

Computer retailing requires knowledgeable sales people, Sears decided. As result, it's pulling Atari 400 & 800 computers out of about half of stores where it has been conducting test marketing, will provide special training for sales force in continuing outlets. Sears hasn't announced number or locations of stores involved in test or how many will continue.



# 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
<b>Bell &amp; Howell</b>			
1980-6 mo. to June 30	295,391,000 <sup>a</sup>	11,478,000 <sup>b</sup>	2.06
1979-6 mo. to June 30 <sup>c</sup>	253,297,000 <sup>a</sup>	1,909,000	.34
1980-qtr. to June 30	155,551,000 <sup>a</sup>	5,809,000 <sup>b</sup>	1.03
1979-qtr. to June 30 <sup>c</sup>	131,150,000 <sup>a</sup>	886,000	.16
<b>Buckbee-Mears</b>			
1980-6 mo. to June 30	42,649,000	1,866,000	.60
1979-6 mo. to June 30	36,207,000	1,983,000	.65
1980-qtr. to June 30	21,609,000	884,000	.28
1979-qtr. to June 30	18,964,000	1,165,000	.38
<b>Filmways</b>			
1980-qtr. to May 31	33,363,000 <sup>a</sup>	(6,445,000)	--
1979-qtr. to May 31 <sup>c</sup>	25,666,000 <sup>a</sup>	1,755,000 <sup>b</sup>	.32 <sup>d</sup>
<b>GTE</b>			
1980-6 mo. to June 30	5,240,530,000	198,231,000 <sup>e</sup>	1.21
1979-6 mo. to June 30	4,700,694,000	315,970,000	2.07
1980-qtr. to June 30	2,610,331,000	133,171,000	.83
1979-qtr. to June 30	2,244,763,000	167,638,000	1.10
<b>Harte-Hanks Communications</b>			
1980-6 mo. to June 30	141,604,000	9,790,000	1.04
1979-6 mo. to June 30	112,064,000	8,315,000	.90
1980-qtr. to June 30	75,800,000	6,139,000	.65
1979-qtr. to June 30	60,671,000	5,184,000	.56
<b>E.F. Johnson</b>			
1980-6 mo. to June 30	21,560,000	2,379,000 <sup>b</sup>	.91
1979-6 mo. to June 30	20,338,000	877,000 <sup>b</sup>	.34
1980-qtr. to June 30	10,731,000	406,000 <sup>b</sup>	.16
1979-qtr. to June 30	11,100,000	717,000 <sup>b</sup>	.28
<b>Kansas State Network</b>			
1980-9 mo. to May 31	10,071,000	5,894,000 <sup>b</sup>	3.12
1979-9 mo. to May 31 <sup>c</sup>	9,442,000	1,743,000	.96
1980-qtr. to May 31	3,371,000	2,037,000 <sup>b</sup>	1.08
1979-qtr. to May 31 <sup>c</sup>	3,439,000	663,000	.36
<b>LIN Bcstg.</b>			
1980-6 mo. to June 30	30,209,000	6,928,000	2.51
1979-6 mo. to June 30	27,065,000	6,414,000	2.23
1980-qtr. to June 30	17,320,000	4,493,000	1.63
1979-qtr. to June 30	15,879,000	3,973,000	1.44
<b>Metromedia</b>			
1980-6 mo. to June 29	213,569,000	25,496,000 <sup>b</sup>	5.58
1979-6 mo. to July 1	190,717,000	17,414,000	3.79
1980-qtr. to June 29	106,200,000	17,186,000 <sup>b</sup>	3.79
1979-qtr. to July 1	95,374,000	10,531,000	2.29
<b>Motorola</b>			
1980-6 mo. to June 30	1,552,500,000	90,400,000 <sup>b</sup>	2.90
1979-6 mo. to June 30	1,289,500,000	79,500,000	2.56
1980-qtr. to June 30	798,900,000	48,400,000 <sup>b</sup>	1.55
1979-qtr. to June 30	676,900,000	43,400,000	1.40
<b>Multimedia</b>			
1980-6 mo. to June 30	76,561,000	9,636,000	.96
1979-6 mo. to June 30	61,506,000	8,487,000	.85 <sup>d</sup>
1980-qtr. to June 30	42,662,000	5,830,000	.58
1979-qtr. to June 30	34,518,000	5,237,000	.52 <sup>d</sup>
<b>North American Philips</b>			
1980-6 mo. to June 30	1,248,796,000	32,250,000	2.48
1979-6 mo. to June 30	1,164,046,000	38,642,000 <sup>b</sup>	2.97
1980-qtr. to June 30	656,417,000	16,330,000	1.26
1979-qtr. to June 30	617,917,000	23,838,000 <sup>b</sup>	1.83
<b>Owens-Illinois</b>			
1980-6 mo. to June 30	1,899,802,000	65,371,000	2.23
1979-6 mo. to June 30	1,695,807,000	65,304,000	2.23
1980-qtr. to June 30	961,781,000	38,861,000	1.33
1979-qtr. to June 30	879,208,000	47,316,000	1.63

<b>RCA</b>			
1980-6 mo. to June 30	3,932,900,000	155,800,000 <sup>b</sup>	1.59
1979-6 mo. to June 30	3,638,000,000	147,700,000 <sup>b</sup>	1.94
1980-qtr. to June 30	1,963,800,000	77,100,000 <sup>b</sup>	.80
1979-qtr. to June 30	1,845,900,000	85,600,000 <sup>b</sup>	1.13
<b>Time</b>			
1980-6 mo. to June 30	1,363,736,000	68,961,000	2.45 <sup>f</sup>
1979-6 mo. to June 30	1,165,679,000	68,948,000	2.47 <sup>f</sup>
1980-qtr. to June 30	699,726,000	40,654,000	1.45 <sup>f</sup>
1979-qtr. to June 30	629,589,000	42,340,000	1.52 <sup>f</sup>
<b>Viacom International</b>			
1980-26 wk. to June 28	72,231,000	6,731,000	1.54
1979-26 wk. to June 30	49,905,000	6,175,000 <sup>b</sup>	1.62
1980-13 wk. to June 28	40,978,000	3,706,000	.80
1979-13 wk. to June 30	25,594,000	2,218,000	.58
<b>Walt Disney Productions</b>			
1980-9 mo. to June 30	649,001,000	94,562,000	2.91
1979-9 mo. to June 30	553,206,000	73,851,000	2.28
1980-qtr. to June 30	245,415,000	35,896,000	1.10
1979-qtr. to June 30	211,849,000	30,101,000	.93
<b>Warner Communications</b>			
1980-6 mo. to June 30	876,945,000	60,599,000	2.13
1979-6 mo. to June 30 <sup>c</sup>	783,275,000	51,010,000	1.91 <sup>d</sup>
1980-qtr. to June 30	449,905,000	25,584,000	.90 <sup>d</sup>
1979-qtr. to June 30 <sup>c</sup>	348,131,000	20,192,000	.76 <sup>d</sup>
<b>Wometco Enterprises</b>			
1980-24 wk. to June 14	153,168,000	9,446,000	1.07
1979-24 wk. to June 16 <sup>c</sup>	134,747,000	8,909,000	1.04
1980-12 wk. to June 14	83,865,000	5,701,000	.65
1979-12 wk. to June 16 <sup>c</sup>	71,211,000	5,511,000	.64
<b>Zenith</b>			
1980-6 mo. to June 30	530,000,000	10,700,000 <sup>b</sup>	.57
1979-6 mo. to June 30	475,800,000	6,000,000	.32
1980-qtr. to June 30	258,900,000	4,100,000	.22
1979-qtr. to June 30	238,400,000	2,300,000	.12

Notes: <sup>a</sup>From continuing operations. <sup>b</sup>Includes special credit. <sup>c</sup>Restated. <sup>d</sup>Adjusted. <sup>e</sup>After special charge. <sup>f</sup>Fully diluted.

## Television Digest

with  
Consumer Electronics ...

