

WEEKLY

# Television Digest®

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## SUMMARY-INDEX OF WEEK'S NEWS

### Broadcast

**TV LOSERS BEFORE CRT:** Telecasters get much smaller piece of Copyright Royalty Tribunal pie than sought. Movies & syndicators big winners, commercial radio left out completely. NAB 'shocked,' weighing appeal. (P. 1)

**UPS & DOWNS IN CONGRESS:** Senate shelves Communications Act rewrite; Sen. Cannon (D-Nev.) & Sen. Hollings (D-S. C.) want extensive hearings. House passes rewrite with anti-piracy provision tacked on at last minute. (P. 2)

**CARTER vs. CANADA:** President calls for legislation to do unto Canadian broadcasters as they do to American. Trade Rep. Askew says law is aimed at Canadian stations. (P. 3)

**PBS TARGETS SATELLITE BUSINESS:** New focus at public TV is marketing of satellite network services to commercial TV, others. (P. 3)

**NEW PAY NETWORK SET:** Cable system partners to announce low-brow & high-brow pay cable at CTAM; service set for Oct. start on Comstar satellite. (P. 4)

**TELETEXT NOW—CBS:** CBS petitions FCC to authorize 'modified' Antiope teletext system. CBS says industry can't wait for EIA to make up mind on standard, single standard must be adopted quickly to encourage mass production. (P. 4)

**STATIONS LOSE BEFORE COPYRIGHT TRIBUNAL:** TV broadcasters still stinging from defeat before FCC over cable deregulation received more bad news from Copyright Royalty Tribunal, which last week announced TV broadcasters will receive surprisingly small 3.25% of copyright pie — less than even public TV is getting. Commercial radio, in another surprise, received nothing.

Big winners were motion picture-syndicator interests, which will receive 75% of 1978 cable copyright payments totaling \$14,644,871. Next came sports interests, 12%; PBS, 5%; musical interests, 4.5%; NPR, 0.25%. While 1978 total in copyright pie isn't that large when compared to revenues of industries dividing it up, decision is viewed as crucial because of precedent for future pots.

"I'm surprised," said NAB attorney James Popham. "... No, shocked is a better word... I just think this is a terribly low figure they accorded broadcast stations, particularly radio,

### Consumer Electronics

**SEARS ADOPTS RCA** videodisc system, negotiating with RCA for manufacture. CED now has commitments from brands representing 51% of color market. (P. 9)

**AM STEREO DELAYED** at least year by FCC, which opens issue of technical criteria for choice of system in further rulemaking. Commission waffling is result of uncertainty. (P. 10)

**PIONEER VIDEODISC** sights raised for 1981. First market research surprises company. Will add new player models, TV line. (P. 11)

**1981 MODELS HOLD LINE** on price points; exception is 13" sets with prices up 7.7% this year, according to analysis. Remote control still biggest color story. (P. 12)

**JAPANESE EXPORT** prices rise substantially in first half. VCR shipments rise 58.9%. Color TV exports to U.S. down 40%. (P. 14)

**FOTOMAT CUTS PRICES** on videocassette rentals. Disney debuts rent-&-sale program. Sears buys ABC Olympics cassette. (P. 15)

**JULY COLOR SALES** down 5.7% from last year, at 9.67 million rate. Month ends with year's best VCR sales week. B&W down 8.8%. (P. 15)



because they gave something to non-commercial." He said NAB is awaiting final order before deciding on appeal.

MPAA Pres. Jack Valenti praised decision, calling it "a splendid and deserved victory." He said he's grateful to Tribunal for understanding "the complex world of syndicated TV programming." But Valenti, who rarely misses opportunity to assail level of cable payment, stated: "The tragedy of this whole procedure is the lamentable fact the Tribunal has no power to correct the basic unfairness of the Copyright Act of 1976. Program owners are getting from the copyright fee pool only a tiny fraction of the true worth of their programs." On other hand, NCTA Pres. Thomas Wheeler said that Tribunal decision shows that movie & syndication interests are getting fair share. But he also said he favors Tribunal raising copyright fees because of FCC deregulation decision. "That's the process and I favor it," he said, noting he doesn't want fees increased much.

Tribunal rejected broadcasters' claim that fees should be given to broadcasters based on concept that each broadcast day be treated as compilation. And it said record of proceedings "provides no basis for an allocation of royalty fees to commercial radio."

While broadcasters have lost out on this Tribunal decision, NAB's Popham was hopeful they'll do better when role is called up yonder for 1979 pot, which is worth \$16.1 million. "1979 is a totally new year," Popham said. "It's a new ball game. It remains to be seen what effect this decision will have on that."

UPS AND DOWNS IN CONGRESS: Signalling death of Senate rewrite of Communications Act, key sponsors Sen. Cannon (D-Nev.) & Sen. Hollings (D-S.C.) decided that Communications Committee shouldn't consider bill without extensive hearings, acknowledging in letter to Republican leaders that decision makes passage of bill "unlikely during this Congress."

Anti-piracy provision was passed by House Commerce Committee, which tacked it onto telecommunications rewrite bill as last minute amendment before sending rewrite to House floor (marking first time rewrite has gotten beyond Commerce Committee). Piracy provision doesn't protect STV, but bans interception of satellite, microwave, MDS signals. (Original piracy bill sponsored by Rep. Preyer [D-N.C.] & Rep. Kildee [D-Mich.] included STV protection.) Excluding STV was only way Committee would accept amendment, offered by Rep. Preyer; Committee didn't want to add broadcast provisions to common carrier bill.

Bill sponsors plan to keep STV portion alive, are considering separate bill or floor amendment to telecommunications rewrite bill. Also, sponsors of cross-ownership bill (Rep. Swift [D-Wash.] is key sponsor) reportedly have expressed willingness to accept STV as amendment to that bill which is slated for mark-up soon after House returns from recess Aug. 18.

Provision provides civil & criminal penalties for piracy, including fine of \$25,000 and/or one-year jail term for unauthorized interception for commercial gain. Universal Subscription TV Pres. Rinaldo Brutoco, head of new STV Assn., was nonplused about exclusion of STV, saying fact that bill got this far is indication that Congress is sympathetic to piracy issue. He said he's "very optimistic" that measure will pass next session, if not later this year.

House cleared up controversial cable section before passing rewrite bill. Section, intended to exclude cable from bill's provisions, caused panic among broadcasters — especially Metromedia & ABC — who feared wording would be misinterpreted as mandating total deregulation of cable. (Disputed was wording that cable "shall not be considered a carrier for purposes of this act," which broadcasters saw as precluding all common carrier regulation) Section was reworded in amendment by Rep. Maguire (D-N.J.) after consultation with broadcasters and NCTA's Thomas Wheeler who originally asked for clause to exclude cable from restrictions aimed at AT&T.



In action urged by CBS & newspaper publishers, House also tightened restrictions on AT&T's ability to originate information such as electronic newspapers. CBS was concerned about AT&T power in area of teletext. While 34-7 vote is indication that rewrite bill could have good chance on House floor, its future is dubious because of opposition by Rep. Rodino (D-N.J.) who fears bill will harm Justice Dept.'s antitrust case against AT&T and wants bill referred to his Judiciary Committee for more hearings. Even bigger problem is likelihood that provision will be shelved in Senate, despite opposition from Sen. Packwood (R-Ore.) & Sen. Goldwater (R-Ariz.). In letter to Sen. Hollings, Sen. Packwood urged Democrats not to "scuttle" bill, adding "we have come 80% toward a workable and acceptable bill."

**CARTER WANTS BORDER AD BILL:** President Carter will propose broadcast tax legislation similar to Canada's as means of fighting rule that bars Canadian companies from deducting costs of ads on U.S. stations.

Carter made decision last week, only few days after receiving recommendation for that action from U.S. Trade Representative's office (Vol. 20:30 p4). In announcing decision, Trade Representative Reubin Askew said legislative proposal "is appropriate because it is directed at those interests in Canada which now benefit from the denial of the Canadian advertising revenues to U. S. border stations." He said any adopted law would apply "only as long as, and to the degree that the Canadian law applies."

Leslie Arries, WIVB-TV Buffalo, head of group which sought U.S. action, praised decision, saying: "What we've been trying to say is Canada has been abusing us. Obviously, the mere law wouldn't give us any direct benefit, but we hope this will lead to further negotiations. We've been at this for 10 years. With this action, very much has been done."

**PBS SATELLITE FOCUS:** Public TV network has committed to new, high profile marketing campaign to sell value-added satellite services to carriers, broadcasters, teleconferencers, etc. "Millions of dollars" in new revenues are predicted by PBS officials promoting concept to 200 member stations. PBS Pres. Lawrence Grossman has named senior team of aides to coordinate planning, held Westar teleconference July 24 to promote idea.

PBS proposed 2 major activities: (1) Leasing & sharing of earth stations, with revenues shared with Corp. for Public Bestg. during 10-year period during which CPB retains an interest in equipment. Potential users include commercial stations, program syndicators, teleconferencers. (2) Taping, duplication & distribution of materials delivered to stations by satellite. Potential users include advertisers, syndicators.

Comsat hired Foote, Cone & Belding Communications, L.A., to assist in planning programming for proposed satellite pay-TV service. Sylvester (Pat) Weaver, ex-NBC chmn., is assisting FCB Telecom, unit handling contract, headed by Jack McQueen. Other Comsat moves: (1) Satellite TV Corp. (STC) unit asked Corp. for Public Bestg. to tell it how public TV programming could be included in DBS service, suggested that CPB's reply could be incorporated into Comsat's filing materials. (2) Capitol Hill sources said they expect Comsat's FCC filing in Oct.

Texscan, CATV manufacturer, will buy MSI Television Div. of Com Tel, price undisclosed.

Readying for 9-kHz AM channel spacing, FCC last week issued 4th report & order seeking comments on best use of 12 new channels to be created. Commission expressed "preliminary view" that changeover costs haven't been shown to be barrier, said it wouldn't be productive to consider competitive impact, since "broadcasting is a competitive industry," is "recognized as such by the Communications Act." In statement, Chmn. Ferris & Comr. Lee said "the benefits of 9 kHz far exceed the costs." Comr. Quello dissented to portion of report "characterized as the Commission's tentative conclusions" since "there are too many unanswered questions." Comr. Washburn said "many of these 'tentative views' are based upon the scantiest of evidence. I would not hesitate to modify or depart from the very tentative views expressed today."

Two new NCTA publications are now available. Cable Advertising Directory tells which systems sell ads when, gives rates for program networks and local systems. Other publication is Cable Services Report on use of cable access channels. Among conclusions: (1) Number of community-assisted access channels has increased by more than 80% since 78-79 survey. (2) Local programs reach 88% of respondents' subscribers. (3) More than 3,300 hours of educational programming are produced by systems each year, more than for anything else. (4) Almost 30% of respondents are starting or improving political cablecasts. (5) More than 2.75 million homes get public affairs programming on daily or weekly basis. Other details: Andy Litsky, NCTA, 918 16th St. NW, Washington, D.C. 20006, 202-457-6760.



**NEW PAY-CABLE NETWORKS:** Ambitious new pay-TV venture is to be announced in San Francisco this week by 3 major cable companies convinced that they don't need to split spoils of pay TV with middlemen. Two program services are intended, to start on Comstar D-2 Oct. 27, with official launch set for Jan. 1.

New Rainbow Programming Services partnership is comprised of Cablevision, Comcast Corp. and Daniels & Assoc., will be unveiled at Cable TV Administration & Marketing Society convention Aug. 3. Services will be available to all cable systems, are expected to find quickest acceptance among systems owned by partners -- counting nearly 500,000 basic subscribers. United Cable TV will also take service. Gerard Maglio, ex-ATC mktg. vp, was named pres. of new venture.

One new service is called Escapade -- outgrowth of stand-alone services developed by Daniels and Cablevision. Lower-brow service will feature PG- & R-rated action/adventure movies and specials programmed on 5-day, Tues.-Sat. schedule. No X-rated material will be used. Other service is "bravo" -- Sun.-Mon. high-brow service including symphonies, ballet, concerts, other musical events in stereo from Carnegie Hall, other cultural centers. Service will include cultural newscasts plus Sneak Preview package of major pictures to be shown on bravo prior to release to other pay services. Rainbow has deal with major independent producer for 3 major titles not yet released to pay TV.

Price of new services to subscribers wasn't disclosed, but margins to cable operators will be "very comparable" to those received by other pay services. Earth stations won't be provided to affiliates: "If people want us to provide a 2nd earth station, they're not an affiliate we want," said Rainbow spokesman.

He said Rainbow isn't intended to compete with HBO/Cinemax, Premiere, Showtime & Movie Channel, as these are foundation services. "Ours is completely different. The marketplace is crowded with duplicate services. This is not a duplicate service. Repetitive programming will be down to a minimum." He predicted 25% of basic subscribers will take at least one service, said that basic concept has been "thoroughly tested" in stand-alone markets. "The cable operator is not buying a pig in a poke... He's buying a proven commodity."

Distress sale of WOL(AM) Washington has been permitted by FCC. Station will be sold by Egmont & Roy Sonderling to minority owned Almie Bestg. Corp. for \$950,000. Sonderlings will use money to satisfy WOL's liabilities, with balance given to NAB's Minority Ownership Fund.

Jewish Congress protested WNET N.Y. telecast of "Confessions of Winifred Wagner" -- calling film about female Hitler admirer "wretched and deeply offensive."

**TELETEXT NOW--CBS:** Reacting to slow progress of EIA-sponsored subcommittee on teletext, CBS took matter into own hands and petitioned FCC to authorize "modified" Antiope system based on CBS-developed standards (Vol. 20:30 p3). Rationale for breaking industry ranks is that single standard must be adopted quickly to encourage manufacturers toward mass production before momentum is broken. Otherwise, "proliferation of non-compatible systems will result in delay of nationwide service for many years," said Joseph Flaherty, CBS TV engineering vp.

"Key to success of teletext in the U.S. is earliest possible adoption of a single standard... Price is directly related to volume," added CBS Technology Vp Harry Smith. "CBS has been involved with the EIA project from the start and with PBS initiated the request to form an industry committee. We contributed heavily, including offering services of the chairman [Robert O'Connor, who has resigned] and contributing our test results, but EIA has failed to reach a consensus and is a year behind schedule."

CBS picked asynchronous or software-based system exemplified by Antiope because of its "extensibility" (adaptability to changing technology) and compatibility with international standards and viewdata systems, CBS officials said.

Proposed transmission standards include: (1) Use of lines 15 & 16 now, 10-14 later. In CBS tests, transmission on lines 10-14 caused interference on TV sets made before 1974, making lines unavailable on non-interference basis until replacement cycle is completed in 5-6 years. (2) Bit rate of 5.72 Mb/s. CBS said higher rate might be better "in interest of spectrum conservation and access time," but "wide variety of reception conditions [in U.S.] requires slightly more conservative rate." (3) Provision for "adaptive equalizer pulse" to compensate for ghosts which can cause erroneous decoding. (4) Data transmission in data packet "consisting of 36 8-bit bytes arranged into a prefix and data block."

Repeating closed-captioning stand, CBS Best. Group Vp Gene Jankowski said teletext is "best means" of transmitting closed captions and offers other services to deaf as well. Improved captioning service is another reason for prompt FCC action, he said. Asked about move in light of FCC's emphasis on leaving decisions to marketplace, Flaherty said standard should not be marketplace decision -- "the place for competition is in areas of price & features." CBS said it plans no large scale tests or service until FCC makes decision.

Granada TV lost another round in battle to protect confidentiality of source who leaked papers showing British Steel Corp. problems are due partly to bad management. House of Lords dismissed Granada's appeal of High Appeals Court order requiring Granada to name informant. Granada said it may take case to European Court of Human Rights in France.

Katz named rep for WIXT Syracuse.



**Network news fails to serve "needs and interests of union viewers,"** International Assn. of Machinists & Aerospace Workers said in releasing results of nationwide TV monitoring project. Union said networks favored corporate position in most news reports, with ABC worst offender, NBC next, and put union issues, except strikes, "on the back burner." Members also complained that reasons for strikes often weren't given, labor issues aren't covered adequately in campaign reporting. Union said it may challenge license renewal of network-owned WRC-TV Washington, WCAU-TV Philadelphia, WABC-TV N.Y., because of biased reporting revealed in companion project involving monitoring of local newscasts. Results of that study will be announced in Sept. NBC issued statement saying it "has rarely gotten complaints from unions or union members" and "strives to report news without bias."

**IEEE Best. Symposium** is scheduled for Washington Hotel Sept. 18-19. Speaker list hasn't been finalized, but topics include measurement of FM & TV transmission line and antenna systems, alternative AM allocation system, UHF transmitter technical and efficiency improvements, teletext systems, and satellite beam optimization. Details: Julius Cohen, IEEE-BCCES chmn., 1015 15th St. NW, Suite 703, Washington 20005, 202-783-0111.