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WEEKLY

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35th YEAR OF PUBLICATION  
35  
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## SUMMARY-INDEX OF WEEK'S NEWS

### Broadcast

**TV NETWORKS' FINANCIAL** performance in 1979 — revenues up but outrun by expenses. CBS earnings up, NBC down, ABC steady. (P. 1)

**CABLE LIBERATED:** FCC vote scrapping distant signal import & exclusivity rules draws flak, praise, but struggle continues in courts, Congress, at Copyright Tribunal. Few immediate effects from decision due to lack of capacity. (P. 2)

**TELETEXT PETITION** to be filed by CBS this week favoring Antiope approach, although EIA study still months from completion. CBS wants asynchronous system. (P. 3)

**DIM FUTURE FOR REWRITE:** Chances for Senate rewrite of Communications Act get more doubtful as time runs out. House broadcast bills also face delays. (P. 3)

**TOP CABLE NETWORKS:** 9 of 10 leading satellite networks for cable aren't distant broadcast signals, but Turner's WTBS Atlanta is still in lead. Pay-TV growth slows. (P. 4)

**U.S. TRADE REPRESENTATIVE'S** Office seen recommending U.S. adopt legislation to offset Canadian advertising deduction rule for border stations. 'Unreasonable' action by Canada to be cited. 'Mirror legislation' seen. (P. 4)

**1979 NETWORK EXPENSES HIT EARNINGS:** FCC reported TV networks' 1979 performance last week — and result was 0.9% drop in profits to \$370.2 million despite 16.5% increase in net broadcast revenues to \$3,454.5 million.

Though Commission doesn't break out individual network figures, Television Digest has learned that NBC was hardest hit, as expected. Despite revenue increase of 10.2% to \$1 billion, NBC had only \$39 million profit, a 23.5% drop. ABC held its own in earnings, achieving \$186 million vs. \$187 million in 1978, while revenues rose 17% to \$1.3 billion. CBS alone had earnings gain, rising 6.6% to \$145 million as revenues increased 16% to \$1.1 billion. Commission reported that networks' expenditures for news & public affairs rose 22.3% to \$324 million.

Network owned stations did nicely, according to FCC, with profits rising 10.1% to \$205.1 million, as revenues increased 9.1% to \$637.9 million.

### Consumer Electronics

**KOREANS NOW READY** to use higher quota to expand U.S. color sales. Samsung built up stockpile, anticipating agreement; Gold Star to increase shipments this month. Taiwan displeased with new OMA terms. (P. 6)

**MAGNETIC VIDEO** in \$43.5-million deal for 250 UA features, plans to double replication capacity. SAG-AFTRA seeks 6% of videocassette, pay TV royalties in strike. (P. 7)

**WORLD VCR DEMAND:** Japanese production may total 3.5 million for year, reach 6.5-million rate by end of year. Threat of component shortages from high production. (P. 8)

**GERMANS CITE DANGER** of Japanese takeover of color market, clear GTE's sale of Saba to Thomson-Brandt. ITT sells French units, expanding in Germany. Thorn-Sharp link. (P. 9)

**AM STEREO ACTION** scheduled by FCC this week. Further rulemaking, release of engineering 'matrix' seen likely. Snow of letters from Kahn, Motorola, Harris & Magnavox falls on broadcasters. (P. 10)

**WELLS-GARDNER NET** up sharply in quarter, with 20.9% sales gain. Morse trims operating loss. Motorola shows gain on sales of Autovox, U.S. aftermarket car audio businesses. (P. 10)



Radio networking showed profit increase, Commission said, rising 3.7% to \$15,918,000, as net broadcast revenues advanced 7.4% to \$96,503,000. But network owned radio stations suffered 25.1% profit drop to \$21,258,000 despite 6.2% increase in net broadcast revenues to \$155,506,000. Figures are based on 8 national networks — CBS 1, MBS 2, NBC 1, ABC 4.

**FCC LIBERATES CABLE—BUT GAME ISN'T OVER:** Noisy cable deregulation last week by FCC is mostly anticlimactic in terms of immediate substantive impact on burgeoning cable industry. Vexing issues in decision — cable rights to distant broadcast signals, producer rights to copyright payments — will continue to dominate dialog of cable regulation in Washington, even as marketplace sends signals that many more distant imports isn't singular priority for cable operators. Nine out of top 10 cable networks aren't distant broadcast signals, new survey by our Satellite Week shows (see p.4).

Divided FCC voting was no surprise: For — Ferris, Fogarty, Brown, Jones. Against — Quello, Lee, Washburn. Blitz of 6 concurring and dissenting statements was issued. Ferris: "These rules lack the slightest hint of justification." Fogarty: "Deletion of these unnecessary rules... has my complete approval and support." Brown: "These rules have restricted consumer choices long enough without countervailing public interest benefit."

Lee: "Free lunch... How can this situation be competitive?" Washburn: "Now is not the time for the Commission to be changing the ground rules." Quello: "Not needed... not wanted... counter to long-term public interest." Industry reaction was also unsurprising. NAB called decision "irresponsible." ABC said Congress has "burden to rectify the unfair competition." INTV was "concerned." NCTA called it "milestone." But behind rhetoric on all sides, there's awareness that struggle isn't over.

"There are several innings still to play — and 4 different ballfields that the game is being played on," said NAB official. They are: (1) Congress — where MPAA, NAB, et al. will continue to seek changes in copyright law to make cable operators get advance permission of copyright owners before using imported broadcast signals. (2) Copyright Royalty Tribunal — FCC move will trigger review of cable copyright payments.

(3) Courts — where broadcasters seek overturn of order, stay of it pending litigation. (4) FCC — where NAB will seek reconsideration & stay. FCC order isn't effective for 45 days, could be delayed year or more by court-ordered stay pending resolution of appeals.

At CRT — preparing to release its proposed copyright fee distribution plan this week — FCC decision wasn't seen as opening way for massive hikes in cable's copyright fees. CRT Chmn. Thomas Brennan tells us any hike will "have to take into account the basic fee schedule and the judgments that the Congress made in establishing the basic schedule. If you had a cable system which was allowed to carry 2 distant signals, and now decides to carry 2 more signals, it would seem logical there has to be some relationship between the extra fees we impose for the 2 new signals and the fees we imposed for the old signals.

"We will have a rehash here of the same arguments that were made before the Commission. The cable industry will tell us that the additional carriage is not doing much damage to the copyright owners or broadcasters; the copyright owners will try to prove to us that they are suffering additional damage."

For practical reasons, elimination of distant signal import limits and syndicated exclusivity protection won't make much near term difference in cable marketplace because: (1) Few cable systems have channel to spare to add another basic service (forthcoming Television Factbook data shows 2,800 of nation's 4,600 systems have only 6-12 channels). (2) Satellite and terrestrial microwave carriers currently lack capacity to distribute much more video. (3) Superstation signals aren't that hot anyway in cable industry more keen to add pay TV than basic services. (4) Many broadcasters have never bothered to ask for exclusivity protection anyway — only 27% of cable operators report they've been asked for protection.



"Five years ago it would have meant something. Now, pay cable is the name of the game... Operators would much rather get a subscriber to buy pay than give him more signals on basic," said industry veteran. Nory LeBrun, Turner Bestg. national sales mgr.: "Limits on superstations lie in the number of available transponders. Cable operators, even with 102 channels, won't take more than 3 or 4 distant independents."

First into court seeking overturn of FCC (2nd U.S. Circuit, N.Y.) was Malrite Bestg., Cleveland (WCPI-TV New Bern, N.C., WUHF Rochester, N.Y., CP for UHF's in W. Palm Beach and Jacksonville), assisted by NAB. "We feel the elimination of the cable restrictions will be very harmful to us," said attorney for Malrite. Briefs in the Malrite appeal haven't been filed, won't be until after FCC's official order is released; legal strategy is expected to focus on Commission's alleged failure to consider economic viability of new independent UHF stations.

**CBS TELETEXT BID:** Breaking industry ranks, CBS this week will petition FCC to authorize broadcast teletext based on French Antiope system. Based on its 2-year study of both French & British systems, CBS will argue that there's no reason for delay and that service should begin as soon as possible.