**NRBA Small Market Radio Survey** of 1,022 stations shows that more than 63% of stations in all market categories reported sales up first quarter. Top average salary for station personnel was \$14,982 for salesperson on AM station in markets over 20,000. Staff size averaged 18 for stations in over-20,000 markets, 15 for stations in 10,000-20,000 markets, 11 for 5,000-10,000 markets. Details: NRBA, 1705 DeSales St. NW, Washington 20036.

**Cable audience measurement & marketing research methods** are being solicited by ad hoc group formed by Gabe Williams of J. Walter Thompson and Bill Ryan, Palmer Communications. Committee will judge proposals, recommend best study to possible sponsors.

**FCC has returned more than \$43 million** so far in fee refund program, result of D.C. Appeals Court decision that 1970-76 fees exceeded Commission costs. Final application date for refunds for broadcasters, common carriers & manufacturers is Dec. 15, 1982.

**Charging intimidation of broadcasters,** Sen. Schmitt (R-N.M.) blasted Carter-Mondale Campaign Committee on Senate floor for sending broadcasters letters warning of fairness implications of accepting paid ads from Reagan groups purporting to be independent (Vol. 20:29 p2).

**Hispanic market** is subject of study to be introduced by National Assn. of Spanish Bestrs. in 6 seminars Sept. 5-Oct. 8. Details: Antonia Guernica, NASB, 2550 M St. NW, Suite 450, Washington, D.C. 20037, 202-293-3873.

**Press organizations denounced newsroom search and confiscation of video tapes of KBCI-TV Boise last week** after James Harris, prosecutor of Ada County, obtained search warrant for tapes on Idaho prison riot. RTNDA Pres. Curtis Beckmann: "We call upon Congress to speed action on the pending, but long delayed, legislation which will protect the nation's news media against summary police raids. The action... is a vivid illustration of the totalitarian-style abuse made possible by the Supreme Court's decision in the Stanford Daily case." ANPA urged similar legislative action. Harris issued statement saying that KBCI reporter Robert Loy had waived his First Amendment rights when he agreed to help negotiate with prison rioters.

**NAB's biggest weaknesses** according to minority station owners: Slowness in getting involved in minority issues, not enough contact with small radio stations, too much TV emphasis. Comments are result of NAB survey of 72 Black & Hispanic owners' opinions of NAB (31% said NAB had no major faults). Owners said NAB's strengths are FCC lobbying, dissemination of broadcast information, legal department. Suggestions for improvement: More minority oriented management & ownership information, better contact with Dept. of Minority Services, seminars on minority programming & management.

**Copyright infringement suit** filed July 24 by Television Digest Inc. against publisher of Video World, San Rafael, Cal. (Vol. 20:30 p9) was settled July 29 as defendant agreed to permanent injunction, went out of business, paid damages. Suit charged Video World with copying substantial parts of Television Digest.

**Satellite newspaper** has been developed by Nippon Telegraph & Telephone, using potentially inexpensive UHF earth station designed for individual homes to provide facsimile papers. System was tested recently at telecommunication institute in Yokosuka using Sakura (Cherry Tree) satellite launched 2 years ago.

**Center for Communication**, headed by ex-CBS Vice Chmn. Frank Stanton, was formed to supplement journalism training by sponsoring meetings between students and media professionals. Other board members include ex-NBC Chmn. Julian Goodman, ex-FCC Chmn. Newton Minow, NBC Vice Chmn. Richard Salant, RKO Pres. Frank Shakespeare.

**National News Council** is polling journalists to find out how much cooperation with law enforcement agencies is appropriate. Study, to be finished in fall or winter, is outgrowth of "diversity" of opinion over complaint questioning relationship between police and TV station that filmed arrest of drug dealer.

**Signal piracy how-to article** in 73 Magazine was condemned informally by FCC, which declined to take action on grounds of lack of jurisdiction. Article in electronics magazine told how to build MDS receiver.



**WESH-TV Daytona Beach-Orlando**, seeking to retain channel against challenge of applicant Central Fla., got assist from FCC Best. Bureau. BB noted that Central was late in advising Commission of death of stockholder H. Clinton Dunn, said this "raises serious questions as to whether Central has the basic qualifications to be a Commission licensee." BB also said that Dunn had made commitment to buy \$21,000 in Central debentures, that absence of this sum raises further questions about Central's financial qualifications.

**Terrorism and TV journalism:** (1) Turkish and Danish TV reporters in Iran were detained in Teheran's Evin Prison, accused in local press of being American spies. (2) BBC withdrew its Beirut correspondent, Tim Llewellyn, and other reporters from Lebanon after receiving death threats; prominent Lebanese journalist was machine gunned in his car July 23. (3) Soviets threatened to expel Western journalists covering Moscow Olympics if their stories were found "offensive to the national dignity of the host country."

**FCC conflict of interest rules on employee investments** would be expanded to include financial holdings of spouses & dependents under proposed rule change. Comr. Washburn called rule "example of needless regulatory over-reach... area of potential abuse is non-existent." He said no other federal employees are subject to such "harsh" limitations (rule would apply even to securities included in trust funds set up for children by relatives with no FCC connection).

**New NCTA hq** as of Feb. will be at 1724 Massachusetts Ave. NW, Washington, D.C. Leased facility will have roof-top earth station, is on opposite side of same block as NAB hq.

**Canadian Cablesystems** has received regulatory approval to buy Premier Communications for 83.4 million Canadian dollars. Transaction results in creation of Canada's largest cable company.

**Hodding Carter**, ex-State Dept. spokesman, was named anchorman for series on media performance planned by independent production firm, Press & Public Project, for public TV.

**NBC will use Qube data** in new "Speak Up America" series, reporting responses of viewers in Columbus, adding Pittsburgh, Houston & Cincinnati later.

**Farmers' viewing habits** are subject of Katz Television study. Details: Don McCarty, Vp, PROBE, Katz Agency, One Dag Hammarskjold Plaza, N.Y. 10017.

**Free car ads** will be run by Hubbard Bestg.'s KSTP-TV Minneapolis-St. Paul. Depressed local dealerships will get \$140,000 in gratis spots.

**Katz named rep**, KOA-TV Denver.

"Cable TV and direct satellite broadcasting are exciting opportunities in the new information society," said FCC Chmn. Ferris in interview with Cable News Network. Home computers, other home data systems, electronic transactions all increase privacy problem, Ferris said. "The FCC must set up measures to protect against the whimsical use of data... We're going to have to build protection into hardware."

**Charter Media Co.** has denied reports that it is discussing purchase of financially troubled United Press International. Spokesman left open possibility of investment in future. Charter Media is partly owned by Charter Co., oil firm; purchase of UPI would be largest holding of U.S. news firm by an oil company.

**Westar 2 cable network** will serve 2 million homes by end of Sept., Satellite Syndicated Systems announced. SSS said 60 earth stations were shipped in July under its program to put 100 terminals at cable heads at no cost; remaining 40 locations will be announced later in Aug.

**FM non-commercial applications** for new or improved facilities should be suspended, NAB says, because of interference problems with TV Ch. 6. NAB asked for suspension and actions to eliminate or reduce interference.

**VOA will begin broadcasts** to Afghanistan in native Dari language in Sept. VOA head Mary Bitterman told National Press Club gathering that \$150,000 project was delayed by difficulties in finding & training qualified announcers.

**Times Mirror Foundation** will fund new Media Institute for Minorities at USC through 3-year \$228,000 grant. Starting in late summer, institute will offer scholarships & paid internships, sponsor yearly conference, develop job referral service.

**WNET N.Y.** license was renewed by FCC on condition it enlarge and improve Newark facility. Station said it plans permanent staff and improvements by next year.

**Updated NAB booklet**, "Political Broadcast Catechism," has been sent to member stations to help solve political broadcast problems in election year. Extra copies available at \$3 for members, \$9 others.

**Teleprompter reportedly** has been approached by major entities interested in acquisition — including 20th Century Fox and Chicago Tribune. However, TPT principals deny any such activity.

**Cal. pole rental formula** became law, setting \$2.50 monthly rate for first 4 years, 7.4% of utility's pole ownership cost thereafter. Utilities wanted up to \$13.50.

**Texscan is buying MSI TV Div.** of Com Tel, price undisclosed, will continue MSI line of character generators.



## Broadcast

Louis Dorfman named vp-corp. advertising & design, CBS... Stuart Sheslow, ex-comedy development mgr., selected vp-drama development, NBC Entertainment... Lawrence Samuels, ex-assoc. dir., capital planning, advances to dir. of dept... Peter Lund, ex-vp-station services, CBS, named vp & gen. mgr., WBBM-TV Chicago... Allan Cohen, ex-Sperry, named vp & gen. mgr., KMOX-TV St. Louis.

Joseph Levinsohn, ex-asst. dir., international operations, United Artists, named to new position, dir.-mktg. services, TV sales, ABC Pictures International; Jack Singer moves to vp-TV & theatrical sales; Vincent Francis retires as vp-sales, western div., ABC-TV, will remain consultant to sales dept.

Ronald Bergamo, ex-Avco, named gen. sales mgr., WFAA-TV Dallas-Ft. Worth; Christopher Westerkamp, ex-KGO-TV San Francisco, named national sales mgr... Mimi Mathis, ex-consultant, joins WDSU-TV New Orleans as promotion dir... Kathlene McGarry, ex-Marine Midland Bank, named WKBW-TV Buffalo promotion dir... Richard Minton, ex-N.J. Public TV, becomes dir., news programming, WRBV-TV Vineland, N.J.

Jo Huntington, ex-Ohio U., becomes WUOB-TV Athens-Cambridge, O. promotion dir... Robert Aaron, ex-NBC, joins CBN Continental Bcstg. as exec. vp... John Taff, retired FCC engineer who served in many posts, including tours as asst. to former Comrs. Bartley & Loevinger, joins staff of Comr. Lee for 60 days to concentrate on VHF drop-in proceeding (Vol. 20:28 pl); Lee is vigorous opponent of drop-ins... David Jatlow & Stuart Feldstein named partners, Fleischman & Walsh, D.C. law firm; Richard Rubin, ex-FCC, joins as assoc... Joseph McConnell, ex-Comsat chmn. and NBC pres., named chmn., federal commission on exec. salaries... Bruce Johnson promoted at Arbitron to central div. mgr., radio.

Marcus Cohn, partner in Washington law firm Cohn & Marks, appointed by President to 6-year term on National Endowment for the Humanities... Barbara Ringer, ex-Register of Copyrights, becomes of counsel to Spencer & Kaye law firm... James DeGraffenreidt joins McKenna, Wilkinson & Kittner law firm... Enola Aird, NAB legal minority intern, joins Washington office of L.A. law firm Gibson, Dunn & Crutcher Aug. 15.

Lewis Solomon promoted to vp-new ventures, General Instrument, new post... Allen Dawson, ex-Corning Glass, named chmn.-chief exec. officer, Siecor Optical Cables & Superior Cable... Dick Weinstein, ex-Arbitron, appointed vp-mktg. dir., Petry TV... Mark Shottland promoted to national sales mgr., Katz American TV Red Team... Donald Harper elected pres., Insilco; John McLendon named exec. vp... Lynn Harrison promoted to exec. vp-corp. development, B-Con; E.R. Shirley named vp-construction; Jack Trower selected

vp-engineering... William Blockie, ex-National Semiconductor, joins Videomagnetics as vp-marketing.

Jerry Fontenot, ex-Sanders Assoc., named product mgr., Orrox... W.H. Borman, ex-Ampex, named national sales mgr., ADDA Corp... Kathryn Broman, Springfield TV pres., elected chmn., TIO's TV Information Committee, replacing Peter Storer... Jeffrey Franklin becomes chmn. & CEO, ATI Equities; Mark Phillips, ex-American Talent International, becomes pres.; Wally Meyrowitz, former senior vp, named pres., new ATI Video Enterprises unit... Michael Tarant promoted at Columbia Pictures Home Entertainment to vp, international mktg... William Breda, ex-Blair N.Y. red team, named to new post of vp & national sales mgr... Peter Goulazain rejoins Katz from Petry as vp-best. resources... John Goddard, ex-Cal. Cable TV Assn. pres., selected pres., Viacom Communications Div.; Ronald Lightstone moves from Viacom International to vp-business affairs, entertainment group.

Carl DeSantis, ex-RCA, named vp-business affairs & programming, WCI home Video... Michael Seeger, ex-ABC News, named dir.-network operations, Showtime; William Riker, ex-Maclean-Hunter, becomes engineering mgr; Jay Utterback, ex-WNBC-TV, selected mgr.-network operations; Paul Erstein, ex-Teleprompter Manhattan, promoted to post-production & studio operations; Frank DeRose, ex-Viacom, named production coordinator.

Betty Bitterman, ex-Merv Griffin Show producer, appointed dir.-variety programming, HBO; Harry Weltman, ex-special projects staff, named dir., program services; James English, ex-STV programming dir., named dir.-programming; Stephen Strick, ex-UA, appointed assoc. dir. of business affairs, specials & sports... William Padalino, UA-Columbia Cablevision, named vp-national affiliate sales, USA network... John Kay, ex-High-Yield Mktg. pres., named mktg. mgr., ON TV Chicago... George Breece, ex-N.C. legislator, joins NCTA as asst. dir., govt. relations... William Winter joins Cal. Community TV Assn. as asst. gen. counsel.

## Obituary

**Ralph J. Renton**, 75, former FCC chief engineer, died of heart attack July 29 at Fairfax, Va., Hospital. He worked for FCC & FRC 36 years before retiring in 1968. At FCC, he was particularly active in CONELRAD and NARBA. Wife survives.

Don't overreact to FCC's new EEO processing guidelines, NAB Gen. Counsel Erwin Krasnow told Colo. Bcstrs. Assn., stating: "Overreaction occurs whenever a station hires a minority or a female who is not expected to perform well on the job. Such hiring not only constitutes an unwise business decision but undermines the basic concept of affirmative action.



Lucius Gregg, black vice-chmn. of CPB, is expected to be dropped by White House. White House is readying nomination of Melba Beal, black woman from Cal., to take his seat. Meanwhile, White House last week renominated Chmn. Lillie Herndon and members Howard White and Diana Dougan. Other nomination sent up for CPB seat is for Rubin Oskanse, Houston businessman.

Cable TV can't use CARA rating symbols on edited film, MPA Pres. Jack Valenti said in policy statement; cable can refer to prior rating by running in legible print: "This film was originally rated — in its theatrical exhibition. This version has been revised for cable."

FCC began inquiry on whether to retain ban on licensee-owned sales reps representing rival stations. Inquiry is result of requests by 3 radio reps for exemptions or policy changes. Comments are due Sept. 29.

Random sample of 20 markets shows that TV viewing is up 20% per household over last 10 years, according to Arbitron. Men are viewing 40% more, women 38%.

Sierra/Cascade Communications' KTVL Medford & KTVZ Bend, Ore., become CBS primary affiliates Sept. 1. Both will continue association with NBC.

Prime Cable Corp. sold \$6.1 million in stock and debentures to 5 investment companies in U.S. & Canada.

Tocom will allow CableBus Systems Co. to use 2 of its patented 2-way concepts under new agreement.

TV in courts, other media issues, will be studied by 9-member S.D. Supreme Court advisory panel.

Scientific Atlanta agreed to acquire Systems Communications Cable, Phoenix, manufacturer of coaxial cable, for \$1 million cash, \$4.5 million stock.

AP satellite service began July 22 to 33 small earth stations, intends to have 900 cities in network in 18 months.

Mediation session was set in SAG/AFTRA strike against studios Aug. 4 at Federal Mediation Service, L.A.

Designed for cable, new "cadre" turnkey on-line data business system is available from Applied Data Research.

TV Guide split 7 former regional TV market editions Aug. 2 to create 17 new editions. Additions bring TV Guide nationwide total to 110.

Pay-TV penetration of 92% was claimed by ATC for Saugus, Cal. cable system, following dual launch of HBO & Showtime in April.

WEEKLY

# Television Digest

with  
Consumer Electronics ...

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"Satellite U." for electronic journalists will be launched Nov. 8 by Radio-TV News Directors Assn. with grant from Sloan Foundation. First effort will be giant teleconference planned to use all 162 earth stations of PBS, with one-way video, 2-way audio. Center for Communications, headed by Sig Mickelson, ex-CBS News pres., will organize 2-3-hour program on topic of economy. Pilot series will be completed with other teleconferences Nov. 15, 22 & 29. Cost is projected at \$10,000 per session, to be defrayed by tuition fee of \$15 per session, or \$50 for all 4. In other action, RTNDA set Sept. 1983 convention for Orlando, Dec. 1984 for San Antonio.

Curriculum developed through ABC grant helps children become more discriminating TV viewers, also improves vocabulary and math skills, according to results of pilot study in Conn. Lesson plan, developed and tested by Yale U. Family TV Research & Consultation Center, teaches grade schoolers to distinguish between reality and fantasy, understand purpose of commercials, learn that TV violence shouldn't be imitated.

Brighton, U.K. is site for International Bestg. Convention Sept. 20-23. International trade show has 72% more area than 1978 event, all exhibit space is booked. Technical sessions will cover new technologies, digital coding standards, antennas, signal processing, satellites. Details: IEE, Savoy Pl., London WC2R 0BL.

Political committee formed specifically to oppose election of particular candidate isn't entitled to equal time or access, FCC ruled. Committee was formed to defeat Rep. Dodd (D-Conn.), who is seeking Senate seat. Group sought FCC ruling after 3 of 4 TV stations approached refused to accept anti-Dodd commercials.



# Consumer Electronics®

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## STATE OF THE INDUSTRY

Sales to dealers (total market), from EIA, for week ended July 18 (29th week of 1980):

	July 12-18	1979 week	% change	July 5-11	1980 to date	1979 to date	% change
Total TV.....	238,795	234,912	+1.7	187,046	7,399,881	8,108,975	-8.7
color.....	155,434	158,870	-2.2	128,496	4,730,118	5,094,286	-7.1
monochrome..	83,361	76,042	+9.6	58,550	2,669,763	3,014,689	-11.4
Home VCR.....	9,528*	5,474	+74.1	10,298	320,203*	196,681	+62.8

Color TV 5-week moving average: 1980—186,320; 1979—198,455 (down 6.1%).

Home VCR 5-week moving average: 1980—11,359\*; 1979—6,534 (up 73.8%).

\*Record for period.

**SEARS ADOPTS RCA VIDEODISC SYSTEM:** RCA-developed CED videodisc system emerged winner in popularity contest last week as Sears Roebuck announced players & discs would be featured in its Christmas 1981 catalog. With Sears added to list, brands representing 51% of color TV market have now embraced CED (Selectavision) system.

Sears' adoption of CED came as no surprise because Sanyo announced month ago it would make players for CED system for U.S. market (Vol. 20:26 p7). Sears has minority interest (with Sanyo) in Sanyo Mfg. Co., its principal color TV supplier. What did come as surprise was Sears' clarifying statement that it was negotiating primarily with RCA as its supplier. Original announcement by Sears said it was negotiating with "several manufacturing sources," would offer system in fall. Sears spokesman said later that many people "came to the illogical conclusion that it was Sanyo. There were implications there that we did not like [presumably affecting stock market]. The primary firm is RCA, and we are negotiating with RCA for our initial supply."

RCA had been criticized privately by GE & Sylvania for its apparent unwillingness to supply OEM players early in game, except to Zenith. RCA & Sylvania, we understand, have reopened intensive talks, presumably involving possibility of starter supply. Meanwhile, Hitachi & Toshiba are demonstrating their own versions of RCA CED player to manufacturers & marketers in U.S., could be next to declare intentions to field system here. RCA statement last week welcomed "additional support [for CED system] by the largest TV brand not yet committed to a videodisc system."

Korea's Gold Star, meanwhile, says it will begin production of Philips-MCA optical videodisc players early in 1981, offer them on U.S. market under its own brandname — along with VHS VCRs — some time next year. Gold Star also has RCA CED license, but Mktg. Vp M.Y. Soh says it has no plans to manufacture players for that system.

Here's how videodisc boxscore stands at moment: Committed to CED players — RCA (21% of 1980-model color TV sales on basis of our June survey), Zenith (20.5%), Sears (7.5%), Sanyo (2%). VHD players — GE (7.5%), Quasar (5%), Panasonic (2%), JVC (under 1%). Optical players — Magnavox (7%), Pioneer (not in TV market), Gold Star (under 1%). Disc lineup: CED



— RCA, CBS. Optical — DVA, Philips, Universal Pioneer (Japan), Pioneer (Japan), 3M, Sony. VHD — Thorn EMI (Capitol Records).

Note: Technicolor will introduce its 7-lb. 1/4" portable VCR, made by Funai, this week in N.Y. Unit was first reported in these pages last Dec. (Vol. 19:53 p7) and demonstration is featured in new Television Digest videocassette, "Home Video for the 1980s."

**FCC DELAYS AM STEREO AT LEAST YEAR:** Hopes for start of AM stereo within year were dashed when FCC in effect threw entire issue open again, casting doubt on whether choice of Magnavox would stick. Commissioners' waffling on issue last week was inevitable outcome of its obvious uncertainty about subject in its last meeting on AM stereo in April (Vol. 20:15 p9). Whatever happens now, manufacturers & broadcasters can forget about any immediate green light.

FCC granted engineering staff request to go back and refine & improve decision-making "matrix" used to select Magnavox system. Office of Science & Technology (OST) Dir. Stephen Lukasik said process, including time for comments & replies, would take at least 180 days. Engineers, insisting that more careful, objective technical study is necessary to protect FCC's selection from legal challenges later on, refused to repudiate earlier choice of Magnavox system, but left open "possibility" that restudy might lead to selection of different system.

Commission vote revealed it's still deeply divided on how to proceed on AM stereo. First vote -- to approve staff's request for more technical study -- was 4-3, Comr. Quello concurring with yea votes of Chmn. Ferris, Comrs. Washburn & Lee (nays: Brown, Fogarty & Jones). Occasionally argumentative session was replay of earlier meeting which approved Magnavox system. Comr. Jones, supported by Best. Bureau and Office of Plans & Policy, used decision matrix problem to reintroduce plea for free-market approach -- and for moment, Commission seemed to waver. But Chmn. Ferris exerted authority: "It seems to me that by our earlier selection of a single system, we've already committed ourselves to picking just one. We've gone beyond the point where we could approve all 5." Four of the 5 system proponents involved are in favor of single-system approach; Kahn is the exception.

Commissioners derided reports that broadcasters are in revolt over Magnavox selection: "At that engineering seminar at the NAB in Las Vegas, we were told we'd be deluged with letters from broadcasters complaining about Magnavox," said Comr. Fogarty. "Well, I've only received 5 letters." Comr. Quello (most vociferous in favor of picking single system): "And I've only gotten one." Commented a member of highly partisan audience: "Why don't you look in the record -- there are at least 50 in there."

Commission action basically extends Notice of Proposed Rulemaking on AM stereo. Lukasik was supported in request for more technical study by Gen. Counsel Robert Bruce: "We need to build a record of how we reached this decision." Lukasik promised matrix would be released to public for comments, more technical data (deadlines not yet set).

Possibility of universal decoder chip to receive all 5 AM stereo system transmissions was excuse for Commissioners to end discussion by agreeing unanimously. Statement was inserted indicating that if LSI technology could produce chip which could decode all 5 systems, FCC would reconsider single-system approach, and earlier 4-3 vote was changed to 7-0 in favor.

Reaction to FCC move varied, but all seemed to agree that refinement of matrix meant that FCC engineers would be taking completely new look at systems. "This takes us all back to square one," said one consultant. Leonard Kahn: "We're relieved that they've decided to take a fresh look at the whole thing. I think they used poor data to reach their first decision. I don't know how engineers can make decisions without good data." Kahn disputed OST's estimated price of universal decoder of \$40, said that "one of the country's largest IC manufacturers" has said that decoder could be made for \$4-6 retail.



Magnavox reaction was predictably dour: "We are naturally disappointed in the Commission's decision," said Magnavox Pres. Kenneth Meinken. "Nobody wins in this game of retesting, forced by the vocal and dissatisfied competition. The big -- and the silent -- loser is the public." Meanwhile, company announced that Magnavox AM stereo signal had been produced by simple 2-hour conversion of Kahn exciter: "Working with a loaned Kahn exciter, Robert Streeter, the inventor of the Magnavox AM stereo system, made the conversion simply by removing 13 components and adding some jumpers." Many stations are already equipped to broadcast in Kahn system.

**PIONEER RAISES DISC SIGHTS, TO ENTER TV:** After one month of marketing its Laserdisc optical videodisc player, U.S. Pioneer has changed its conception of videodisc customer, and its marketing plans are being altered. In addition, U.S. Pioneer Pres. Ken Kai told us: (1) Company now expects to sell players "in the 5 digits" this year, "100,000-plus" next year, stepup from last March's 1981 estimate (Vol. 20:13 p7). (2) Four more markets will be added this month. (3) Pioneer hopes to enter color TV marketing -- direct-view, projection or both -- next year. (4) Next year will also see introduction of one or more new Pioneer players. (5) First Pioneer Artists music disc will be on market in Sept. or Oct., 4-5 by Christmas.

"Sales have been steady & growing" in first markets -- "good enough to accelerate our rollout," said Videodisc Mktg. Dir. John Talbot. Next market will be St. Louis, with Boston, Houston & Denver also to be added this month (St. Louis & Denver are also Magnavision markets). Company plans to open 4-7 more markets by end of Oct., then stand pat for selling season, go national next year.

First month's research into Laserdisc buyers radically changed Pioneer's conception of its initial market, according to Kai, who had aimed device at hi-fi customer and limited introduction primarily to audio dealers. "We've learned we're not sharing the hi-fi customer," he said. "His median age is 25. The Laserdisc customer has a median age of well over 35. He's wealthier than expected -- a manager or a doctor. Buyers are 100% male. All of them own VCRs and at least 2 color sets. About 20% either had a projection TV or bought one at the same time. Everyone has either a component or compact stereo system and they're all using their players with their stereos."

Among other surprising findings: Although "we thought there would be more interest in music than movies," customers far preferred movies. They stated preference in this order: (1) Classic movies. (2) Latest movies. (3) Music -- preferably middle-of-the-road type. However, many did complain about scarcity of music discs. It also found "level of videodisc awareness is very, very low." Most customers didn't come into store to buy videodisc player, but happened upon demonstration, came back next day and bought. "It's not what we expected," said Kai. "Many didn't know the difference between videodisc & VCR. Most of them weren't even aware of other systems and didn't know the story of stereo sound or high-resolution picture."

Why did they buy? "They had some income to spend and found a new gadget." ("The first day's sales," quipped Kai, "were almost all to the industry, and about half of the players went back to Japan.") Reasons given for buying, in order: (1) Picture quality. (2) Sound quality. (3) First consumer product with laser technology. (4) Pioneer reputation. Pioneer found "price isn't any factor -- all players were sold at or above the list price [\$749], and everybody bought the remote control [\$50]."

Pioneer is changing its market plan as result of first surveys. "The product doesn't necessarily go to all Pioneer dealers. We must go selectively where the retailer can explain & demonstrate, and also where customers are of a higher age group. We didn't have any dept. stores in our first markets -- the next rollout will include one or 2." Sales will still be limited to Pioneer dealers, but those who don't currently handle line will be offered new "Syscom" line of packaged component systems if they want disc player.



Kai isn't worried about non-compatible competitive players. "We're convinced several systems can succeed simultaneously as long as there's software support." As to supply, Kai said Japan's Universal Pioneer (UP) has capacity to make "twice as many as RCA announced it will have next year" — or about 400,000 in 1981. He expects more brands to announce entry into optical market in next 6 months (presumably buying from UP) and foresees sales of possibly 500,000 players of all kinds next year if all competitors follow through their plans. "Once promotion starts moving, videodisc will take less than half the time of VCR to become a mass medium. If RCA & JVC meet their goals, there'll be a tremendous market by 1984. Their ad campaigns will help everyone by spreading videodisc awareness."

Pioneer will introduce at least one new player model next year, is considering both step-up & step-down. In answer to our question, Kai said low-priced extended-play-only model (one hour per side) is under consideration for consumers who just want to watch and don't require special effects. As companion to player, Pioneer wants to enter U.S. TV business next year, first models probably being built for it but containing Pioneer-made tuners.

Pioneer Artists software operation will be introduced by "live recording" of concert by unnamed female artist (not Rita Coolidge, who was featured at Pioneer press conference last March). PA releases will feature programming with "long shelf life," with first runs of up to 10,000 discs. All of initial acquisitions were made for other media, such as pay TV, but PA will have exclusive disc rights.

Company has done virtually no advertising for introduction, is limiting itself to direct mail in marketing areas, using lists of Pioneer audio customers, store customers and American Express target groups. There have been complaints about insufficient program titles, but Kai says MCA is providing good cooperation, expects accelerated flow of new titles now.

Magnavox is quietly expanding Magnavision marketing to include all areas where Pioneer player is being sold, has already added Madison, Wis., is now in 18 markets. "We intend to be in every market where optical videodisc players are being sold," said spokesman. First of top markets to be opened up officially by Magnavox is expected to be L. A., probably this fall, but possibly early next year. Magnavox declined to comment on timing for L.A. or any other new markets.

**1981 MODELS HOLD LINE ON PRICE POINTS:** Color TV prices in general may be up for 1981 models, but industry has held pretty closely to last year's starting price points, only exception being 13" sets. That stands out in our analysis of leader prices for the new models.

Starting prices in fast-growing 13" category are up 7.7% this year, or \$25, to median \$350. In 19", increase is less than 5%, or \$20, bringing median to \$430. Leader console category is also up just \$20, or 3.2%, bringing median to \$640. In 9-10" area, median price is up only 1.5%, and in weak 15" & 17" sizes, where prices jumped 24% & 32% last year (Vol. 19:27 p8), they backed off this year by 4% & 12%, respectively.

Remote control is still biggest story in color, and as feature increases in popularity, price increases in low-end remotes (generally simple scan type) are minor. Boosts in median starting prices for 13" & 19" remotes are less than 1%, and in consoles prices are unchanged. Table of starting prices shows continuing profusion of remotes. This year, 18 out of 23 listed brands feature remote 13" sets, compared with 11 of same 23 one year ago. In consoles, 2 lines (MGA & Tatung) offer remotes but no non-remotes. This year for first time, there were enough 15" (7) & 17" remotes (6) to list.

Median remote console starting price is \$200 above non-remote. In 19" differential is \$140, in 13" it's \$127, but in 15" it's only \$90 and in 17" it's \$40.

Lowest price in leader table is Montgomery Ward's \$285 for 10" color. Most surprising price is Ward's 19" at \$290 (fall-winter catalog), lower than any 19" leader listed last year. Omitting



open-list sets, lowest prices are: 13", Sears \$290; 13" remote, Samsung \$400; 15", Philco \$380; 15" remote, Quasar \$500; 17", Penney \$370; 17" remote, Penney \$470; 19" remote, Sampo & Ward \$520; console, Sears \$470; remote console, Penney \$780. Highest prices in every category are Sony offerings.

Having thus analyzed our annual starting-price table, we add this warning: It's based on manufacturers' suggested list prices where available and our own estimates of equivalents where manufacturer has no suggested list price (denoted by prices in parentheses). Suggested list prices aren't necessarily compatible from manufacturer to manufacturer, and special promotional models not in regular lines aren't included. Data is based on information supplied by manufacturers, except where we've made parenthetical estimates of open-list models. Table's principal value is its comparability with last year's compilation.

## COLOR TV STARTING PRICES

Brand	5"	9"	13"	13" Remote	15"	15" Remote	17"	17" Remote	19"	19" Remote	25" Console	25" Remote
Bohsei.....	—	—	(285)	(350)	—	—	—	—	(340)	(400)	(525)	(590)
GE.....	—	(290)	(350)	(470)	—	—	(395)	(510)	(430)	(560)	(640)	(830)
Gold Star..	—	—	355	477	—	—	—	—	430	566	—	—
Hitachi....	450	430	360	480	—	590	—	—	450	610	—	—
JVC.....	450	—	—	—	—	—	—	—	540	730	—	—
Magnavox..	—	—	(350)	490	—	—	—	—	(410)	600	(550)	950
MGA.....	—	—	360	500	470	570	—	—	480	650	—	1000
Panasonic..	—	320 <sup>1</sup>	360 <sup>2</sup>	470	—	—	—	—	430	540	(650)	820
Penney <sup>3</sup> ...	—	290 <sup>1</sup>	330	—	—	—	370	470	390	550	650	780
Philco.....	—	—	340	—	380	—	—	—	440	600	640	860
Quasar.....	—	340	370	—	420	500	—	—	450	570	650	800
RCA.....	—	—	360	470	—	—	(430)	530	460	570	700	800
Sampo.....	470	360	340	420	—	—	—	—	410	520	—	—
Samsung....	—	—	300 <sup>4</sup>	400	—	—	—	—	340	530	—	—
Sanyo.....	700 <sup>5</sup>	—	320	450	400	490	—	—	370	570	—	—
Sears <sup>3</sup> ....	—	—	290	430	—	—	—	—	320	540	470	850
Sharp.....	—	330	340	510	—	—	—	—	420	630	—	—
Sony.....	550	500	490 <sup>6</sup>	550 <sup>6</sup>	510	630	580	670	580	740	1000 <sup>7</sup>	1150 <sup>7</sup>
Sylvania...	—	—	340	—	—	—	—	—	440	650	640	820
Tatung.....	—	370 <sup>1</sup>	380	530	488	560	—	—	530	657	—	1060
Toshiba....	550 <sup>5</sup>	400	370	490	470	540	—	—	450	560	—	—
Ward <sup>3</sup> .....	—	285 <sup>1</sup>	315	425	—	—	—	490	290	520	540	840
Zenith.....	—	—	380	480	—	—	(450)	(560)	(400)	660	(700)	810
Median (7/80)	510	340	350	477	470	560	430	520	430	570	640	840
Median (7/79)	525	335	325	475	490	—	495	—	410	565	620	840

<sup>1</sup>10". <sup>2</sup>Also 12" at \$340. <sup>3</sup>Catalog prices. <sup>4</sup>Also 12" at \$270. <sup>5</sup>Includes AM-FM-cassette. <sup>6</sup>12". <sup>7</sup>26".