Move comes as industry wide engineering subcommittee on teletext systems, under EIA aegis, continues work with little possibility of recommending single system (under working rules, 75% majority is required to reach subcommittee "consensus"). Subcommittee still has at least several months of work before it turns over results of study to Commission. Subcommittee task forces still must complete work. System analyses are still to be made, cost data must be gathered, and testing has yet to be conducted.

"It's typical CBS," groused one industry engineer. "If they can't get their way they pick up their marbles and go directly to the FCC." CBS has long been strong exponent of teletext, has made extensive tests & studies. Politically, it apparently is important for it to push for quick start, since it's only network which hasn't joined program of closed captioning for the hearing impaired, arguing that teletext is much better way to do it.

As to choice of asynchronous or software-driven system exemplified by Antiope, as opposed to synchronous Oracle-Ceefax type, Planning Vp Harry Smith told us CBS prefers flexibility of asynchronous type, but either system is "acceptable and could make it here." Philosophy of Antiope, he added, "permits the industry to grow with the market." He said CBS sees "no reason to delay putting our point of view before the Commission. There's been enough engineering & research. Teletext will serve the public well and we want to move ahead as quickly as possible to adopt it."

CBS will elaborate on technical details of its proposal July 29 at Washington news conference.

RCA SMARTS test (Vol. 19:11 p1) starts July 28 to Post-Newsweek stations in Hartford, Detroit, Miami & Jacksonville, receiving episodes of Viacom syndicated programming via Satcom.

**DIM FUTURE FOR REWRITE:** With time running out, continued lack of action on Senate rewrite of Communications Act caused serious doubts about bill's future. Common carrier problems, responsible for delay, still haven't been solved. No mark-up is slated before Aug. 7 recess (July 29 mark-up date reported in last week's issue was incorrect) and staff member says there's "no evidence of any movement in the near future," situation that NAB official says "couldn't please us more."

In response to National League of Cities' request that municipalities protest bill by freezing cable franchising negotiations (Vol. 20:29 p2), mayors of L.A. & Cincinnati urged city councils to declare moratorium, Indianapolis City Council scheduled discussion of issue at next meeting, and St. Paul City Council asked Minn. Sens. Durenberger (R) & Boschwitz (R) to request hearing on bill. St. Paul also plans to consider municipal cable ownership, idea that council previously rejected. League is trying to force cable industry to drop support of deregulation provisions limiting local govt. power.

On House side, chances are slim for Commerce Committee marking up cross-ownership bill this week as requested by sponsor, Rep. Swift (D-Wash.), because Committee still is working on common carrier rewrite bill, bogged down by opposition delaying tactics and press of other work. Anti-piracy bill banning interception of pay-TV & satellite signals has been shelved until late Aug. Staff of Rep. Preyer (D-N.C.) doesn't expect bill to clear Committee until some time in Sept.

AM clears decision creates "uncertainty" for minorities by leaving open possibility of future waivers of minority preference in assignments, NBMC told FCC. Arguing that there is "no justifiable reason" for waivers, NBMC said that "encouraging, by not discouraging, waivers is unfair... making the promise of new opportunities only that, an ephemeral, transparent promise." Group also asked FCC to give minority preference in comparative hearings and said that "while more timid than we would have preferred [not breaking down clears altogether]," decision "nevertheless was a major step forward." In other action, NBMC urged FCC to reject NRBA petition for inquiry into Commission's EEO policies.



**TOP CABLE NETWORKS:** Pay-TV growth spurt slowed, sports networks continued steady growth, according to new semiannual survey of cable networks conducted by our Satellite Week. Leading cable networks remain WTBS Atlanta and Christian Bestg. Network. Both have passed 8 million subscriber plateau, adding 1.7 million and one million subscribers respectively since Jan.

USA Network (nee Madison Sq. Garden) added 500,000 subscribers; ESPN moved up notch from 6th to 5th, gaining 400,000. Cable News Network, approaching 2.5 million homes, isn't satisfied with rate of growth, just announced drop in prices to help reluctant cable systems make up minds. Effective immediately, systems carrying CNN & WTBS pay 15 cents per subscriber per month for CNN, down from 20 cents; systems carrying only CNN pay 20 cents, instead of 25 cents.

HBO, adding 400 cable systems since Jan., apparently gained few new subscribers. Showtime had parallel experience; company added 178 systems, only 200,000 subscribers.

FCC deregulation may have positive impact on growth of Eastern Microwave's WOR-TV N.Y. Said EMT's Sam Morse: "We were one of the very last systems to get on the satellite, and a lot of cable systems had already filled up their programming limits by the time we arrived on the scene. This will give us a chance to get on those systems — and get into some larger markets."

Caution: Data is intended to show only overall penetration of various types of cable programming services, measured by systems & subscribers. Ratings and other measures of acceptance could result in different ranking. Figures are supplied by programmers themselves, aren't verified by independent auditors. Undoubtedly, some are more reliable than others. Top 10 networks (not including MDS & STV; full Top 20 list in Satellite Week):

<u>Rank</u>	<u>Service</u>	<u>Total homes</u> (Millions)
1	WTBS Atlanta	8.9
2	CBN	8.1
3	C-SPAN	5.9
4	USA Network	5.2
5	ESPN	4.4
6	HBO	4.0
7	BET	3.9
8	Trinity	3.5
9	SPN	3.0
10	Thurs. Baseball	2.7

Progress in implementing EEO rules is sufficient, FCC said in granting renewals for WTVR-TV-AM-FM Richmond, owned by Roy Park Bestg. Licenses have been in jeopardy since FCC raised EEO questions in 1972 and decision to grant conditional licenses was overturned by U.S. Appeals Court, leading to stiffer short term renewals in 1978.

**CANADA-U.S. TIT FOR TAT:** U.S. Trade Representatives' office is expected to recommend that U.S. adopt broadcast tax legislation similar to Canada's as means to combat rule that Canadian companies can't deduct ads in U.S. media, Television Digest has learned.

Recommendation was to be forwarded to President Carter late last week, and he's to act on recommendation by Aug. 18 (Vol.20:28 p4). Trade Representatives spokesman refused to confirm or deny recommendation, but others familiar with case said recommendation includes finding that Canadian action is "unreasonable" and "mirror image" legislation should be adopted.

From political standpoint, U.S. legislation is seen as shrewd move because few American companies advertise on Canadian TV. Canadian relations would be left unstrained and any White House call for legislation would be perceived as getting tough over unjust situation.

Cablecom-General would be bought for \$139.2 million by Capitol Cities Communications under recently reached agreement. Cablecom-General, owned by RKO General, has 43 cable systems in 12 states and some 100 movie theaters. Cablecom representatives said sale, which has been in works 2 months, is unrelated to RKO decision and no problems are expected with FCC approvals of sale. Meanwhile, RKO revealed in new comments filed with FCC that it's talking to "a highly respected former officer of one of the nation's foremost broadcasting companies" about his being chairman of its proposed spin-off company (Vol. 20:28 p7). National Black Media Coalition, in its new comment, invited interested parties to "informal meeting" to discuss proposal that would turn 13 stations over to minorities.

Screen Actors Guild and American Federation of TV & Radio Actors struck Hollywood studios July 22 & 21, respectively. Major sticking point in negotiations for new 3-year contract was compensation for pay TV, video cassette and disc sales (see p. 7). Actors' unions want 6% of gross revenues (down from earlier request of 12%) from new media. Industries want to withhold video revenues until programming has been on market for 7 years. Unions' other major request is for 40% minimum-pay increase over 3-year contract. Shooting of TV series and major movies on location has almost totally ceased; stars are honoring strike. Studios say programs for fall TV season could be delayed if strike extends beyond 7-10 days. MCA laid off 1,000 employees at Universal Studios; 20th Century-Fox laid off 130.

NBMC endorsed NAB Minority Best. Investment Fund, issued statement by Chmn. Pluria Marshall: "We shall give the NAB its due... fund can help place dozens of new broadcast stations in black hands."