Tandy unveiled \$399 TRS-80 computer with color display and 4,000 character memory, aimed at home & educational users and hand-held computer at \$249 with 1,900 character memory. Tandy board declared 100% stock dividend and called \$100 million convertible issue for redemption Sept. 10. Chmn. Phil North said company's 2nd-quarter net increased to over \$28 million on \$320.9 million sales from \$20 million & \$281.1 million in 1979 period.

Morse cut operating loss for year to March 31 to \$6.9 million, against \$15.1 million deficit for fiscal 1979. After extraordinary credit of \$59 million, representing results of recapitalization plan, company showed net profit of \$52.1 million. Sales for year were off 34.7% to \$62.9 million from \$96.4 million. Morse said it had lower sales in quarter to June 30.

Largest order ever placed with Korean electronics firm for "single item" is \$10 million contract by GTE with Samsung for b&w sets, according to Korean govt. GTE Group Senior Vp Thomas Shepherd confirmed company had \$10-million order for b&w sets through next May, but said it wasn't for single model. GTE is phasing out TV production from Taiwan plant (Vol. 20:20 p11), will concentrate there on TV tuners, private-label radios and other products not necessarily for U.S. Entertainment Products Group.

Japanese consumer electronics industry plans to increase capacity at overseas plants by 18% by 1982, at domestic plants by 6% over 1979 level, EIA-J study indicates. Component makers plan 37% increase at overseas plants, 11% at domestic facilities.



**POISED FOR GROWTH:** Next growth cycle in U.S. consumer electronics may well be by American subsidiaries of major Taiwanese & Korean firms. Last week, we talked with 2 of the handful of such companies whose presence is already being felt on U.S. market — Korea's Gold Star and Taiwan's Sampo.

Gold Star, member of Korea's big Lucky Group, hopes to be first non-Japanese firm exporting videodisc players & VCRs to U.S., with plans to ship optical players & VHS recorders here next year (see p. X). It has Philips videodisc license, is completing negotiations with JVC for VCR pact, plans to import key components for units to Korea, assemble there, according to Mktg.-Sales Vp M. Y. Soh.

With new color quota of 64,300 sets July 1980-June 1981 and double that for following year (Vol. 20:28 p12), Gold Star is already increasing its exports to U.S., Soh told us. Quota still isn't enough to fill orders from all of its 500 retail accounts, he said, and company has been studying possibility of U.S. production since last year, but outcome "depends on the market situation." Company has set up color tube operation in Korea, plans to activate it soon, now that color TV sales are permitted in home country.

In b&w, Soh claims Gold Star sold 400,000 sets in U.S. last year, is aiming for 600,000 this year, or more than 10% of market. Company will enter small-appliance market here this year with fans & refrigerators, is currently test marketing 3-component audio system (tuner, amplifier, deck) at \$300 dealer cost, will add car audio products next year as well as radio-cassette combination (Gold Star is a leading radio supplier to Zenith). Company currently has more than 1,200 authorized service dealers in U.S., 2 parts depots, 7 warehouses.

Sampo's name gained recognition with unique product it's finally starting to deliver -- 3-screen TV with 19" color, two 5" b&w screens at \$995 list. Sales-Mktg. Vp Joe DiFiglio called response "exceptional" in first market — Chicago, where it's being sold in 6 stores. Sampo expects to sell 12,000 by year's end, including "multiple thousands" through unnamed credit card company's direct mail promotion.

As to quota, Sampo is officially allocated 84,500 sets for current 12-month period, but has 25-27% of Taiwan quota thanks to picking up some shares allocated to others, and, in combination with decontrolled small screen sets, hopes to import 100,000-120,000 color sets during period. Exemption of small-screen sets from quota is helping Sampo, which is offering 9" color, will add 5" color radio-cassette minicombo in 60 days (Vol. 20:26 p10).

Sampo's new plant near Atlanta will be dedicated Aug. 26, will have 300 production employees in first wave, increasing eventually to 600. Plant is already turning out 19" sets, will add console line. At first, it will assemble 8,000 sets monthly, according to DiFiglio, later doubling to 2 shifts. In 5-year plan is doubling plant size, turning out 28,000 sets monthly,

capturing 5% of color market. "We already have 5% of the b&w market," says DiFiglio. He has big hopes for 19" b&w, size generally neglected by other foreign-owned firms.

Sampo is expanding product line, introduces portable radio-cassettes in Oct. at \$150 & \$200, has already test marketed small refrigerators, will add electric fan production at Ga. plant. Company has 500 retail accounts, over 1,000 service stations, 3 warehouses, ships parts via UPS in 24 hours. It will start consumer advertising early next year in airline & video magazines. As to VCR, "We don't want to be a leader," says DiFiglio — "we're watching closely and will come in when the market is solidified." DiFiglio is pleased that Sampo name is already beginning to penetrate consumer awareness — "people are starting to ask for it." What does he hope name signifies? "Quality merchandise at reasonable prices."

**JAPAN'S 1ST-HALF EXPORTS:** Prices of products shipped from Japan continued to rise in first half. Japanese exports of VCRs (consumer & industrial) totaled 390,000, up 58.9% from same 1979 period, compared with 286,601 units reported by EIA as sold to dealers here in same period.

Japanese Finance Ministry figures indicate average VCR price in 1980 period was \$587.25 vs. \$574.27 one year earlier (both based on exchange rate of 225 yen = \$1). In June, Japan exported near-record 76,155 VCRs to U.S., up 56.6% from June 1979.

Average price of TVs shipped from Japan to U.S. continued to soar in first half, tag on complete color set jumping to \$305.03 from \$287.08 in 1979 period and \$220.87 in 1978. B&w sets rose to average \$102.28 this year from \$96.05 in 1979 and \$71.17 in 1978. Only incomplete color sets declined, now down to \$92.80 from \$127.26 last year.

Japan exported 216,500 color sets to U.S. in first half, down 40% from 1979 period, with complete sets down 35.9% to 186,650, incompletes down 53% to less than 30,000. B&w sets exported during half totaled 198,000, down 18.4%. In June, color exports to U.S. totaled 49,700, down 14.2% (complete sets down 17.6% to 47,700, incompletes dropping 9.1% to 2,000). B&w shipments increased 8.5% to 50,700.

With growth of Japanese factories in U.S., Japan exported less than 550,000 complete & incomplete color sets to U.S. in 12 months ended June 30, final year of quota. This was only 31% of allowable 1.75 million sets.

Advent board has authorized private placement of \$1.5 million of 10% debentures due July 1, 1983, convertible to common stock at \$2.50 per share; some \$750,000 has already been subscribed.

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



**FOTOMAT CUTS PRICES:** Fotomat will reduce prices on rental videocassettes in Sept., amount to be based on outcome of tests of 2 plans conducted in about 30% of U.S. outlets since June. Current rates are \$7.95 (older, non-classic titles), \$9.95 (top hit films of 2-3 years ago) & \$13.95 (recent major releases), in effect since Fotomat started national rentals last Nov. New prices being tested are \$4.95, \$7.95, & \$9.95 and \$7.95, \$9.95 & \$11.95. Video Operations Vp Stephen Wilson said trials have produced significant increase in rental-to-sale ratio, introduced new customers. He forecast final prices might be compromise or combination of both tested.

Fotomat will add Columbia titles to rental package, introducing 16 in Sept., 3 more after Oct. 1, including *Close Encounters*, *Chapter 2*, *Midnight Express*, *China Syndrome*, bringing number of Fotomat's rental titles to 190, including Disney package, all to be backed by \$1-million-plus ad budget for Sept.-Dec.

Disney, meanwhile, has developed rent-&-sale plan for its videocassette line, starting in Sept. Cassettes will be permanently marked as sale or rental tapes. Dealers get standard 30% discount from \$59.95 retail price of features and \$44.95 for shorts intended for sale. Rental units cost \$52 & \$45.50 for 13 weeks, stores keeping all rental money. Disney promises heavy consumer & trade ad backing.

Sears has entered videocassette field, buying 10,000 Winter Olympics cassettes from ABC Video Enterprises, is expected to offer them as premium to VCR buyers during Christmas season. In other programming news: (1) Magnetic Video will distribute more than 60 of its titles on optical videodiscs in U.K., to be mastered at Philip's new British disc plant. MVC says it would like to conclude similar deal with RCA for CED system, but RCA isn't doing custom pressing. (2) ATI Video Enterprises, N.Y., says it has sold RCA disc rights to Joni Mitchell & Neil Young concerts. ATI has home video rights to about 50 programs.

MGA Mitsubishi color TV prices are unchanged to up \$10 from year ago. Line starts with 13" mechanically tuned set at \$360 (up \$10), with step-up ladder-tuned set at \$430, remote version \$500 (both unchanged); 15" ladder set is \$470 (up \$10), remote \$570 (unchanged); 17" at \$500 (down \$10); leader 19" mechanical is \$480 (down \$20), ladder set \$530 (up \$10), random-access remote \$650, keypad remote \$720; 21" keypad remote is \$800 (up \$10); 25" keypad remote \$900 (up \$10), console version \$1,000 (unchanged). Projection sets: One-piece 50" are \$3,700 & \$4,000, door model \$4,200, 2-piece 72" is \$3,500. Programmable one-week, 6-program VCR with optional wireless remote is \$1,450. B&w line: 5" AC-DC with digital clock is \$200, AC 12" is \$100, AC-DC version \$119.

Import adjustment assistance petition has been filed by workers at Buckbee-Mears, charging loss of jobs due to import of color TV shadow masks.

**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.

**COLOR SALES HOLD UP:** Last month was 3rd best July in history in terms of color sales to dealers, EIA figures will show this week. At about 648,000 sets, sales were down 5.7% from last year and ran at 9.67 million annual rate, while sales for year's first 7 months were at 9.7 million rate.

Home VCR sales for month — about 50,300 — were more than double those of July 1979, and July's final week, with sales of 16,700, was best of year, also more than doubling last year's comparable figure. B&w sales for month were 333,800, down 8.8%, while final week's sales were down 6.6% from year earlier to 105,800.

Home computer network via Warner's Qube is scheduled to start in Sept., when about 100 specially designed Atari terminals will be installed in subscribers homes. Units will have access to data base of H&R Block subsidiary Compuserve, which already supplies about 3,500 computer hobbyists with stock quotes, airline schedules, buying service, etc. Service will be offered 6 p.m.-5 a.m. weekdays, all day Sat. & Sun. Test will run year, be extended to other Qube systems if successful. Goal is to determine whether there's information-retrieval market beyond computer hobbyist. None of parties involved would comment on cost or whether users will pay during trial. Initially, subscribers will be able to "talk" with one another, eventually have banking, shopping, video games, color graphics.

Matsushita reported record consolidated sales & earnings for quarter & half ended May 20, earnings for half rising 32% on 24% gain in sales. In quarter, earnings were up 38%, sales 28%. Company credited improvement in Japanese economy, increased consumer spending and decline in yen's value, which made its products more competitive. For full year, company forecast net income of \$529.6 million, up 22%, on \$12.36 billion sales, up 19%.

Atari had "explosive growth" in 2nd quarter, resulting in doubling of sales of parent Warner's Toys & Games Div. to \$109.4 million, operating net of \$16.2 million, against loss in same 1979 period. Warner said improvement all came in Atari's consumer & coin-op video games.



## Consumer Electronics Personals

M. (Rocky) Yamashita, onetime national TV mktg. mgr., returns from parent company to become Sharp western region vp... George Stephens named Magnavox Los Angeles Div. gen. mgr., succeeded as Southwestern Div. gen. mgr. by R. Whitson (Whit) Smith, ex-SW Div. sales mgr. in Dallas... Wallace Fraser III, ex-Sunbeam, joins Quasar as microwave oven mktg. mgr.; David Carlson resigns as Quasar PR mgr., plans unannounced... T.K. Lim named Gold Star area mgr. for NE, K.Y. Lim for SE, both with hq in N.Y.; N.K. Woo named for Midwest (Chicago), Y. Nam for West (L.A.).

Jeffrey Rochlis resigns as Mattel Electronics pres. to become partner in MacroCosmos... Carl De Santis promoted to Warner Home Video business affairs & programming vp... Michael Tarant, ex-special asst. to pres. of Columbia Pictures International, becomes international mktg. vp, Columbia Pictures Home Entertainment.

Ron Milici, ex-eastern region calculator sales mgr., named Toshiba national handheld calculator mgr... Brent Nelson, ex-Basic Four, joins Commodore as gen. mgr. of Computer Systems Sales Div., post temporarily handled by National Sales Mgr. Richard Powers; Frank McCulloch becomes training dir., Mike Schoen software development dir.

Lewis Solomon named General Instrument new ventures vp, also retaining responsibilities he had as corporate mktg. vp... Donald Brooks & James Hubbard promoted from asst. vp to vp, Texas Instruments U.S. Semiconductor Group... Stanley Stefanski promoted to productivity mgr., Westinghouse Industrial & Govt. Tube Div., succeeded as nuclear products & vacuum switch sales mgr. by Phil Ponzi; Vincent Muccigrosso succeeds Ponzi as electro-optical sales mgr.

Videocassette coverage of Summer CES will be offered as "special edition" by Instant Replay, first magazine on videotape. Included will be seminars, exhibits, EIA promotional film, "The Link Between Us." No price is given. Information: IR, 2980 MacFarlane Rd., Suite 210, Coconut Grove, Fla. 33133.

"Movie-length" Beta videocassette developed especially for duplicator market was announced formally last week by 3M. New L-625 provides 2-1/2 hours recording time in Beta-2 mode, uses thin-base tape, specially formulated oxide, is claimed to provide same performance as 2-hour L-500. 3M has been shipping new tape to duplicators for some time.

Copyright infringement suit filed July 24 by Television Digest Inc. against publisher of Video World, San Rafael, Cal. (Vol. 20:30 p9) was settled July 29 as defendant agreed to permanent injunction, went out of business, paid damages. Suit charged Video World with copying substantial parts of Television Digest.