## Personals

Edward Joyce, ex-WBBM-TV Chicago gen. mgr., named vp & gen. mgr., KNXT L.A., succeeding Van Gordon Sauter, earlier named CBS Sports pres.; Peter Lund, ex-vp, station services, CBS TV Stations Div., succeeds Joyce in Chicago; Allan Cohen, ex-vp, personnel, CBS Best. Group, appointed vp & gen. mgr., KMOX-TV St. Louis, succeeding John McKay, named vp & gen. mgr., Times-Mirror's KDFW-TV Dallas-Ft. Worth... Elton Rule, ABC pres. & chief operating officer, will address Western Conference on Marketing & Media in L.A. Sept. 26; Lawrence Samuels advanced at ABC from assoc. corp. planning dir. to capital planning dir... Merrill Brockway, ex-WNET N.Y., joins CBS Cable as exec. producer, arts programming... Mark Meagher leaves Washington Post pres. & chief operating officer post to explore new interests.

Margita White, ex-FCC comr., elected to Taft Bestg. board; Samuel Johnston, ex-senior vp, new market development, named senior vp of company; John Chapman, ex-vp, govt. affairs & mktg., selected vp-marketing & new product development; John Lawrence, ex-vp, investor & public relations, becomes vp-community affairs & investments management... Patrick Gmitter, ex-vp, best. sales at Cox Bestg., named mgr. of group's WIBC-TV Pittsburgh... Robert Hartman moves from national & general sales mgr., WUAB Lorain, O., to asst. gen. mgr. post... Brooke Sectorsky, ex-KTVU Oakland-S.F., named program dir., KTLA L.A... Paul Davis, WCIA Champaign news dir., immediate past pres., RTNDA, named news dir., WGN-TV-AM Chicago.

Betty Bitterman joins HBO as variety programming dir.; Harry Weltman advanced from special projects dir. to program services dir.; Jim English, former STV program services dir., now programming dir.; Stephen Strick named special & sports assoc. business affairs dir.; Ruth Beltran appointed programming-scheduling dir.; Peggy Davis appointed Cinemax scheduling mgr... J. Ronald Castell, ex-Warner Amex, joins Premiere as vp-mktg. dir.

Richard Mallary, ex-dir., news operations, Cox Bestg., selected news dir., WSB-TV Atlanta... Stephen Crook, ex-Nationwide Communications, named chief engineer, new all-news Golden West UHF station under construction in Okla. City; Christopher Davala, ex-radio newsman, joins station staff as news & public affairs dir... Richard Henry promoted to national sales mgr., WISN-TV Milwaukee, succeeding Stuart Mackie, new pres. & gen. mgr., KTVH Hutchinson-Wichita... Elliot Friedgen, ex-Schick Sunn Classic Pictures, named vp-corp. affairs, QM productions... W. Russell Barry, ex-20th Century Fox, named pres., Playboy Productions... Anthony Hoffman, well-know media financial analyst, leaves Bache, joins A.G. Becker.

James Gray, ex-Warner Amex central area dir., named senior vp, new western div.; Frank Nowaczek, ex-mid-Atlantic dir., named senior vp, new eastern

div.; Robert Walters, ex-General foods, named exec. vp-marketing & programming; Nickolas Davatzes, ex-Intext, selected senior vp-human resources & organization... Joseph Johnson, Grambling State U. pres., appointed chmn., Black Entertainment TV advisory committee... David Gordon, ex-Alberto Culver, named vp & gen. mgr., ON TV Chicago.

N.Y. Times' contract to buy Irving Kahn's N.J. systems was signed July 25, providing for payment up to \$119.2 million. Of total, \$36.5 million is for assumption of construction costs, \$82.7 million in cash & notes to sellers. Payment is over 6-year period. Times may cancel under certain conditions — such as failure to have at least 73,000 subscribers by early 1981; systems now have 56,000, with 55,000 of them also taking pay-cable service. Kahn has 6-year consulting and non-compete contract totaling \$4 million. Contract closing is scheduled no sooner than March 1981.

ABC profits dropped for 2nd straight quarter, but company continued to post record revenue figures (see financial table, p. 12). For 2nd quarter 1980, income fell 6% to \$53.8 million, for first half, down 5% to \$78.1 million. For quarter, revenue was up 15% to \$578.5 million; first half, up 18% to \$1.1 billion. Profit declines were blamed on start-up costs of ABC Video Enterprises and ABC Motion Pictures, plus operating losses from Travel Network.

Independent producers' suit against networks over networks' policies of using only in-house documentaries has been thrown out by U.S. Dist. Court Judge Thomas Duffy in N.Y. Judge noted, among other things, that affiliates are free to use any public affairs programming they wish. Judge said lawyers for 26 producers who had filed suit can plead case again in one antitrust area.

High-capacity cable system developments last week: (1) Jerrold turned on 52-channel 400-MHz system—Metro Cablevision (Maclean-Hunter), E. Detroit. First 25 miles were activated of eventual 98 that will pass 14,000 homes. (2) Cox started 54-channel 400-MHz service to Orland Park, Ill., plans others in Cranston, R.I., Maywood, Ill., Jacksonville Beaches, Fla.

AM stereo action by FCC is scheduled July 31, and prospects seem to favor further notice of rulemaking, with release of engineering "matrix" which led to controversial choice of Magnavox system (details on p. 10). Commission also takes up 9-kHz AM spacing.

Copyright infringement suit and unfair competition action was begun last week by Television Digest against publication Video World, San Rafael, Cal. Suit in San Francisco district court charges infringement of copyright "by copying substantial parts of Television Digest's works" (see p. 9).

United Cable TV plans 1 million share stock offering worth \$27 million to fund "continued expansion."



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## STATE OF THE INDUSTRY

Sales to dealers (total market), from EIA, for week ended July 11 (28th week of 1980):

	July 5-11	1979 week	% change	June 29- July 4	1980 to date	1979 to date	% change
Total TV.....	187,046	240,970	-22.4	229,343	7,161,086	7,874,063	-9.1
color.....	128,496	145,916	-11.9	137,568	4,574,684	4,935,416	-7.3
monochrome..	58,550	95,054	-38.4	91,775	2,586,402	2,938,647	-12.0
Home VCR.....	10,298*	4,211	+144.5	8,373	310,675*	191,207	+62.5

Color TV 5-week moving average: 1980—190,826; 1979—205,264 (down 7.0%).

Home VCR 5-week moving average: 1980—11,575\*; 1979—6,632 (up 74.5%).

\*Record for period.

**KOREANS READY FOR U.S. COLOR SALES BOOM:** It won't take long for U.S. color market to feel effect of 89% hike in color TV quota allocation given Korea under recently concluded extension of Orderly Marketing Agreement (Vol. 20:27 p8). In fact, one company, Samsung, has already started shipping at higher levels to its dealers, and other major Korean own-brand color marketer, Gold Star, says it will start picking up sales pace in Aug.

New OMA raises allowable level of color exports from Korea from 204,000 to 385,000 in quota year to next June 30, provides boost of 49.4% to 575,000 in 2nd & final year. Between them, Samsung & Gold Star account for 80% of Korea's color exports (Vol. 20:28 p12). Taihan, only other Korean color producer selling under own (Portland) brand here has just 8%. Exports of color chassis and complete sets with screens 12"-&-under are excluded from restrictions.

Samsung actually stepped up production for export last spring in anticipation of increased quota allowance, and under special agreement with U.S. trade officials built up 27,000-set stockpile in June, chargeable against allocation in coming months, according to Frank DiLeo, pres. of U.S. marketing operation. "We placed our orders last March & April. We planned for this and moved out in front," he said, adding that as worldwide exporter of color, company could have sold sets elsewhere if quota increase didn't come as planned.

Samsung is using extra sets "to take care of the dealer group who rode it out with us" under the more restrictive quota just expired. Even so, "full benefit won't be felt by our dealers until Sept.-Oct.," when factory hits production stride. As for new dealers, of which DiLeo says Samsung added nearly 100 this year, "most of them have purchase commitments with other suppliers and the quantities involved are small. Next year, we'll really start working with them." Which is just as well, DiLeo says, since "you can't go from zero to 100 in less than 6 months because of production lead time." Also in works for Samsung next year may be U.S. plant for assembly of limited-run color models. "We'll leave large-scale production in Korea," DiLeo told us.