## 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>John Blair</b>			
1980-6 mo. to June 30	107,084,000	5,320,000	1.43
1979-6 mo. to June 30	88,541,000	5,578,000	1.50
1980-qtr. to June 30	54,787,000	3,338,000	.90
1979-qtr. to June 30	45,746,000	3,216,000	.86
<b>Canadian Cablesystems<sup>a</sup></b>			
1980-9 mo. to May 31	49,539,000	10,303,000 <sup>b</sup>	.60
1979-9 mo. to May 31 <sup>c</sup>	29,321,000	8,535,000	.52
<b>Lloyd's Electronics</b>			
1980-year to March 31	90,814,200	(5,615,100)	--
1979-year to March 31	108,442,400	(2,595,800)	--
1980-qtr. to June 30	16,978,200	(5,703,100)	--
1979-qtr. to June 30	18,239,400	(2,625,800)	--
<b>Masco</b>			
1980-6 mo. to June 30	394,020,000	39,220,000	1.54
1979-6 mo. to June 30	366,520,000	37,850,000	1.44
1980-qtr. to June 30	188,920,000	19,300,000	.76
1979-qtr. to June 30	186,210,000	19,140,000	.73
<b>Matsushita<sup>f</sup></b>			
1980-6 mo. to May 20	6,046,700,000	256,100,000 <sup>g</sup>	2.18 <sup>h</sup>
1979-6 mo. to May 20	4,877,500,000	194,300,000	1.67 <sup>h</sup>
1980-qtr. to May 20	3,214,700,000	141,000,000 <sup>g</sup>	1.19 <sup>h</sup>
1979-qtr. to May 20	2,544,800,000	108,500,000	.93 <sup>h</sup>
<b>Teleprompter</b>			
1980-6 mo. to June 30	91,311,000	12,263,000 <sup>b</sup>	.72
1979-6 mo. to June 30 <sup>c</sup>	79,271,000	2,024,000 <sup>i</sup>	.11
1980-qtr. to June 30	47,351,000	5,851,000 <sup>b</sup>	.34
1979-qtr. to June 30 <sup>c</sup>	39,446,000	5,944,000 <sup>b</sup>	.35
<b>Texas Instruments</b>			
1980-6 mo. to June 30	1,963,677,000	105,480,000	4.60
1979-6 mo. to June 30	1,505,021,000	82,784,000	3.63
1980-qtr. to June 30	1,007,234,000	55,144,000	2.40
1979-qtr. to June 30	784,221,000	44,603,000	1.95
<b>TRW</b>			
1980-6 mo. to June 30	2,490,200,000	105,800,000	3.25
1979-6 mo. to June 30	2,253,600,000	98,000,000	3.07
1980-qtr. to June 30	1,266,700,000	57,900,000	1.78
1979-qtr. to June 30	1,188,900,000	54,200,000	1.71
<b>20th Century-Fox</b>			
1980-26 wk. to June 28	402,457,000	38,033,000	3.45
1979-26 wk. to June 30	306,698,000	26,864,000	2.43 <sup>h</sup>
1980-13 wk. to June 28	192,210,000	8,107,000	.71
1979-13 wk. to June 30	147,152,000	7,774,000	.68 <sup>h</sup>
<b>UA-Columbia Cablevision</b>			
1980-9 mo. to June 30	39,485,000	3,586,000	1.09
1979-9 mo. to June 30 <sup>c</sup>	28,877,000	3,122,000	.95
1980-qtr. to June 30	14,274,000	1,246,000	.38
1979-qtr. to June 30 <sup>c</sup>	10,381,000	1,084,000	.33
<b>Washington Post</b>			
1980-26 wk. to June 29	321,702,000	16,429,000	1.17
1979-26 wk. to July 1 <sup>c</sup>	282,570,000	8,598,000 <sup>i</sup>	.54
1980-13 wk. to June 29	170,477,000	12,574,000	.90
1979-13 wk. to July 1 <sup>c</sup>	152,253,000	14,472,000	.92
<b>Wells-Gardner</b>			
1980-6 mo. to June 30	11,358,000	610,000 <sup>b</sup>	1.47
1979-6 mo. to June 30	8,277,000	(88,000)	--
1980-qtr. to June 30	5,922,000	208,000 <sup>b</sup>	.50
1979-qtr. to June 30	4,897,000	71,000	.17

Notes: <sup>a</sup>In Canadian dollars. <sup>b</sup>Includes special credit. <sup>c</sup>Restated. <sup>d</sup>Preliminary. <sup>e</sup>Adjusted. <sup>f</sup>At yen's current rate. <sup>g</sup>Record. <sup>h</sup>per ADS. <sup>i</sup>After special charge.



WEEKLY

# Television Digest<sup>®</sup>

with  
consumer  
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35  
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## SUMMARY-INDEX OF WEEK'S NEWS

### Broadcast

**PREMIERE TO FIGHT:** Charges antitrust suit is political, points finger at White House aide, says wrong company sued, vows court fight. HBO, Showtime, Warner Amex are jubilant. (P. 1)

**'INTERIM' DBS URGED:** NTIA believes FCC can authorize direct satellite TV without first solving all pending regulation problems. Commission promises to foster DBS at forthcoming regional conference. Sept. 30 FCC meeting set. (P. 2)

**AGGRESSIVE CTAM GROWS UP:** San Francisco convention sees doubled attendance from year ago, establishment of cable ad bureau, plans for Dec. program conference. Gallup aide says 4 of 10 Americans disenchanted with regular TV. (P. 4)

**NAB POTPOURRI:** Exec. Committee discusses allocations, technology, election coverage, etc; concludes cable copyright remedy is legislation. (P. 5)

**UHF BREAKTHROUGH:** PTV engineers say they have method to reduce UHF power consumption by half, substantially cutting utility bills. BBC technique used. STV application not clear. (P. 5)

**OAK LOSES STV PIRACY CASE:** L.A. court rules bootleg decoders not illegal; new STV Assn. calls ruling 'absurd,' vows appeal, says prosecutions of pirates will continue. (P. 5)

**U.S. VS. HOLLYWOOD—STUDIOS PLAN 'VIGOROUS' FIGHT:** Talking tough, Premiere pay-TV partners vowed last week to "take necessary steps" to meet Jan. 1 start date despite Justice Dept. civil antitrust action. Premiere charged political motives for JD action, asserted that govt. sued wrong party, since real monopolists are HBO & Showtime. Settlement negotiation isn't in cards, Premiere declared.

Placing blame for lawsuit on White House, Premiere executives suggested Carter Administration aide Hedley Donovan, ex-editor-in-chief of Time Inc. (HBO parent), might be force responsible for rapid 3-month investigation and legal attack. Donovan, who quit White House job last week, denied any involvement, telling us: "I didn't know anything about the case until I read it in the newspaper."

In suit reminiscent of 1940s action against studio theatre ownership, JD charged price fixing, group boycott, conspiracy, said Premiere would: (1) Cause movie prices to be "raised,

### Consumer Electronics

**TECHNICOLOR MINI-VCR,** weighing 7 lb. and using 1/4" cassette, goes on sale here Aug. 20 at \$995, forerunner of line of portables. (P. 7)

**1980 COLOR SALES** headed for 9.2-9.5 million, could go much higher if economy improves. VCR sales up 107.8% in June. (P. 8)

**VIDEO, TV IMPORTS** closed out first half with June surge, ended full period up from same year-earlier months. (P. 9)

**HITACHI COLOR PLANT** in Compton, Cal. now turning out 12,000 19" sets monthly, to hit 15,000 by year end, company says at formal opening. (P. 10)

**EMERSON IN RED** in fiscal first quarter. Deficit underscores mid-fi woes. (P. 11)

**GE COLOR LINE** for 1981 revamped to increase competitiveness. Electronic tuning dropped from low-end models, price hikes held down. (P. 11)

**HEDGE VIDEO BETS,** ABC's Granath urges programmers: Enter all formats until one dominates. More new cassette releases. (P. 12)

**RCA VIDEODISC** to get 11 days of demonstrations in Japan, showings at Videom & ITA. Sony skeptical on disc. (P. 12)



fixed, stabilized and maintained at artificial and non-competitive levels." (2) Restrain competition. (3) Deprive HBO, Showtime, et al. of access to movies. JD asked U.S. Dist. Court in N.Y. to declare Premiere illegal, void all contracts, issue preliminary injunction to halt venture pending hearing. First hearing hasn't been set, is likely to be 2-3 months after briefs, motions, discovery and depositions.

Premiere partners, unsurprised by JD move, didn't conceal outrage. Paramount TV Distribution Pres. Richard Frank: "We went to the government a year ago and asked them to do something about HBO. We waited a year and [it] didn't do anything, so we started Premiere to find a marketplace solution. HBO owns their network and their own systems. The government ought to be stopping them. They have 72% of pay TV." JD refused to discuss HBO, whether or not it's investigating concentration in pay TV.

"We don't have a subscriber and we are not even on the air, while companies that control 85% of the pay networks are not being sued," said Stuart Evey, Getty Oil vp for diversified operations.

Premiere Chmn. Burt Harris said: "The proposed service does not violate any antitrust clause. Premiere will vigorously defend that position in court. We are confident that these issues will be resolved satisfactorily for Premiere." Premiere attorney Ronald Olsen said Premiere will tell Judge Gerard Goettel that pay-TV market is "controlled by monopolists," that joint venture by Columbia, MCA, Paramount, 20th Century Fox & Getty is "pro-competitive and creates a competitor where there was not one before."

There's no chance for compromise or settlement with JD, Olsen said. "It's not a matter of satisfying [JD]. We are going to satisfy the court that what was done was in the public interest and anything less than 9-month [exclusivity] is not sufficient to break the entry barriers thrown up by a monopolistic, highly concentrated industry." He said 9-month exclusivity window could be changed after Premiere is established.

"That's hardly an excuse for price fixing and a group boycott," responded HBO Pres. Gerald Levin. "Justice agreed. The message is pretty clear that what the movie companies are doing is illegal." Other comments from HBO, Showtime & Warner Amex were predictable: HBO — "Patently illegal." Showtime — "Blatantly illegal... anticompetitive... will never materialize." Warner Amex — "Illegal."

NCTA Pres. Thomas Wheeler said JD action speaks to "concerns that date back to Premiere's inception. At that time, we questioned the structure and proposed practices of Premiere and encouraged appropriate government agencies to explore the matter." He applauded speed of Justice, urged court to "act expeditiously."

Suit contained interesting numbers: Getty — 1979 revenues \$5.1 billion, assets \$6 billion, owns 85% of ESPN. Paramount — wholly-owned subsidiary of Gulf & Western, annual revenues of \$5.3 billion as of July 1979, assets \$5.2 billion. MCA — 1979 revenues \$1.3 billion, assets \$1.3 billion. Fox — 1979 revenues \$658 million, assets \$633 million. Columbia — revenues \$613 million as of June 1979, assets \$456 million. Studios produced 190 films in 1979, generated gross revenues of \$560 million; 130 pictures in 1978, gross revenues of \$710 million. Of all films which earned more than \$1 million, they produced 43% in 1979 and 42% in 1978.

Illustrating dependence of competitive pay-TV ventures on products of Premiere partners, JD said HBO programming was 77% movies in 1979, 70 of them from Premiere partners (34% of all movies, 42% of total movie costs). Showtime schedule was 85% movies in 1979, 99 from Premiere sponsors (44% of all movies, 56% of total movie costs). Movie Channel in 1980 got 36 movies from Premiere sponsors (32% of total, 66% of total movie costs).

**NTIA SUPPORTS INTERIM DBS:** Head of Administration's direct broadcast satellite task force told Denver satellite conference last week that FCC could approve "interim" DBS service pending resolution of difficult domestic and international regulatory issues. If it did so, DBS



could get started much sooner than hitherto believed, since govt. would, in effect, authorize DBS now, worry about regulatory details later.

"The FCC may not be able to await the results [of the Region 2 Administrative Radio Conference on DBS]," said NTIA's John Lyons, adding he would prefer to see DBS authorized on an "experimental or hybrid designation" before conclusion of 1983 conference.

Lyons said advantage of interim DBS would be to permit govt. to observe application of DBS in practice. He said DBS "does not present the nation with fundamentally new [domestic] policy issues." By approving DBS now, settling details later, FCC would exercise "maximum regulatory flexibility." "DBS policy will not be considered in a vacuum" but in terms of "the worthy goals of competition and deregulation" designed to "maximize diversity of program sources" with "minimal regulation by government," he said.

Also speaking at DBS panel at Satellite Communications Magazine conference, Comsat Satellite TV Corp. Vp George Billings said rapid approval of DBS is crucial to keeping U.S. in technological forefront. Hitting Comsat critics, he said "motives [of broadcaster opponents to DBS] are rather transparent." He said DBS will have no impact on broadcast networks since they aim for "lowest common denominator" programming, while DBS service is aimed at aggregating "scattered, small audiences." A million American homes now receive no broadcast TV, while more than million more receive only one channel, he added.

**Addendum:** More govt. support for DBS has been revealed in FCC's notice of inquiry for planning for 1983 Regional Administrative Radio Conference: "One of the present tasks of the Commission is to provide a regulatory environment that will encourage the development of a multiplicity and diversity of video services. As part of our efforts to ensure that the American people gain the maximum possible benefits from this technology, it is our intent to foster, and not to stifle, the potential development of this new service at the 1983 regional conference." FCC will consider another DBS notice of inquiry — on domestic policy considerations — at special meeting Sept. 30.

Two new commercial stations have begun operating, and 2 ETVs are due shortly. WXAO-TV (Ch. 47) Jacksonville, owned by American Standard Leasing (Thomas McGehee, chmn.-pres.), had authority to start Aug. 1. KQCD-TV (Ch. 7) Dickinson, N. D. (Meyer Bestg.) began July 28 as NBC affiliate. Two ETVs due to start Aug. 15 are owned by S.C. ETV Commission — WRTS-TV (Ch. 49) Spartanburg and WIBB (Ch. 23) Conway. New starts will bring total operating to 1,024 (743 commercial).

New FCC policy on license renewal hearing for multiple owners was adopted 4-3. Now when a license is slated for hearing, Commission will announce status of owner's other licenses, whether subject to hearing, available for sale or renewal. In past, decisions were made on case-by-case basis, creating uncertainty. New policy, which still allows FCC to change mind, came when Commission authorized sale of KLBK-AM-FM Lubbock, Tex. by Grayson Enterprises to Southern Minnesota Bestg. Co.

NAB Engineering Dept. will hold annual AM Directional Antenna Seminar Oct. 1-2 at Cleveland Marriott Inn/Airport. Contact: Janis Shipe or Chris Payne, 202-293-3557.

Miami STV Inc. was granted permit for Ch. 33 as FCC dismissed competing application by Coral TV Corp., licensee of WCIX-TV Miami, which wanted Ch. 33 for satellite to improve service.

ABC is looking at possible use of small 1/4" VCR in "travel-edit package" for newsmen. Best. Operations & Engineering Pres. Julius Barnathan told us that Technicolor unit made in Japan by Funai could make possible complete field editing system in space currently occupied by single recorder. He said he's investigating reliability of unit and possibility of ruggedized editing version. He also saw value in unit for small stations which can't afford more expensive ENG equipment. For details on recorder, see p. 7. Television Digest Videocassette Extra, now available, shows highlights of last week's demonstration of Technicolor VCR. (For ordering information, see back page.)

CTAM seminars upcoming: (1) Southeast regional, Sept. 24, Atlanta. ESPN sportscaster Jim Simpson (ex-NBC) keynotes. Sessions feature tiering, advertising, media support. (2) Sales management workshop, Nov. 3-4, Boston. (3) June 1981, Denver, topic undecided.

FCC proposes eliminating first class radiotelephone operator licenses and exams for broadcast station techs. Techs may hold any class of commercial radio operator license; stations are "fully responsible" for techs' competence. Comments are due Nov. 14, replies Dec. 15.

A.D. Ring & Assoc. named engineering counsel to NRBA.



**AGGRESSIVE CTAM'S GROWTH:** Cable TV Administration and Marketing society (CTAM) graduated to big league at San Francisco convention last week: (1) Established Cable TV Ad Bureau, with first year budget of \$391,000 (likely to grow as other systems and MSO's join). (2) Announced plans for first cable program seminar to be held just before Western cable show Dec. 10-13 in Anaheim. "We'll be just like NATPE," outgoing CTAM Pres. Thomas Johnson, Daniels & Assoc., told us.

(3) Membership in CTAM grew from 240 Jan. 1 to 610 last week. (4) Registration in San Francisco was 667 — more than double that of 330 in Denver a year ago — despite San Francisco hotel strike and threat of cancellation up to week before convention started. (5) There was major growth in number of managers, advertisers, program suppliers and bankers in attendance.

Major subjects of conversation — on and off podium — were Justice Dept. suit against Premiere (see p. 1), announcement of new Rainbow pay-TV service (which has been joined by Cox), CNN and belief that cable finally has arrived after years of blue sky promises. As NCTA Pres. Thomas Wheeler put it: Last 2 weeks "have been a watershed for the cable industry and it'll never be the same again... You're on your own; do it your own way... We must deliver or the government will come back in and tell us how to do it." He cited recent FCC deregulation of cable (Vol. 20:30 p2) and bill reported favorably by House Commerce Committee declaring that CATV is not common carrier (Vol. 20:31 p2) as proof that cable has arrived. But, he warned: "Policy makers have new expectations for cable, and the industry must deliver."

Jack Schneider, pres. of Warner-Amex Satellite Entertainment Corp. and ex-pres. of CBS Broadcast Group, said: "Traditional broadcasters created the arena in which all of us [in cable] will play our games in the future. The broadcasters have made our jobs easier by creating an enormous appetite for TV service... The over-the-air broadcasting system is a big, successful juggernaut and it is not going to be brought to its knees" — nor would cable want that, Schneider added. But, he said, TV has left room for cable and its specialized services — which he compared to radio (in major markets) and magazines. "We are in the future; we are the TV of tomorrow" through special programing and services, he stressed.

Just before Schneider's speech, Dean Maitlen of Gallup Poll said that 4 of 10 Americans are dissatisfied with regular TV. This means, he said, that there are "tens of millions of Americans" receptive to pay cable. There's "a substantial degree of disenchantment" with regular TV by American public, he claimed.

A subdued Ted Turner said at opening lunch that CNN now reached 2.5 million homes, predicted figure will be 4.5 million by Jan., 7.5 million by June 1981, 10 million by end of 1981. CNN now is spending \$3 million monthly, up from \$2 million

budgeted. Turner received much praise at CTAM, along with first annual Tammy Award, because he "has personally risked everything on this project... CNN gives America a new way to look at news."