Gold Star expects increase in color exports to start this month, which means bigger shipments to dealers around end of Aug., according to U.S. Mktg. Vp Y. Soh. He said most of additional sets will be used to supply new dealers. "We have to extend our sales organization and sales channels." Gold Star is now opening sales offices in Chicago & L.A. (Vol. 20:29 p11).



Getting needed parts from Japan for higher output hasn't been problem for Koreans. "We have been discussing the situation with our vendors so they were ready to supply us," Soh said. Key components imported from Japan are picture tubes & electronic tuners; in tubes, Korea is about to become nearly self sufficient. Samsung-NEC color tube venture in Korea, on hold for last 2 years, has started initial production, DiLeo says, and similar Gold Star-Toshiba operation is scheduled to begin output Aug. 1, according to Soh. Helping brighten color picture for Koreans is govt. decision to permit sale of color sets on domestic market Aug. 1 in anticipation of formal Jan. launch of colorcasting.

One thing increased quota won't mean is greater availability of promotionally priced color sets, according to DiLeo & Soh. Dealers looking for low cost color "are in for a struggle. I don't know anyone who's giving sets away today," DiLeo said. Samsung is "no longer interested in that part of the market; it doesn't fit in with our program." As for Gold Star, it's looking to position itself as "step-up brand," Soh said. He said company is putting increased emphasis on remote control sets, and next year will introduce first models with phase-locked-loop electronic tuning.

Taiwan manufacturers are less thrilled about new quota terms. Their increase in complete sets is only 7% to 400,000 in first year, 6% to 425,000 — 150,000 less than Korea's — in 2nd. While there will be no quota on chassis exports, "it will be a year before we feel the effect of the change," according to C. Sun, pres. of Tatung, which now assembles 25" consoles in Long Beach, Cal. Elimination of chassis quota permits import of more substantially complete units "and that will help increase our efficiency," but it isn't enough to justify change in company plan to hold off on assembly of 19" until next year. Sampo's Atlanta assembly plant won't be operational until next spring, and AOC has delayed production in Kansas City until 1981.

Taiwanese trade officials made their general displeasure known during meetings with U.S. counterparts in Washington last week. It's understood they were unable to get any change in basic OMA, but were assured U.S. would review situation if Koreans started exporting substantial quantities of small screen sets. Sun said he understood Tatung and other Taiwan manufacturers were planning to increase exports of color tinyvision to U.S. Market for such sets is small in U.S., he acknowledged, but added "what may be a small business to Zenith & RCA can be a big business for Tatung."

As for Japanese, now no longer covered by any form of color quota, there's not likely to be any significant change in status quo. "They are fully committed to producing their sets in the U.S." and aren't going to switch back to importing, was evaluation of one U.S. industry official who was closely involved in setting up new OMAs. As for changes in rules on color chassis imports: "That just puts them on a par with RCA, Sylvania & Zenith," which are importing finished chassis from their plants in Mexico. "It won't give them any special advantage," he said.

**MAG VIDEO'S \$43.5-MILLION MOVIE DEAL:** Growing importance of home video programming was underscored dramatically last week by 2 developments: (1) 20th Century-Fox subsidiary Magnetic Video Corp. (MVC) won videocassette rights to 250 United Artists titles for record \$43.5 million. (2) Most movie & TV-film production was shut down by strike of Screen Actors Guild (SAG) & American Federation of TV & Radio Artists (AFTRA) whose major issue was home video & pay TV.

Last giant videocassette movie package went to MVC after discussions by UA with virtually every major supplier, including Warner, Columbia, Paramount and probably CBS, will help maintain MVC's domination of pre-recorded cassette market; one industry executive forecast it will guarantee it at least 50% of market. MVC will have to expand duplication capacity to handle UA product, and Pres. Andre Blay told us he hopes to have new plant in operation before year's end, probably in southern Cal., equaling size of Farmington Hills, Mich. facility, which now has some 500 slave units.



Deal is complex & costly, gives MVC choice of 150 current & past UA releases, 50 pre-1950 Warner movies, from UA's 3,000-title library, plus rights to 50 films yet to be produced. Royalty structure conforms to industry average of about 20-25% of retail, but MVC is required to meet specific guarantee for each title, must make up difference to UA for each one which doesn't meet minimum, pay full royalties for those which exceed it.

Likeliest selections, according to Fox Telecommunications Pres. Stephen Roberts, would include James Bond & Pink Panther series, Woody Allen movies, One Flew Over the Cuckoo's Nest, Fiddler on the Roof, Alamo, Great Escape, Rocky I & II. In addition to exclusive cassette rights, MVC gets non-exclusive rights for all videodisc formats (RCA Selectavision also has disc rights to 100 UA titles). Roberts indicated that if MVC decides to go into videodisc manufacturer, it would cost \$20-\$25 million to set up production for each format. UA currently has cassette rental-only agreement with Vidamerica for 20 titles which has about a year to go.

UA titles probably won't reach market till 1981. Meanwhile, MVC is making more immediate plans to release some of 88 titles licensed from ABC Video Enterprises — 8 in Sept., 10 more by Nov., entire list within 18 months. Included are 20 Selznick features, including 5 Hitchcock films, Duel in the Sun, Intermezzo, Bill of Divorcement. In London, meanwhile, MVC is testing cassette rentals in some 100 Thorn TV stores, at about \$12 per feature for 3 days. If successful, plan will spread to Thorn's 1,300 outlets.

In SAG-AFTRA strike, which threatens to be long, major demand is flat 6% of gross revenues from home video & pay-TV sales. Said SAG spokesman: "It's time to get in on the ground floor or be frozen out forever." Contract which expired June 30 provided revenue from supplemental sales, such as airline showings, was limited to 3.6% of gross. Outcome of negotiations could set precedent for other film & record talent & craft unions.

**WORLDWIDE VCR DEMAND:** Japanese VCR production is likely to approach 3.5 million this year, but by year's end annual production rate could be as high as 6.5 million. Output is expected to be valued at about \$2.2 billion this year.

More than 70% of VCRs are exported, with demand from Europe & Mideast increasing sharply, while Japanese domestic demand continues to rise. In Jan.-May, VCR exports more than doubled to 1.02 million units. Among countries importing VCRs, U.S. received 313,800 in year's first 5 months, West Germany 184,000, U.K. 98,000, Kuwait 40,000, France 36,000, Saudi Arabia 34,000, United Arab Emirates 19,000, Libya 15,000, Australia 14,000.

High production threatens to create shortage of key components, principally small-signal transistors and compact capacitors. Based on orders, Japanese component manufacturers forecast monthly VCR production rising from 422,000 in July to 540,000 in Dec.

\* \* \* \*

**Matsushita** inaugurates new color video camera facility next month at its Shirakawa plant, which will double company's current production capacity to 40,000 monthly. Equipment investment for new plant reportedly exceeds \$3 million.

Auto-focus video camera by Hitachi, developed in conjunction with Fuji, will go on sale this week in Japan at about \$975 (219,000 yen). Focusing system is based on triangulation method. Toshiba showed first self-focusing camera (developed with Canon) at CES, with U.S. price tag of \$1,400.

Video pirate Ralph Smith was convicted by federal grand jury in Houston of 34 counts of criminal copyright infringement, 2 counts of interstate & foreign transportation of property stolen, converted or taken by fraud. Penalties range up to \$25,000 fine for each of former and 10-year jail terms for latter. Smith's Televideo Corp. shipped movies taped off air to J. Ray McDermott & Co. in New Orleans and Reading & Bates Drilling Co. units overseas. Activities were subject of Feb. 25, 1979 segment of 60 Minutes dealing with motion picture piracy (Vol. 19:10 p10).

TV set rental, which never has made it big in U.S. as it has in Europe, nonetheless is a business here. Rentacolor, Newington, Conn., says it has rented to 30,000 customers in last 3 years. Company operates through concessions at TV dealers, requires no investment, 30 sq. ft. of floor space, promises dealers "up to \$20" for every set rented.

CB service has been approved for U.K., but govt. set no starting date, pending frequency allocation & standards study. Estimated 60,000 illegal CBs are now in use there, operating in 27 MHz band. However, new service is expected to be located elsewhere — in U.K. that band is earmarked for paging & radio control use.