Publisher Paul Kagan predicted there will be 45 million basic cable subscribers by 1990 — and that same number will be paying for add-on pay TV. He said cable revenues will be \$14 billion by end of decade, noted that operators now are selling pay services (of one type or another) to more than 100% of subscribers.

Backing Kagan was broadcaster Donald Jones, (ex-NAB radio vice chmn.). He owns several radio stations (including WFIZ Fond du Lac, Wis.) and cable franchises, including operating system in Fond du Lac with 35 active channels. "Being around these cable guys is great," Jones told us. "They're exciting people... out to set the world on fire." He noted that 7 a.m. CTAM meeting in San Francisco last week was SRO, same for following 8 a.m. session, and that he missed NAB convention in April for first time in years because "I just couldn't stand to listen to the moaning and groaning when they [broadcasters] had and still have equal opportunities to be part of what is happening in cable."

Fond du Lac system (under Jones ownership) is fairly new, has 60% of maximum of 16,000 homes for pay, offers 35 active channels — including radio simulcast, HBO, Showtime, CNN, ESPN, others. Subscribers get everything for \$19.95 monthly — and Jones predicts he will soon have 100% penetration.

Jones welcomed JD suit against Premiere because it moves towards removing uncertainty. He wants to add Premiere, thinks suit will speed process. "People in my area [all of Jones' franchises are in Wis.] are flabbergasted at the opportunity to see Close Encounters of the 3rd Kind and other movies at the same time they are released to theaters."

CTAM Pres. Johnson said that reaction to Rainbow was "terrific," that 5 major MSOs had expressed interest during CTAM (Johnson's company, Daniels & Assoc., is among organizers of Rainbow). Of Premiere, he said: "I would like to see it happen... Those who would not are competitors." According to Rainbow backers, proposed service will be complementary, not "foundation service" like HBO or Showtime.

J. Leonard Reinsch, vice chmn. of Warner-Amex, said JD suit against Premiere was "not unexpected by our company." He refused, however, to make predictions as to whether proposed service by 4 movie companies financed by Getty Oil, would ever become operational.

Refreshing aspect about CTAM, according to group owner of stations & cable: "There hardly was a word said about the damn government and its excessive regulation... unlike all other broadcast and cable conventions we attend."



**NAB POTPOURRI:** NAB Exec. Committee, meeting in Washington last week, heard encouraging word about FCC's leanings regarding establishment of joint Commission-industry radio allocations task force — recommended by NAB. Assn. named consulting engineer Jules Cohen to coordinate activities, and he plans to convene all consultants to get reading on research to date. Among other NAB activities:

(1) Plans technical forum for some 50 industry executives Sept. 16-18, Sheraton Inn, Fredericksburg, Va., coordinated by consultant Paul Bortz.

(2) Heard that more than 1,000 have registered for upcoming radio programming conference in New Orleans.

(3) Discussed VHF drop-ins (opposed by NAB) and AM stereo (single system favored).

(4) Hired William Ray, ex-FCC, for 5 weeks during campaign, to answer questions on election coverage 10 a.m.-7 p.m. daily via 800 number.

(5) Decided to wait until FCC releases text of cable deregulation decision before deciding whether to seek reconsideration or court appeal.

(6) Concluded that best remedy for adverse Copyright Royalty Tribunal decision on cable fees is to seek legislation.

(7) Planned Nov. 30-Dec. 3 meeting of Exec. Committee with Canadian counterpart.

(8) Welcomed PBS work in saving power in UHF TV transmission.

(9) Read message of commendation for work in publicizing Cambodian relief, from Fr. Hesburgh, head of campaign and pres. of Notre Dame U.

**Testing waters,** task force of EIA-sponsored teletext subcommittee polled members on preferences, found British Ceefax-Oracle systems had slight edge. But vote by Systems Taskforce only confirmed stalemate on subcommittee which wants at least 75% agreement on system before recommending one standard. Vote by 23 task force members: For Ceefax-Oracle, 9; Antiope, 5; Telidon, 1; hybrid system, 3; no single system, 5. Task force members have said they need more information before making decision; possibility remains that group will decide not to recommend single standard. Zenith's Carl Eilers is new chmn. of subcommittee.

**Pioneering era ending:** First electronic TV system — Britain's 405-line transmissions — will be phased out by BBC & IBA starting in 1982. The 2 networks have been simulcasting programs on 405-line b&w and 625-line color.

**French Barda electronics group** opened Montreal office to handle North American marketing of line of TV character generators.

**UHF POWER BREAKTHROUGH:** PBS engineers say they have developed process to reduce UHF power consumption by half without affecting broadcast quality.

Process includes use of BBC tuning system (Vol. 20:16 p5) with anode pulser and increased efficiency in RF system. Under process, external cavity klystron is operated on non-linear basis. Conversion costs to new process range from \$30,000 to \$120,000, not counting klystron tube.

"We're just about positive we can cut the power usage in half," said Tom Keller of PBS. "We feel this is primarily for our stations, but commercial stations can use it too."

Keller said he was unsure whether process could reduce costs for STV operations, but PBS consultant John Wilner said: "Theoretically, it looks like they can use these technologies."

Announcement came in form of progress report, PTV officials noting that testing isn't complete. Tests have been conducted in Conn. and Miss., producing savings of about 50%. PBS plans to establish small staff to handle conversions to process by PBS stations and hopes to establish demonstration station.

**Oak Industries lost STV piracy lawsuit in L.A.,** failing to convince federal court to halt sales of bootleg ON TV decoders by individuals and electronics concerns. Judge Lawrence Lydick said Communications Act doesn't cover interception of STV signals, said Oak has no monopoly to provide decoders because "the granting of such monopoly is the province of Congress." Decision will be appealed, drew scornful reaction from Rinaldo Brutoco, STV Assn. pres., calling it "preposterous... absurd... fundamental error that boggles my mind." He told us that decision "is inconsistent with the prosecutions being brought in other parts of the country, notably Detroit, Phoenix, New Orleans and other cities. The significance of the case has been substantially blown out of proportion. One judge in one court in one city was interpreting one subsection of a very complex body of law. We think he reached an incorrect conclusion. We think the decision will be turned over on appeal. There are a half a dozen other ways for us to prosecute pirates, all of which we will use."

Senate passed bill banning surprise newsroom searches. Measure requires police to obtain subpoena, applies only to press — unlike House version which extends protections to everyone. NAB, RTNDA, other media groups had urged passage "to prevent a repetition" of "repressive" newsroom search at KBCI-TV Boise.

**Expanding distress sale criteria,** FCC voted 4-3 to qualify sale of KJAZ-FM Alameda, Cal. to 50% minority-owned KJAZ Inc. — first time distress sale has been allowed when minority interest of purchaser fell below absolute majority. Comrs. Ferris, Fogarty & Jones dissented.



## Personals

**James Holland**, ex-vp, corp. affairs, Miller Brewing, and White House aide during Ford Administration, selected exec. vp, corp. communications, NBC, replacing **M.S. Rukeyser**, resigned... **Paul Hunter** moves at ABC to entertainment vp, west coast; **Barbara Corday** replaces him as vp, comedy series development; **Jack Singer** promoted to vp, TV & theatrical sales, ABC Pictures International; **Joseph Levinsohn**, former asst. dir., international operations, United Artists, named dir., mktg. services, ABC Pictures International; **Vincent Francis**, western div. sales vp, ABC-TV, retires, will become consultant to sales dept.

**Robert Swan**, ex-Katz, named gen. sales mgr., WICS Springfield, Ill... **Gil Rosenwald**, current vp & gen. mgr., WHK(AM) & WMMS(FM) Cleveland, becomes vp, group operations, parent Malrite Bestg.; **William Jenkins**, regional vp for N.C., adds responsibility for group's new WFLX-TV W. Palm Beach; **Murray Green**, vp & gen. mgr., WNYR(AM) & WEZO(FM) Rochester, N.Y., and dir. of regional operations, named regional vp of radio stations and new WUHF-TV Rochester, and Malrite TV Productions... **Mary Mather**, ex-KDNL-TV St. Louis, joins KPLR-TV as dir., public affairs.

**Fernando Roca**, ex-Marble Arch Productions, named vp, special projects, Columbia Pictures TV; **Stephen Girard**, ex-partner in Girard/Flaherty agency, becomes vp; **Brandy French**, ex-Yale U. prof., selected dir., syndicated program development... **Steven Bell**, WLIV-TV Boston vp & gen. mgr., will chair BRC's TV committee, replacing **Fred Paxton**, WPSD-TV Paducah, resigned.

**Richard Schmidt**, Cohn & Marks, reappointed chmn., ABA Forum Committee on Communications Law... **Virgil Faulkner**, ex-Motorola, named sales mgr., north central dist., Jerrold... **Michael Goddard**, ex-Telemation, becomes national sales mgr., Control Video Corp... **John Hubbell** appointed sales mgr., CBS/Red team, N.Y.; **Mark Robbins** named vp & mgr., NBC team, Chicago... **Lloyd Werner**, TV Advertising Representatives pres., and **Walter Schwartz**, Blair TV pres., reelected chmn. & vice chmn., respectively, TvB's National Sales Advisory Committee... **Clarence McKee**, ex-legal aide to FCC Comr. Brown, becomes of counsel to D.C. law firm Smith & Pepper... **John Borkowski**, ex-FCC Best. Bureau attorney, joins D.C. office of Fly, Shuebruk, Gaguine, Boros, Schulkind & Braun... **Richard Smith**, ex-asst. chief, enforcement, appointed deputy chief, FCC Field Operations Bureau.

**Ernest Olson**, vp & gen. mgr., mktg., Metrovision, elected CTAM pres., succeeding **Thomas Johnson**, Daniels & Assoc.; **Gerard Maglio**, Rainbow pres. (Vol. 20:21 p4), named vp & pres.-elect; **Donald Mathison**, Times Mirror Cable TV, secy.; **Andrew Goldman**, Teleprompter, treas.; **Ted Turner** awarded 1st annual "Tammy" award for contributions to cable... **William Fogarty** promoted at Daniels &

## WEEKLY Television Digest

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Assoc. to vp-mktg... **George Gallup**, ex-TVS, appointed vp, programming, ESPN... **Wanda Townsend**, ex-NAB, joins NCTA as asst. dir., govt. relations... **Jeffrey Lawenda**, ex-CBS Radio, named vp-advertising sales & commercial program development, USA Network.

**Computer networks subcommittee** formed by NCTA engineering committee will be composed of computer specialists and cable engineers. "Data poses special problems and requirements different from those of purely analog video transmissions," said **Christopher Weaver**, NCTA vp of science & technology.

**CATV loan guarantees** issued by Agriculture Dept.: \$340,000 guaranteed for Tipton CATV Inc., Tipton, Ind., to finance facilities for 1,888 subscribers, construct 5-channel earth station; \$135,000 guaranteed for Franklin Cablevision Inc., Louisburg, N.C., to construct system for 716 subscribers.

**Qube poll** of 2,400 homes in Columbus for NBC's Speak Up America found 49% favoring Reagan, 13% Carter, 12% Anderson, 8% Kennedy, 18% none of above. Voters rejected ERA, favored open convention, buying only American products, draft registration of men & women.

**Brooklyn cable TV joint venture** was announced by Cablevision N.Y. Corp. and Bedford Stuyvesant Restoration Corp., to compete for franchise there. Restoration will supply \$10 million capital for \$150 million project, will jointly train future cable personnel under Labor Dept. grant.

**SAG/AFTRA strike** ended 3rd week with no progress in negotiations. Unions plan to picket Universal Studios this week.



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## STATE OF THE INDUSTRY

Sales to dealers (total market), from EIA, for week ended July 25 (30th week of 1980):

	<u>July</u> <u>19-25</u>	<u>1979</u> <u>week</u>	<u>%</u> <u>change</u>	<u>July</u> <u>12-18</u>	<u>7-mo.</u> <u>1980</u>	<u>7-mo.</u> <u>1979</u>	<u>%</u> <u>change</u>
Total TV.....	299,112	333,936	-10.4	238,795	7,698,993	8,442,911	-8.8
color.....	193,352	220,687	-12.4	155,434	4,923,470	5,314,973	-7.4
monochrome..	105,760	113,249	-6.6	83,361	2,775,523	3,127,938	-11.3
Home VCR.....	16,711*	7,977	+109.5	9,528	336,914*	204,658	+64.6

Color TV 5-week moving average: 1980—186,050; 1979—195,566 (down 4.9%).

Home VCR 5-week moving average: 1980—12,704\*; 1979—6,837 (up 84.2%).

\*Record for period.

**TECHNICOLOR MINI-VCR AT \$995 AUG. 20:** First of new breed of portable VCRs, using mini-cassettes and designed to compete with super-8 in home photography market, goes on sale at \$995 Aug. 20 in major U.S. markets. It's Technicolor's 7-lb. unit which gets 30 min. recording time from 1/4" tape in \$8.95 cassette just slightly larger than standard audio cassette.

Technicolor VCR, made by Japan's Funai Electric, was first described in these pages last Dec. (19:53 p7). At N.Y. press unveiling last week, officials of Technicolor Audio-Visual promised that it's forerunner of line of new recorders using same cassette — 19-lb. combination VCR and 7" color TV set due in Feb., one-piece camera-recorder combination by end of 1981. Also in works for early next year are compatible one-hour cassette and small color camera "as evolutionary in size, weight & performance" as recorder. Meanwhile, conventional camera (almost as big as recorder) is being used.

As viewed at press conference, pictures made off air and dubbed from broadcast VTR appeared to be of excellent quality, although perhaps "softer" than some we've seen — eminently acceptable and not noticeably different from output of Beta or VHS at fastest speed.

Recorder measures about 10x10" by 3" deep, contains NiCad battery capable of 40 min. recording, 80 min. playback, rechargeable in 60 min. Weight of 7 lb. includes 1.5-lb. battery. System is virtually miniature of VHS machine, using same M-wrap principle, same frequencies for FM subcarrier & luminance channel. Cassette contains 189 ft. of quarter-inch tape, moving at 1.26 ips (vs. 1.31 ips for VHS 2-hour speed) with tape-to-head speed also equivalent to VHS, but narrower track, "which only costs us 2 dB in signal-to-noise," according to Sales Vp Ronald Welsh. In its cardboard sleeve, cassette is same size as audio cassette in conventional plastic box. Six cassettes will fit in VHS cassette box, and cassette can be mailed in regular small envelope.

Portable recorder will be aimed both at consumer & audio-visual business markets, will be sold direct to key A-V, video distributor & video retailer accounts, as well as camera stores and some TV & dept. stores, according to Technicolor Audio-Visual Systems Pres. Jack Minor. He said list price of recorder and "temporary" Hitachi-made companion 6-1 zoom electronic-viewfinder camera (about \$900) contain full markup, and he hopes selective distribution will assure profit for dealers. He declined to state how many will be imported, but



commented: "I'd like to have 10 times the number we'll have the first year." Our last report on subject, in Feb., indicated Funai hoped to have capacity to produce 60,000 units annually by end of 1980 (Vol. 20:9 p12).

Can completely new format compete with Beta & VHS? "We're not competing with the 2-4-6-hour VCR," responded Minor. "This is a separate product; from the consumer standpoint, it's more in competition with super-8." Although Technicolor has exclusive U.S. rights to Funai VCR, Minor says he expects other manufacturers to embrace concept and use same cassette (tape & housings are made by Fuji, assembled by Funai). As for Sony's one-piece micro-cassette "Video Movie" system (Vol. 20:27 p7), Minor pointed out that's scheduled for 1984-5, while "ours is here now."

Technicolor will "go very heavily" into pre-recorded software for system — cartoons, other shorts, educational material, how-tos. "We know a few people who make films," quipped Minor, who himself is former TV producer (My 3 Sons, The Millionaire) and onetime sales vp of Chrysler's Plymouth Div.; he has been head of Technicolor AV for 5 years.

Included in \$995 package is recorder, carrying strap, battery, cassette, power supply-recharger-RF modulator. Recorder can tape off air by using external tuner (not supplied by Technicolor). It has normal VCR controls plus such special effects as slow, fast & freeze frame. Cassette contains cobalt doped ferrous oxide tape, but Welsh told us recorder heads are compatible with metal tape. One hour playing time probably will be achieved by loading more (and slightly thinner) tape into cassette using smaller hub, more clearance inside shell; metal tape may be used.

New mini-color camera will use conventional pickup tube, not CCD, is being developed by Funai subsidiary Future Technologies. It will be through-lens type (with electronic finder as accessory), with low enough power consumption to permit one hour of battery use per charge. Technicolor & Funai are shooting at 4-lb. weight for camera, eventually 7 lb. for combination camera-recorder.

Initial shipments probably will be to about 100 dealers in 25-30 markets. "They'll probably only get 2, 4 or 6 units at first," said Minor. Technicolor is setting up service network, has quality control lab at Costa Mesa, Cal. hq.

Recorder has been tested for broadcast use in Japan, was carried by Mt. Everest expedition, which dubbed from 1/4" cassettes to 2" broadcast quad recorders for July 17 TV program on NTV network. Technicolor demonstrated unit last week to ABC engineers, headed by Best. Operations & Engineering Pres. Julius Barnathan, who told us he found quality "better than 16-mm" and that ABC was investigating ruggedized version of unit for ENG travel-edit package.

Note: Television Digest is offering videotaped highlights of last week's N.Y. press conference & demonstration of Technicolor recorder on 20-min. cassette in all current formats. Available immediately, it's first in series of Television Digest Videocassette Extras, covering industry innovations and major product introductions, to be issued as events warrant. Technicolor-Funai portable VCR is also featured in our 60-min. cassette, "Home Video for the 1980s." Ordering information for both cassettes appears elsewhere in this issue.

**COLOR SALES HEADED FOR 9.2-9.5 MILLION:** With 7-month color sales at annual rate of 9.75 million, full year sales now seem certain to hit in 9.2-9.5 million range if there's no upturn in economy. But even slight improvement in consumer buying mood could propel total considerably higher — and 1980 almost certainly will be 3rd best year for color sales, after 1978 (10.2 million) & 1979 (9.8 million).

Color sales in first half 1980 were 7.4% below same 1979 period. If this ratio should hold for rest of year, sales would come out at 9.12 million. For last 5 weeks, though, sales have been down less than 5%; if this continues next 5 months, total will be 9.2 million. However, color's



recession started in July 1979 and last year's sales in final 5 months were 20% below 1978, as opposed to decline of only 1.3% in first 7 months. Therefore, year-ago figures become easier to match or beat from here on in, and current rate of decline won't necessarily continue.

Color sales in first week of EIA's statistical month of Aug. (calendar week ended Aug. 1) exceeded 200,000 — new record for any year's 31st week and up 7.4% from comparable 1979 week. B&w sales for same week were almost 145,000 sets, 2nd best of year and up 6.6% from year earlier.

July color sales, at annual rate of 9.67 million, ran close to 7-month rate, and sales for month were down only 5.6% from 1979. B&w sales were down 8.8% for month, 11.3% for year's first 7 months.

Home VCR sales improved their pace in July, rising 107.8% from 1979 at annual rate of 980,000, based on scanty available seasonal data. For first 7 months, rate was about 800,000. Sales in first Aug. week were just under 15,000, increase of only 38.5% over 1979.

Color inventories showed relatively little movement in July. At factory plus distributor levels, they totaled about 2,638,000 sets, up 5.8% from year earlier. Factory stocks of 1,464,000 were up 7.1% and distributor inventories increased 4.2% to 1,174,000. During month of July, when inventories normally decline slightly, factory plus distributor inventories rose about 0.3%, factory inventories 0.6%, distributor holding level. Combined home VCR inventories stood at 142,000, up 29.2% in year and down 2% in month; at factory, figure was 91,000, up 11.1% in year and down 5% in month, while distributor holdings at 51,000 were up 82.2% & 3.9% over the 2 periods. Here are EIA's sales-to-dealer figures for July:

Product	July 1980	July 1979	% change	July 1978
Total TV.....	986,798	1,058,009	- 6.7	1,123,023
color.....	648,007	686,629	- 5.6	668,170
monochrome..	338,791	371,380	- 8.8	454,843
Home VCR.....	50,313	24,214	+107.8	20,862

Note: First projection TV data have been collected by EIA, but not announced publicly. They show 18,100 projection sets manufactured & imported in U.S. in year's first 6 months. This, of course, excludes projection conversions using standard direct-view sets. Projection TV totals aren't included in sales-to-dealers figures.

**VIDEO, TV IMPORTS UP IN FIRST HALF:** Video & TV hardware importers closed out first half with strong June upsurge. VCRs, TV cameras & color TV all posted major gains compared with same month last year, with only b&w TV failing to improve on June 1979 performance, Commerce figures show.

VCR imports jumped 64.9% in June to 62,200, first significant rise in imports in 2nd quarter — shipments were up just 5.3% in April, only 4.4% in May — putting first half total at 371,700, up 51%. VCR 2nd quarter import total of 168,600 was up 21.1% from same 1979 period but down 17% from first quarter this year, marking first time since Commerce started reporting VCR imports in 1977 that 2nd quarter shipments failed to top those of first. Total TV camera imports rose 96.5% in month to just under 14,000, with color at 10,000, up 245.6%, while b&w posted first increase in 16 months, rising 30.6% to 4,000. First half camera imports of just over 80,200 were up 9.6%, as color rose 66.1% to 58,100, b&w sank 42% to 22,200. Imports of non-magnetic video (disc) players totaled 1,300 in June, bringing 6-month total to 12,200. For first half, Japan was source for 9,600, Netherlands 1,700, Belgium 560, France 28.

New monthly highs for year were set by June imports of total TV and both complete & incomplete color. Total imports of complete & incomplete (chassis & kits) receivers rose 5% in month to 925,800, color up 44.6% to 407,200, b&w off 13.6% to 518,600. For first half, total



imports of 5.03 million were up 9.7%, with color up 8.3% to 2.06 million, b&w up 10.7% to 2.97 million. In color, month's imports of complete receivers posted first increase against same year-earlier month since Dec. 1978, rising 5.3% to 116,000, for 6-month total of 516,900. Imports of incomplete receivers jumped 69.8% to 291,200, 3rd highest monthly total ever, putting half year result at 1.55 million, up 34.5%.

TV imports were up 10.8% in quarter to 2.64 million, color up 25.3% to 1.1 million, b&w up 2.3% to 1.54 million. Imports of complete color were off 7.2% for period to 308,100; incompletes jumped 45.1% to 796,400.

Big & small screen models posted increases in complete-color imports in first half, while mid-sizes all declined. Complete-color import breakdown by size shows 10"-&-under at 74,000, up 29.2% for 14.3% share of import total (up from 7.6% in first half last year); 11-12" at 62,200, down 38.8% for 12% share (down from 13.5%); 13" at 14,500, down 31.3% for 28.1% share (up from 28%); 14-15" at 29,600, down 62.7% for 5.7% share (down from 10.5%); 16-17" at 4,900, down 47.7% for 0.9% share (down from 1.2%); 18-19" at 150,700, down 45% for 29.2% share (down from 36.3%); 20"-&-over at 47,600, up 114.3% for 9.2% share (up from 2.9%). Also imported in period were 2,800 color combinations, representing 0.6% share. Combo imports weren't reported in 1979.

B&w import story can be summed up in single word: Tinyvision. Screen size breakdown for half shows 10"-&-under at 542,600, up 53.3% for 18.9% share of complete-set imports (up from 13.3% share); 11-12" at 2.04 million, up 3.1% for 71.1% share (down from 74.1%); 13-17" at 58,400, down 37.6% for 2% share (down from 3.5%); 18"-&-over at 227,900, down 6% for 8% share (down from 9.1%). Imports of mini-combinations are being reported for first time this year, and their inclusion somewhat distorts comparison with 1979 totals. Commerce says 238,800 combos were imported in first half, representing 8.3% of total imports. With combos excluded, 10"-&-under imports were down 14.2% to 303,900, and share of non-combo imports fell to 11.6% from 13.3%, while 11-12" share was 77.5%.

**HITACHI PLANT OPENING:** With appropriate ceremonies, including presentations by company, state & local officials, Hitachi last week formally opened new 100,000-sq.-ft. color TV assembly plant adjacent to its Compton, Cal. U.S. sales hq. Plant, which started pilot production last March, is Hitachi's 4th electronics manufacturing facility in U.S. Others are IC test & assembly plant in Tex., instrument firm in Cal., just-opened Maxell audio cassette assembly operation in Atlanta.

Plant is designed to employ about 200, turn out some 25,000 19" color sets monthly using 3 assembly lines on single shift basis. Current employment is about 115, including 5 Japanese engineers, now assembling at 12,000 monthly rate on 2 lines. Production is slated to rise to 15,000 monthly by year's end. Timing of move to full capacity will be dictated by market conditions, company spokesman said.

Hitachi claims 2.8% share of U.S. color market, about 1% more than it's credited with in our most recent market share survey (Vol. 20:24 p10), and, with help of U.S. plant output, is aiming for eventual growth to 5%, according to U.S. Sales Corp. Vp Hidekazu Tanaka.

Plant is turning out 8 of 9 models in Hitachi's 19" color line (other is sourced from GE). Assembly is from Taiwan made chassis, U.S. made picture tube (GE), cabinet & other parts. There are no current

plans for other sizes, which will continue to come from Far East. Setup & operation are similar to those of other Japanese operations here, with emphasis on quality control, life testing. Hitachi says failure rate is in 0.3%-0.5% range and is improving.

"Home Video Programming — 1980" is theme of ITA seminar Oct. 21-23 at N.Y. Sheraton. Keynoted by economist Alan Greenspan, seminar will feature panel of security analysts, videodisc session with spokesmen for Magnavox, RCA, Philips & Pioneer. Other sessions will have speakers from major movie studios, tape & VCR manufacturers, retailers, with panels on rights negotiations, distribution, overseas markets. Registration fee is \$475. Information: ITA, 10 W. 66th St., N.Y. 10023.

VHS group is running trade ads in U.K. to tout format, captioned "We got it right from the start" and stating, in obvious thrust at Philips: "We have never changed the design of the VHS cassette. And it will never change in the future either. Which is more than can be said for some of our competitors." Ad is sponsored by Akai, Ferguson, Hitachi, JVC, Panasonic & Sharp.

Britain's Granada TV Rentals is now operating in U.S., advertising RCA & Teknika color TV "as low as \$11.95 a month." N.Y. ads list 11 outlets in N.Y. & Albany areas, plug VCR rental as way to avoid obsolescence: "When your rented VCR becomes obsolete, trade it in for the latest model."



**EMERSON POSTS LOSS:** Emerson Radio posted \$286,000 loss opening fiscal quarter to June 30, against profit in same year-earlier period (see financial table). Company said sales, up 4.1%, were lower than anticipated, and deficit for period included \$125,000 loss by medical equipment subsidiary acquired last year.

Profitability is getting hard to achieve for mid-fi marketers. Recently, Lloyds reported loss for fiscal year to March 31, bulk of deficit coming in final quarter (last week our financial table had wrong dates on quarterly results; correct version appears this week). Morse showed lower, but still substantial, operating loss for fiscal 1980 (Vol. 20:31 p13). Lloyds said deficit and reduced sales were due to general market conditions, late product deliveries from Far East. Company said it's cutting sales & administrative expenses, reducing inventories.

Matsushita's strongest sales gain area in 2nd fiscal quarter to May 20 was consumer electronics & components, where volume jumped 34% to \$1.4 billion, while for half, segment showed 30% gain to \$2.7 billion. Company's export volume jumped 52% in quarter to \$1.17 billion, was up 51% for half to \$2.21 billion. Sales in Japan were up 15% in quarter to just over \$2 billion, rose 12% for 6 months to \$3.77 billion. For quarter, Matsushita had 30% rise in consolidated net on 26% sales gain. Percentage increases were incorrectly stated in our report last week.

Motorola said it netted \$2.3 million on sales of aftermarket car audio business to Texstar and of its 95% interest in Autovox of Italy to Swiss firm. Company said those sales resulted in \$13 million pre-tax special charge, which was more than offset by \$15.4 million tax credit, mainly from deferred losses of Autovox. Dispositions were part of corporate strategy to reduce Motorola's involvement in brandname consumer electronics.

Coleco sales & earnings for 3 months to June 30 were highest for any quarter in company's history, with pretax earnings nearly triple those of year earlier on 33% rise in sales. For half, pretax earnings were quadrupled, sales up 30%. Sales of toys & games rose by about \$20 million in half.

Lafayette Radio says it may have to close its remaining 8 retail stores if it can't come up with investor acceptable to banks before current financing agreement runs out Sept. 30. Operating under Chapter 11, Lafayette has shut down 60 stores since start of year.

Certification exemption for most self-contained non-video electronic games is proposed by FCC in response to petition from Toy Mfrs. of America. Exemption would apply to games with internal timing frequencies of 500 kHz or less. FCC says these don't generate significant levels of RF radiation. As alternative, FCC is considering exemption for games using less than 1/2 watt total power. Comments due Sept. 3, replies Sept. 13.

**GE COLOR LINE:** GE moved toward increased competitiveness in 1981 color line, holding down price increases, dropping electronic tuning from 10", replacing number of on-set & remote keypad tuners with scan tuners, adding some mechanically tuned models. All color models with remote or on-set scan tuners have midband CATV tuning capability. B&W line is shorter, with prices up \$5-\$10.

In color, GE opens with 10" mechanically tuned models retailing at about \$290 & \$295, up about \$6 from pricing last fall; 10" pair with one-knob electronic tuning are out. In 13", mechanically tuned leaders are \$350 (up \$17) & \$360 (up \$20), new one knob tuner version is \$390, new scan remote is \$470. Holdover 17" mechanically tuned leader is \$395 (up \$25), new scan remote \$510. GE reduced 19" starting price point \$35 by adding 2 mechanically tuned models at \$430 & \$440; former leader, with mechanical tuning & VIR, is \$460 (down \$5). Electronic tuning (one knob) starts at \$470 (down \$2), VIR version is unchanged at \$500, unit with on-set keypad & VIR is \$540 (up \$14). New scan remote is \$600 (down \$15 from previous remote leader), pair of keypad remotes with VIR are \$610 (up \$10).

New mechanically tuned 25" console leader is open (about \$600), down \$70 in price point, features new modular chassis used in all new 25" consoles. Console with one-knob tuner is \$640 (down \$40), with step at \$680. Two holdover consoles with one-knob tuning & VIR are \$720 (unchanged), with pair at \$750; version with on-set keypad is \$780. Scan remote console with VIR is \$830, up \$30 from previous lowest priced 25" remote; 3 step-ups are \$876, trio with keypad remotes \$980 (up \$30), versions with double sided cabinets & keypad remotes are \$1,030 (up \$30). New double sided consoles with keypad remotes, VIR, 10-watt audio amplifiers, are \$1,110.

In b&w, GE dropped 2 from both 12" & 19" lineups. B&w now starts with 12" at \$105 (up \$5), with step at \$110 (up \$10), AC-DC \$120 (up \$50). Leader 15" is \$125 (up \$6), with step at \$135 (up \$7), AC-DC at \$140 (up \$8); lone 19" is \$165 (up \$5).

GE will build \$55 million microelectronics R&D and production plant in industrial park in Raleigh-Durham area. Plant is due for completion in 1982, at first will employ 160. Planned expansion could boost GE's investment to \$100 million, employment to 500. GE said facility will design ICs for use by all company divisions, restrict production to custom components, so company will continue as major customer of outside vendors. State recently announced plan to build IC research center in same park, indicated it hoped to get plant commitment from GE (Vol. 20:30 p11).

"Stereo Walkie" is Toshiba's answer to Sony's Walkman. Now on Japanese market at \$175, pocket stereo cassette player accommodates accessory "tuner pack" which can be inserted into cassette slot to turn set into FM stereo radio.



**HEDGING VIDEO BETS:** With no distribution method yet dominant, it's important for video programmers to keep options open, provide software for multiple systems, Herbert Granath, vp in charge of ABC Video Enterprises, said last week before TV Academy's N.Y. Chapter. ABC, he said, would continue to develop programming for "any & all" modes. He predicted development of low cost videodisc system would force down prices of VCRs and other existing program distribution systems.

Granath said international market, where video is developing faster than in U.S. because of limited program choice on state controlled TV, would help speed development of U.S. video industry. In U.S., however, video software will develop as supplement to broadcasting, he asserted. He forecast video industry would provide new uses for existing TV programming, adding that programs broadcast by local stations could become quite valuable for video.

Pace of videocassette releases will step up sharply in fall. MGM/CBS Home Video (Vol. 20:23 p10) plans to release first 25 titles nationally in Oct., including Wizard of Oz, 2001, That's Entertainment, Network, Night at the Opera from MGM; Dr. Suess & Snoopy specials, rock concerts & Bolshoi Ballet's Giselle from CBS.

Magnetic Video's 5-title release for July features The Rose & An Unmarried Woman from 20th Century-Fox and ITC's Domino Principle, Tamarind Seed & Voyage of the Damned. Media Home Entertainment has introduced catalog of 25 features & cartoons dubbed into Spanish (\$45-\$55) in NTSC & PAL color, plans releases in other languages. In addition, it added 25 English-language titles (some same as the Spanish films), including concerts by Alice Cooper & Electric Light Orchestra.

Fotomat, meanwhile, announced Pro-Video Services, offering broadcast quality transfers of films, slides & film strips for education & business. Quarter hour sound movie can be transferred to Beta cassette for under \$45, with additional copies less than \$20 each.