**Akai** acquired additional 19% interest in Philippines audio producer Sigma-Mariwasa, increasing ownership to 40%, renamed it Akai Philippines. Japanese company said new subsidiary will construct new plant to help expand sales of Akai brand audio in SE Asia.



**SABA SALE CLEARED:** With its Japanophobia showing, West Germany's Federal Cartel Office gave formal approval for Thomson-Brandt of France to acquire TV-audio maker Saba from GTE. Also in Europe, ITT announced sale of French consumer electronics operations, expansion in Germany, while Thorn EMI of U.K. signed manufacturing & R&D pact with Japan's Sharp.

Even though Thomson already controls Nordmende, and the purchase of Saba will give French manufacturer about 15% share of German color market, acquisition won't be anticompetitive because of expected jump in imports from Japan, agency said. It based assessment on pending expiration of 2 of Telefunken's major PAL system patents. One runs out at end of this year, other at end of 1982. Telefunken has been limiting Japanese participation in German color market by putting quantitative restrictions in license agreements. With both Nordmende & Saba, T-B will become Germany's 2nd biggest color marketer, with a share smaller than Grundig, but larger than Philips (which has controlling interest in Grundig).

GTE has announced plan for Sept. closing of Tienen, Belgium color tube plant as result of losing Saba as customer (Vol. 20:29 p9), but will continue producing lighting products and TV parts there. In U.S., GTE Precision Materials said it plans to begin marketing of piezo-electric components made in that plant to U.S. TV OEMs. Parts to be imported are delay lines, quartz crystals & surface acoustic wave filters.

ITT sold its money losing French consumer electronics & appliance units to Sweden's Electrolux. Declining to disclose price or terms, ITT said transaction resulted in \$19 million net loss. Included in sale package were Oceanic, Sololor & Televisso, which had combined sales last year of about \$150 million, employ 2,000.

Sale agreement followed in wake of ITT announcement that its 86%-owned German subsidiary, Standard Elektrik Lorenz, will spend \$25 million to double color TV production capacity to million annually over next 2 years. ITT said moves are part of program to restructure & strengthen involvement in European consumer electronics industry.

In continuation of trend that's turning British Isles into production base giving Japanese free access to EEC markets, Thorn EMI agreed to produce Sharp microwave ovens for worldwide distribution, excluding Japan, starting in mid-1981, import ovens from Japan until then. Also, Thorn will make line of appliances in U.K. for Sharp to market under its own brand in Japan. In addition, companies agreed to exchange technological information, conduct joint research in various electronics & appliance areas. Deal is being viewed as prelude to Sharp-Thorn tie on consumer electronics production in U.K.

Sharp is Thorn's 4th Japanese connection. It has

joint phono record venture in Japan with Toshiba, markets JVC-made VHS VCRs in U.K. and has agreed to join with JVC, Matsushita & GE in worldwide development of hardware & software market for JVC's VHD capacitance videodisc system (Vol. 20:23 p9).

Other Japanese companies, meanwhile, are planning to use their U.K. manufacturing arms to expand color sales on Continent. German marketing arms of Hitachi & Toshiba are planning to start importing 26" sets from U.K. affiliates GEC-Hitachi & Rank-Toshiba this fall, and Mitsubishi, operating former Tandberg plant in Scotland, is considering similar move. Sony started shipping big screen color from U.K. to Germany earlier this year.

**Copyright infringement & unfair competition** action was started last week by Television Digest in San Francisco district court against Videotone International, San Rafael, Cal. and Andre Bogard, editor & publisher of monthly newsletter Video World. Complaint charges defendants have "infringed Television Digest's copyrights in various editions of its weekly newsletters by copying substantial parts of Television Digest's works." Hearing is scheduled Aug. 8 on Digest's application for preliminary injunction restraining defendants from printing or distributing issues of Video World which were copied from Television Digest's copyrighted newsletters. In addition, complaint seeks permanent injunction and damages plus legal costs.

Playcable version of Intellivision can be purchased on installment plan in 3 of 4 U.S. cities where offered (Vol. 20:15 p12). Size & schedule of payments varies with cable system. In addition to \$35-\$40 down payment, Jackson, Miss. asks \$13.95 per month for 23 months, plus \$5.95 for access to games; Moline, Ill., \$14.95 for 17 months, plus \$10; Boise, Ida., \$13.95 for 20 months, plus \$6. Terminal generally retails for around \$300. Plan helped push Playcable past 50% of goal in Jackson, says Mktg. Dir. James Weisenberg. Six-month test is limited to 1,000 installations, including Toronto this fall.

Toshiba agreed to build \$190.8 million integrated color tube plant in East Germany just outside Berlin. Toshiba will supply production equipment, installation assistance for facility to have capacity of 300,000 tubes annually. Formal contract, slated for signing in Sept., is expected to specify 1984 production start.

Korea rejected Singapore govt. proposal for joint color TV manufacturing venture there. Terms called for Singapore to provide subsidy to cover construction costs for plant with 20,000-30,000 monthly capacity, grant venture 3-year tax holiday. Koreans were to supply equipment & technology in exchange for 49% interest.

Oak won injunction stopping Phoenix firm and its principals from unauthorized production & sale of STV decoder boxes. Company name is, fittingly enough, Pirate Electronics.



**AM STEREO ACTION:** FCC is scheduled to meet Aug. 1 to reexamine its decision choosing Magnavox AM stereo system. Although it's far from definite what Commission will do, best guess is that it will issue further notice of rulemaking in which it will divulge now-secret "matrix" its engineers used in selecting system.

Report & order finalizing 5-2 April decision choosing Magnavox system (Vol.20:15 p8 et seq.) has never been issued. As alternatives to ordering further rulemaking, Commission could go to one of 2 extremes — simply issuing report or reopening whole issue with further notice of inquiry — but these approaches are less likely. FCC staff has clamped security lid on prospects, but one staffer told us he expects release of "values on the former matrix that led to the Magnavox decision." Questioned about his use of word "former" — and whether new matrix had been devised which might change decision — he declined to comment.

Lobbying — or at least letter writing — by the 5 AM stereo system proponents continued unabated. Kahn Communications Pres. Leonard Kahn, principal industry proponent of "marketplace" approach — approval of all technically qualified systems — last week wrote to all AM stations stating that NBC has said it would use his system at its 3 AM music stations if FCC reverses itself and approves marketplace, and pointing out that ABC, Westinghouse, RKO General, Meredith and other station groups have endorsed his system. He enclosed list of "6 engineering reasons" why Magnavox system was "most unpopular choice," including allegation that "clicks & pops" will occur at -58% modulation at 3-millivolt contour. (Magnavox has stated that pops are completely eliminated, even at -100% modulation using circuitry contained in National Semiconductor-designed chip.)

Kahn's letter to AM stations was 4th to go out to the more than 4,000 operators from various system proponents — others having been sent by Motorola, Harris & Magnavox. In its 2nd letter to stations, dated July 15, Magnavox decried letter writing campaign, calling it "improper" and violation of rules on ex parte contacts, noted that Harris & Motorola efforts had resulted in only 70 letters to FCC.

Commission's rulemaking on FM quad (Vol. 20:29 p8), meanwhile, appears likely to favor compatible Quadracast 4-4-4 & RCA 4-3-4 systems — on basis of discussion at meeting (text hadn't been issued at presstime) — as we forecast in March (Vol. 20:13 p8). While "marketplace" all-systems possibility was discussed, it wasn't given much emphasis. CBS's request that its SQ system be only matrix system permitted apparently is being denied — Commission now permits use of any compatible 4-2-4 system and indicated it wouldn't change.

CBS will petition FCC this week to authorize start of broadcast teletext based on French Antiope system, despite fact that industry engineering committee on subject won't complete work for several months. For details, see p. 3.

**FIRST HALF AT-A-GLANCE:** Here are EIA's monthly figures on sales to dealers for first half 1980, with 1979 comparisons:

TELEVISION SALES TO DEALERS

Month	Total		Color		Monochrome	
	1980	1979	1980	1979	1980	1979
January .....	961,692	967,716	636,316	622,111	325,376	345,605
February .....	1,123,943	1,176,201	726,326	711,411	397,617	464,790
March (5 weeks) .....	1,484,124	1,646,125	934,414	1,026,648	549,710	619,477
April .....	835,281	1,009,576	514,251	620,781	321,030	388,795
May .....	855,341	1,025,789	538,969	651,452	316,372	374,336
June (5 weeks) .....	1,451,814	1,559,486	925,187	995,931	526,627	563,555
<b>TOTAL .....</b>	<b>6,712,195</b>	<b>7,384,902</b>	<b>4,275,463</b>	<b>4,628,344</b>	<b>2,436,732</b>	<b>2,756,558</b>

HOME VCR SALES TO DEALERS

Month	1980	1979	Month	1980	1979
January .....	40,443	23,330	April .....	31,426	21,328
February .....	54,977	32,881	May .....	44,975	26,270
March (5 weeks) .....	62,704	43,135	June (5 weeks) .....	52,076	33,500
			<b>TOTAL .....</b>	<b>263,409</b>	<b>164,014</b>

**W-G NET UP:** Wells-Gardner reported tripling of 2nd quarter net on 20.9% sales gain, and profit for first half, against loss in same 1979 period, with sales up 37.2% (see financial table). Results include tax credits of \$96,000 in quarter, \$261,000 for full period. Pretax profit for half also includes income of \$306,000 from claim settlement.

Company credited improvement to doubling of production on assembly agreement for portable color TVs with Teknika, U.S. marketing arm of Japan's General, higher demand for color TV coin-op game monitors. Also, in cost-cutting move, company reduced inventories, resulting in significant improvement in inventory turnover. W-G said order backlog at end of half was \$10.4 million, against \$10.3 million at same time last year.

**Fairchild Camera** was major contributor to 46% rise in 2nd quarter earnings, parent Schlumberger reported.

**Arvin** reported loss in 2nd quarter, said compact stereo sales of Consumer Electronics Div. were hurt by consumer credit controls. It said it reduced employment at all plants affected by current economic slump.

**Standard language** for communications on AC power lines is being developed by SRI (formerly Stanford Research Institute) and D.C.-based Home Bus Standards Assn. Use of AC lines for remote reading of meters and computer control of load shedding by power companies, current consumer gadgets such as X-10 home remote appliance & light controller by BSR, are just start of new industry, it's believed, and standards are needed to avoid misdirected messages. Also being sought are ways to avoid interference from electronic & electrical appliances.

**Microwave oven** factory sales rose 64.2% in June to 254,800, putting first half volume at 1.42 million, up 48.1%, AHAM reports. In 2nd quarter, sales were up 51% to 720,000. Totals include imports, ranges with built-in MW ovens.



**Consumer Electronics Personals**

**Bernie Lerner**, ex-Sansui, joins Teknika Electronics as national sales mgr. for new Citek brand TV line and Teknika brand audio... **Jack Pender**, ex-Fuji, appointed TDK midwest region sales mgr... **Sadakazu Shindo**, Mitsubishi Electric chmn., elected EIA-J chmn., replacing Matsushita Pres. **Toshihiko Yamashita**... **Jay Bergen**, ex-BIC, named Sharp audio product planning mgr... **Leonard Kahn**, Kahn Communications founder, received Radio Club of America's Armstrong Medal for contributions to electronics.

**Tony Bernardo** advanced at Jensen Car Audio Components Group from east region mgr. to national field sales mgr... **Frank Ricatto** named Nikko east region sales mgr.; **Chris Terris** appointed for midwest, **Tom Donohue** for west... **Shane O'Neil** appointed Audio-Technica PR dir... **Erwin Barth** promoted at Radio Shack to west div. educational sales coordinator for TRS-80 computers.

**Donald Mitchell** shifts at GTE from Products Operations Group mktg. & planning to corp. planning & analysis in restructuring; **William Rueger**, former POG vp-gen. mgr., now corp. development vp; **Robert Lynch**, ex-POG mktg. vp, now corp. mktg. planning & services vp... **Frederick Gibbs**, ITT Telecommunications & Electronics exec. dir., promoted from vp to senior vp.

**Gordon Chilton**, ex-Texas Instruments Consumer Group consumer service mgr., appointed Motorola Semiconductor Group assembly strategy mgr... **Edward Ross** promoted at National Semiconductor from Santa Clara, Cal. plant mgr. to managing dir. of U.K. subsidiary, succeeding **Jerry Brandeberry**, named to launch new plant in Vancouver, Canada... **George Granieri**, ex-RCA Solid State Div., joins Harris Semiconductor Programs Div. as mktg. mgr.

Research center for microelectronics is being established by N.C. in industrial park near Raleigh to attract semiconductor manufacturers to state. State has approved initial investment of \$1 million in facility expected to cost \$18-\$20 million to complete. Center will be run as non-profit corporation. First goal is to get location commitment from GE, whose plan for corporate VLSI R&D center was announced by Chmn. Reginald Jones last Jan. (Vol. 20:4 p15).

Programming notes: Paramount Home Video hosts first distributor meeting in L.A., Sept. 14-16 to outline cassette rental plan... Warner Home Video has placed cassette version of The Kinks' One for the Road album with more than 1,000 accounts, including music & outlets new to video, says Time-Life Video Vp Jon Peisinger... National Video Group has signed 10 rep organizations to handle Video Society (Vol. 20:3 p14), needs 3-4 more. NVG will offer one of about 2 dozen titles free as membership premium, including Jaws, 10, Animal House & vintage movies. Annual fee is \$69.95.

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Gadgets to defeat anti-copy encoding on pre-recorded videocassettes are going public. Vidicraft (Portland, Ore.) advertises "Copyguard Stabilizer," designed for "completely removing copyguard" and containing "video & audio out [jacks] to feed a 2nd VCR." Price is \$98. Monahan Enterprises (N. Hollywood, Cal.) is marketing "Mod Box... capable of copying all copyguarded tapes" at introductory price of \$89.95 ("regular price \$124.95"). Disclaimer on Mod Box brochure says it's "not intended for illegal use or to infringe upon any copyright laws."

Battery-free watch slated for introduction by Bulova next year uses solid-state "Thermatron" which, company says, uses body heat to generate electricity. Power output depends on difference in temperature between wearer's wrist and outside edge of watch case, is high enough to run either digital or analog module, company claims. Bulova says it's investigating use of Thermatron in other low-power devices, such as hearing aids & calculators.

Music is taped by half of Canada's audio recorder owners, and most of them are building libraries, according to poll of 2,000 consumers conducted for Recording Industry Assn. there. Results showed 29.6% taped music mainly from borrowed records, 26% from TV or radio, and 41.6% said they were building collections. CRIA has Gallup doing 2nd, more extensive, survey.

FM Walkman is latest Sony product in Japan. Shirt-pocket stereo radio is designed to capitalize on appeal of tiny stereo cassette player. FM Walkman sells in Japan for about \$50 (11,800 yen), headphones \$22 extra. Cassette Walkman is \$175 in Japan, including headphones, \$200 here.



## 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
<b>Advance Ross</b>			
1980-6 mo. to June 30	13,861,758	838,916	.25
1979-6 mo. to June 30 <sup>a</sup>	11,298,495	82,223,271	.06
1980-qtr. to June 30	6,714,540	340,327	.10
1979-qtr. to June 30 <sup>a</sup>	6,257,038	184,385	.05
<b>AEL Industries</b>			
1980-qtr. to May 31	12,700,000 <sup>b</sup>	(2,785,000)	--
1979-qtr. to May 25 <sup>a</sup>	13,800,000 <sup>b</sup>	474,000	.25
<b>American Bcstg. Cos.</b>			
1980-6 mo. to June 28	1,125,365,000	78,115,000	2.77
1979-6 mo. to June 30	953,426,000	82,423,000 <sup>c</sup>	2.94
1980-qtr. to June 28	578,472,000	53,783,000	1.91
1979-qtr. to June 30	501,819,000	56,956,000 <sup>c</sup>	2.03
<b>Andrea Radio</b>			
1980-6-mo. to June 30	1,565,819	157,902	.31
1979-6 mo. to June 30	1,348,966	124,500	.25
1980-qtr. to June 30	795,557	57,413	.11
1979-qtr. to June 30	730,604	59,384	.12
<b>Armstrong International</b>			
1980-9 mo. to June 30	23,051,000	2,061,000 <sup>c</sup>	.84
1979-9 mo. to June 30	20,690,000	(11,000)	--
1980-qtr. to June 30	10,452,000	1,297,000 <sup>c</sup>	.53
1979-qtr. to June 30	10,104,000	1,607,000	.67
<b>Arvin Industries</b>			
1980-26 wk. to June 29	194,221,000	357,000	--
1979-26 wk. to June 30	241,116,000	10,277,000	1.45
1980-13 wk. to June 29	90,697,000	(410,000)	--
1979-13 wk. to June 30	117,051,000	3,737,000	.51
<b>BBDO International</b>			
1980-6 mo. to June 30	75,800,000	5,507,000	2.19
1979-6 mo. to June 30	65,600,000	4,751,000	1.89
1980-qtr. to June 30	39,900,000	2,993,000	1.19
1979-qtr. to June 30	33,900,000	2,494,000	.99
<b>Bowmar Instrument</b>			
1980-9 mo. to June 30	27,793,000	302,000	.04
1979-9 mo. to June 30	21,910,000	924,000	.12
1980-qtr. to June 30	10,507,000	282,000	.04
1979-qtr. to June 30	8,911,000	291,000	.04
<b>Capital Cities Communications</b>			
1980-6 mo. to June 30	227,228,000	35,716,000	2.71
1979-6 mo. to June 30	198,242,000	30,322,000	2.20
1980-qtr. to June 30	120,502,000	20,605,000	1.57
1979-qtr. to June 30	108,447,000	18,352,000	1.33
<b>Clarostat</b>			
1980-26 wk. to June 28	10,424,100	257,300	.46
1979-26 wk. to June 30	9,978,800	248,900	.45
<b>Cohu</b>			
1980-6 mo. to June 30	12,377,419	531,794	.32
1979-6 mo. to June 30	10,644,452	475,035	.28
1980-qtr. to June 30	6,303,935	292,394	.18
1979-qtr. to June 30	5,610,309	270,533	.16
<b>Comsat</b>			
1980-6 mo. to June 30	142,200,000	19,000,000	2.38
1979-6 mo. to June 30	123,700,000	22,500,000	2.81
1980-qtr. to June 30	72,200,000	9,100,000	1.14
1979-qtr. to June 30	63,700,000	10,600,000	1.32
<b>Conrac</b>			
1980-6 mo. to June 30	75,194,000	2,436,000	1.08
1979-6 mo. to June 30	65,207,000	(2,332,000)	--
1980-qtr. to June 30	37,875,000	778,000	.33
1979-qtr. to June 30	35,313,000	(3,249,000)	--
<b>Cox Bcstg.</b>			
1980-6 mo. to June 30	144,010,000	22,748,000	1.68
1979-6 mo. to June 30 <sup>a</sup>	115,297,000	21,335,000 <sup>c</sup>	1.59 <sup>d</sup>

1980-qtr. to June 30	79,235,000	13,517,000	1.00
1979-qtr. to June 30 <sup>a</sup>	64,280,000	11,961,000	.89 <sup>d</sup>
<b>CTS</b>			
1980-6 mo. to June 29	93,101,000	5,377,000	1.21
1979-6 mo. to July 1	92,813,000	5,856,000	1.28
1980-qtr. to June 29	45,852,000	2,556,000	.58
1979-qtr. to July 1	46,124,000	2,882,000	.63
<b>Electrohome<sup>e</sup></b>			
1980-26 wk. to June 27	83,835,000	5,087,000 <sup>c</sup>	1.65
1979-26 wk. to June 29 <sup>a</sup>	59,890,000	1,666,000	.54
<b>Electronic Memories &amp; Magnetics</b>			
1980-6 mo. to June 28	50,800,000	1,470,000	.17
1979-6 mo. to June 30 <sup>a</sup>	52,337,000	410,000 <sup>c</sup>	.34
1980-qtr. to June 28	27,410,000	1,043,000	.14
1979-qtr. to June 30 <sup>a</sup>	26,847,000	302,000 <sup>c</sup>	.01
<b>Heritage Communications</b>			
1980-6 mo. to June 30	11,715,613	1,013,788	.32
1979-6 mo. to June 30	6,491,544	5,239,635 <sup>c</sup>	.19
1980-qtr. to June 30	6,466,395	610,378	2.50
1979-qtr. to June 30	3,614,456	5,126,367 <sup>c</sup>	2.46
<b>Interpublic Group</b>			
1980-6 mo. to June 30	202,749,000	10,373,000	2.32
1979-6 mo. to June 30	171,174,000	9,962,000	2.27
1980-qtr. to June 30	111,236,000	8,954,000	2.00
1979-qtr. to June 30	98,185,000	8,728,000	1.98
<b>Johnson Controls</b>			
1980-9 mo. to June 30	694,360,000	22,536,000	1.61
1979-9 mo. to June 30	678,591,000	36,346,000	2.61
1980-qtr. to June 30	203,338,000	2,746,000	.19
1979-qtr. to June 30	197,140,000	5,296,000	.38
<b>Lee Enterprises</b>			
1980-9 mo. to June 30	103,306,000	15,963,000 <sup>c</sup>	2.22
1979-9 mo. to June 30	87,095,000	10,994,000	1.51
1980-qtr. to June 30	35,115,000	9,330,000 <sup>c</sup>	1.30
1979-qtr. to June 30	29,713,000	4,272,000	.58
<b>3M</b>			
1980-6 mo. to June 30	3,012,000,000	324,600,000	2.77
1979-6 mo. to June 30	2,651,000,000	313,700,000	2.68
1980-qtr. to June 30	1,518,000,000	157,300,000	1.34
1979-qtr. to June 30	1,347,000,000	161,600,000	1.38
<b>Rockwell International</b>			
1980-9 mo. to June 30	5,094,300,000	222,000,000 <sup>c</sup>	3.00
1979-9 mo. to June 30	4,566,700,000	199,000,000	2.80 <sup>d</sup>
1980-qtr. to June 30	1,780,300,000	73,600,000	.98
1979-qtr. to June 30	1,585,600,000	69,400,000	.97 <sup>d</sup>
<b>Rollins</b>			
1980-year to June 30	400,385,803	35,275,732	2.61
1979-year to June 30	346,053,234	29,732,729	2.22
1980-qtr. to June 30	114,758,617	13,834,895	1.02
1979-qtr. to June 30	98,805,999	11,577,921	.87
<b>Scientific-Atlanta</b>			
1980-year to June 30	191,997,000	12,721,000	1.31
1979-year to June 30 <sup>a</sup>	127,757,000	7,590,000	.89 <sup>d</sup>
1980-qtr. to June 30	57,123,000	4,004,000	.39
1979-qtr. to June 30 <sup>a</sup>	39,564,000	2,246,000	.25 <sup>d</sup>
<b>Storer Broadcasting</b>			
1980-6 mo. to June 30	90,134,000	12,963,000	1.12
1979-6 mo. to June 30 <sup>a</sup>	81,372,000	10,596,000	1.03 <sup>d</sup>
1980-qtr. to June 30	50,611,000	7,128,000	.58
1979-qtr. to June 30 <sup>a</sup>	46,274,000	7,344,000	.71 <sup>d</sup>
<b>Taft Broadcasting</b>			
1980-qtr. to June 30	55,900,000	6,323,000	.65
1979-qtr. to June 30	51,988,000	7,023,000	.83
<b>Technical Operations</b>			
1980-9 mo. to June 28	22,454,000	1,072,000	.85
1979-9 mo. to June 30 <sup>a</sup>	17,182,000	1,272,000	.91
1980-qtr. to June 28	8,486,000	533,000	.53
1979-qtr. to June 30 <sup>a</sup>	5,884,000	412,000	.29

Notes: <sup>a</sup>Restated. <sup>b</sup>From continuing operations. <sup>c</sup>Includes special credit. <sup>d</sup>Adjusted. <sup>e</sup>In Canadian dollars.