**Mergers & acquisitions:** Topp Electronics, Miami-based importer of Juliette audio line, has been sold by David Topp to investor group headed by Allen Rubin, onetime Spartus Clock chmn. Terms weren't disclosed. Also being sold by Topp is Kendale Technology, marketer of Ken Tech clock line... Tandy has agreed to acquire Lika Corp., Stockton, Cal. producer of double sided & multi-layer circuit boards for \$4.5 million in cash & notes... Solid State Scientific bought 225,000-sq.-ft. Willow Grove, Pa. plant from Ford Aerospace & Communications for \$5 million, with \$4.3 million financed by state development agency.

India may move into color TV next year. Current govt. plan calls for stations to start by colorcasting films & taped programs, with studio equipment for live color to be added later.

**RCA'S JAPAN PLANS:** RCA videodisc engineering team, on its tell-all visit to Japan (Vol. 20:28 p10), plans to show production version of its player Aug. 18 to Japanese & foreign press in separate showings, followed by 10 days of individual demonstrations to its 20 licensees there. Showings will be at Pacific Hotel, walking distance from Sony hq.

Sony apparently remains Japan's leading videodisc skeptic, Managing Dir. M. Morita stating publicly that he's unimpressed by its potential on consumer market, since CATV can accomplish same purpose. Although Sony will make optical players & discs, they're designed for industrial & institutional market.

Japanese press last week carried stories indicating Hitachi, Toshiba & Mitsubishi were strongly considering manufacture of RCA CED players for U.S. market. Queried by our Tokyo bureau, Hitachi & Toshiba dismissed reports as speculation, and Mitsubishi said it didn't plan to be pace setting leader in videodisc.

EIA-J study, meanwhile, indicates videodisc player will be less popular in Japan than VCR. It shows disc player reaching 3.4-5.3% penetration of Japanese homes in 1984, rising to 13.6-20% in 1989, eventually reaching 36.9-45.7%. VCR is seen penetrating 17.6% of homes in 1984, 38.6% in 1989, with potential of 56.3%.

First demonstration of RCA disc player at a seminar will be at Vidcom Sept. 29-Oct. 2 in Cannes, followed by Oct. 21-22 showings at ITA home video programming seminar in N.Y.

Video game patent infringement suit has been filed against Mattel by Magnavox, which holds rights to some basic game patents under agreement with developer Sanders Assoc. Mattel is marketer of programmable \$300 Intellivision game being produced for it by Sylvania. Sylvania also is marketing Intellivision, but hasn't yet been charged with infringement. Over last 6 years, Magnavox has successfully pressed infringement actions on international basis against both home & coin-op video game companies, has number of U.S. & foreign licensees. Largest is Atari which now has U.S. production & sales license, is understood to be negotiating for overseas rights. Magnavox has infringement suits pending against APF & Bally. Bally has been seeking buyer for its Consumer Products Div. for past year. Planned sale to Fidelity Electronics, announced last Jan., fell through (Vol. 20:2 p13).

Formosa Plastics, Taiwan's biggest private corporation, received govt. approval to form \$128 million joint plastics feedstock manufacturing venture in U.S. with La. Chemical & Plastics. Taiwan company will control 60% of venture which will be located in Point Comfort, Tex., start operations in spring 1982.



Anti-piracy stance is creating membership problems for ITA. Blank audio tape manufacturers are seeking ways to fight current record industry drive to cut down on home taping; they believe ITA has become too software oriented to be effective sounding board for them. Group of tape makers listened to membership pitch from EIA Consumer Electronics Group Senior Vp Jack Wayman at recent strategy meeting in N.Y. At meeting, Wayman pointedly noted that program suppliers aren't eligible for EIA membership. ITA has several record companies as members. Dissatisfaction with ITA's increasing emphasis on video programming was evident among videocassette manufacturers at ITA seminar in San Diego last March (Vol. 20:10 p10).

Sanyo was largest among Japanese manufacturers with foreign production bases last year. Sanyo's overseas output was valued at nearly \$1.17 billion, about 25% of company's consolidated sales. Ranked 2nd was Matsushita, with foreign production just over \$1 billion. Planned increases in foreign production could put Sanyo close to goal of having 33% of its output made in foreign plants, with remaining production in Japan earmarked half for domestic market, half for export.

Chicago was picked for next Consumer Electronics Jubilee. Event sponsored by EIA Consumer Electronics Group will run Nov. 14-23, feature seminars & demonstrations by manufacturers, TV & radio interviews of industry figures.

### Consumer Electronics Personals

Kenneth Thomson promoted at GTE Entertainment Products Group to mktg. operations vp; Ron Stoltenberg named Sylvania brand sales vp, replacing Thomson; Enrico Policicchio advanced from product services operations dir. to Philco brand sales vp, succeeding Stoltenberg... Wallace Cooper advanced at RCA to financial planning staff vp. Other new staff vps: Nasswan Dossabhoy, strategic planning; Robert Peiser, treasury planning; Edward Scanlon, operations planning.

William Mathies promoted at Pioneer Electronics (car stereo) from special mkts. national sales mgr. to mktg. dir., succeeding Vp Robert Bunting, resigned... Philip Goldstein, ex-JVC, named Dynaco pres., replacing John Bubbers, resigned... Stanley Cohen resigns as Vanity Fair pres... Fannie Petallides leaves post as Audiovox exec. vp... Andrew Segal promoted at Empire Scientific from national sales mgr. to sales vp, assuming duties of Ken Bush, who resigned as vp-gen. mgr. to form international mktg. & management consulting firm.

Willard Rockwell, slated to retire as Rockwell International vice chmn., designates Memorex Vice Chmn. Robert Wilson & Dictaphone Chmn. E. Lawrence Tabat as dissident candidates for SCM board. Rockwell is leading proxy fight for control of SCM. Both Wilson & Tabat are former Rockwell International executives.

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## 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>Acton</b>			
1980-6 mo. to June 30	62,341,000	1,735,000	.58
1979-6 mo. to June 30 <sup>a</sup>	52,580,000	1,520,000	.53 <sup>b</sup>
1980-qtr. to June 30	31,671,000	931,000	.31
1979-qtr. to June 30 <sup>a</sup>	27,095,000	845,000	.29 <sup>b</sup>
<b>Cowles Communications</b>			
1980-6 mo. to June 30	8,302,000 <sup>c</sup>	2,901,000	.73
1979-6 mo. to June 30	7,536,000 <sup>c</sup>	2,581,000	.65
1980-qtr. to June 30	4,418,000 <sup>c</sup>	1,578,000	.40
1979-qtr. to June 30	4,169,000 <sup>c</sup>	1,451,000	.37
<b>Emerson Radio</b>			
1980-qtr. to June 30	12,602,000	(286,000)	--
1979-qtr. to June 30	12,106,000	145,000	.07 <sup>b</sup>
<b>Foote, Cone &amp; Belding</b>			
1980-6 mo. to June 30	78,121,000	5,500,000	2.04
1979-6 mo. to June 30	63,555,000	3,769,000	1.45
1980-qtr. to June 30	42,364,000	3,890,000	1.44
1979-qtr. to June 30	34,247,000	2,750,000	1.06
<b>Grey Advertising</b>			
1980-6 mo. to June 30	46,504,000	2,798,000	4.59
1979-6 mo. to June 30	41,484,000	2,580,000	4.14
1980-qtr. to June 30	26,293,000	2,174,000	3.59
1979-qtr. to June 30	23,693,000	1,988,000	3.19
<b>ITT</b>			
1980-6 mo. to June 30	11,400,000,000	411,022,000 <sup>d</sup>	2.82
1979-6 mo. to June 30 <sup>a</sup>	10,300,000,000	368,530,000	2.57
1980-qtr. to June 30	5,900,000,000	64,490,000 <sup>d</sup>	.44
1979-qtr. to June 30 <sup>a</sup>	5,350,000,000	158,466,000	1.11

### Lloyd's Electronics (correction)

1980-year to March 31	90,814,200	(5,615,100)	--
1979-year to March 31	108,442,400	(2,595,800)	--
1980-qtr. to March 31	16,978,200	(5,703,100)	--
1979-qtr. to March 31	18,239,400	(2,625,800)	--

### MCA

1980-6 mo. to June 30	627,237,000	67,505,000 <sup>e</sup>	2.87
1979-6 mo. to June 30	555,934,000	93,282,000 <sup>e</sup>	4.00
1980-qtr. to June 30	304,477,000	41,866,000 <sup>e</sup>	1.78
1979-qtr. to June 30	272,926,000	29,403,000	1.26

### Meredith

1980-year to June 30	349,000,000 <sup>f</sup>	21,399,000 <sup>f</sup>	6.87
1979-year to June 30 <sup>a</sup>	318,091,000	16,322,000	5.28
1980-qtr. to June 30	85,630,000	4,150,000	1.33
1979-qtr. to June 30 <sup>a</sup>	77,148,000	3,994,000	1.29

### Oak Industries

1980-6 mo. to June 30	179,688,000	9,479,000	1.79
1979-6 mo. to June 30	133,458,000	4,500,000	1.18
1980-qtr. to June 30	94,040,000	4,764,000	.89
1979-qtr. to June 30	70,706,000	2,730,000	.71

### Ogilvy & Mather

1980-6 mo. to June 30	124,521,000	6,848,000	1.65
1979-6 mo. to June 30	100,217,000	5,285,000	1.30
1980-qtr. to June 30	66,686,000	5,632,000	1.36
1979-qtr. to June 30	56,606,000	4,488,000	1.10

### Times Mirror

1980-28 wk. to July 13	921,060,000	60,149,000	1.76
1979-28 wk. to July 15	792,525,000	66,815,000	1.97
1980-16 wk. to July 13	517,778,000	35,799,000	1.05
1979-16 wk. to July 15	449,965,000	38,516,000	1.14

### United Cable TV

1980-year to May 31	44,678,000 <sup>f</sup>	6,513,000 <sup>f</sup>	1.59
1979-year to May 31 <sup>a</sup>	30,966,000	3,929,000	.96 <sup>b</sup>
1980-qtr. to May 31	12,498,000 <sup>f</sup>	1,897,000 <sup>f</sup>	.46
1979-qtr. to May 31 <sup>a</sup>	9,427,000	1,320,000	.32 <sup>b</sup>

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

## TELEVISION DIGEST VIDEOCASSETTES — Order Form

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(see preceding page)

Please send me \_\_\_\_\_ copies of the Television Digest Videocassette Extra, Technicolor Lightweight Portable VCR.

Check format: Beta-1 (\$75) ☐ Beta-2 (\$75) ☐ VHS (\$75) ☐ U-Matic (\$85) ☐

(PAL and SECAM rates on request.)

Check here if you wish to order *Home Video for the 1980s* at \$250 in any format. ☐

Check here for both *Home Video for the 1980s* and Television Digest Videocassette Extra at the combination rate of \$300 (any tape format). ☐

**IMPORTANT!** For *Home Video for the 1980s* and combination orders, check format:

Beta-1 \_\_\_\_\_ Beta-2 \_\_\_\_\_ VHS \_\_\_\_\_ U-Matic \_\_\_\_\_

(PAL and SECAM orders for *Home Video for the 1980s*, \$100 extra.)

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Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

Check or company purchase order must accompany this form.



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AUGUST 18, 1980

VOL. 20, NO. 33

## SUMMARY-INDEX OF WEEK'S NEWS

### Broadcast

**PREMIERE PAPERS:** Justice Dept. releases internal Paramount memos showing plans to take over Showtime, fight war with HBO. Premiere chmn. says venture will likely fold if suit lost, but company is still signing cable contracts. JD says studios withholding product from pay-TV competitors. (P. 1)

**CONVENTION HO-HUM:** Democrats find unity and lackluster TV in N.Y. Small defends length of coverage; Leonard sees similar commitments in 1984. Broadcasters find facilities crowded and poor ratings. (P. 3)

**LACKLUSTER 1979 FOR TV?** NAB questions own TV station survey, doesn't release year-before comparison figures, calls survey 'skewed.' (P. 4)

**MINI-ENG** may be next trend as Japanese broadcasters explore use of 1/4" recorders and one-person crews. (P. 5)

**JENCKS NAMED** to head new RKO subsidiary for 13 stations. (P. 6)

### Consumer Electronics

**CED VIDEODISC** chosen by J.C. Penney. Hitachi may be next. Pollack to Japan for demonstrations. (P. 8) Videodisc boxscore. (P. 11)

**PREMIERE PAPERS—'WAR' WITH HBO:** With Premiere admitting it will probably fold if it loses its 9-month pay-TV exclusivity on major studio movies, Justice Dept. last week asked for preliminary injunction to halt service, submitted internal Paramount memos calling for "guerrilla war" against HBO.

Providing revealing internal glimpse of studio strategy, JD filing at U.S. Dist. Court in N.Y. includes documents suggesting that studios considered taking over Showtime as vehicle to halt HBO domination. Documents show Premiere idea was result of 4-year planning effort by studios. Paramount memo from 1976 suggested setting up pay-TV network by bicycling tapes to cable systems and other means (satellites aren't even mentioned).

**Memo said:** "We must attempt to slow and hopefully stop [HBO's] march and silence their drums." Memo urged Paramount to "start with guerrilla warfare... At this point in time, we will not compete in hand-to-hand combat... [Studio] goals are basically the same. To erode HBO's ever increasing leverage and eliminate outside middlemen from our business. We know from the television business what can happen and don't want it to happen again... Whether by joint

**TV DUMPING INJURY** review requests filed with ITC by Matsushita & Sanyo. Zenith, COMPACT, EIA Tube Div. opposing bid. Court to hear COMPACT dumping challenge Sept. 15. (P. 9)

**RECORD COLOR OUTPUT** by U.S. factories in 2nd quarter & first half indicated by our analysis of EIA & Commerce data. (P. 10)

**TV IMPORT BREAKDOWN** for first half shows color down from Japan, Taiwan & Korea, up from Singapore & Mexico. (P. 10)

**RCA TO PROMOTE** remotes with \$120 trade-in, adds low-end 19" to match Zenith. Radio Shack to sell RCA-made color sets. (P. 11)

**PHILIPS BLAMES DROP** in net for quarter & half on consumer electronics, industrial products. Soundesign, Superscope post losses on lower sales. (P. 11)

**ALLIED ARTISTS VIDEO** dies as parent Lorimar refuses further financing. Inventory to be liquidated, titles licensed. (P. 12)

**KORVETTE HALTS CREDIT** sales as it finalizes debt payment plan. J.C. Penney net down. NARDA reports most consumer electronics sales slipped in 1979. (P. 12)



venture or going alone, we can not sit idly by and watch HBO gobble up the market with our product. The pay-cable business is our future. The revenue potential is staggering."

By 1978, strategy had changed. Paramount TV Distribution Pres. Richard Frank suggested in Dec. memo that Paramount and Universal offer 52 pictures a year as a basic cable service, charging between 50¢ to \$1 per month per subscriber.

In 1980, concept changed again, Feb. internal Paramount memo stating that buying part or all of Showtime "may be the vehicle that gets our service into the market in the quickest and most cost-effective manner." Memo states: "The studio's current lack of control in pay TV programming is widely acknowledged to be the result of a lack of vision by the studios in conjunction with a certain amount of greediness.

"It is these traits which have generally persuaded the MSO's that a joint venture with the studios or by the studios will not likely bear any fruit... This is a very difficult argument to rebuke [sic]." Memo shows threat of MSOs establishing own pay-TV service was disturbing to studios. It states TCI, Times-Mirror and Cox were taking steps to provide pay-TV service, doesn't mention MSOs who formed recently-announced Rainbow service (Vol. 20:31 p4). Memo to Frank states: "Should the MSOs succeed and establish a foothold in controlling their own programming distribution channel, it is of concern that the long-term ramifications of this control are such that the studios may not participate fully in [pay growth]."

Studios were aware of possible antitrust problems as early as 1976, documents show. Said memo to Paramount Pres. Barry Diller: "As for the combine of Paramount, 20th Century Fox and United Artists... should the joint venture not be charged with any antitrust violation... our ultimate goal of substantially eliminating or severely altering HBO... would raise more than eyebrows in the Justice Dept."

JD motion said Premiere is "a classic cartel to fix prices and a group boycott," said 9-month withholding of movies from other companies will "substantially hinder the ability of these services to compete meaningfully for cable TV system affiliates and viewers." JD charged that Premiere partners have already stopped negotiating with competitive pay-TV companies for supply of feature films.

Govt. said witnesses will testify that studios "wanted more money and would take whatever action was necessary to get it." Injunction is needed, JD said, because implementation of Premiere will damage the structure and operation of the entire pay TV industry and prices for remaining movies can be expected to "rise sharply." First hearing before Judge Gerard Goettel is expected within months.

JD said price fixing element was joint venture agreement between Columbia, MCA, Paramount, 20th Century Fox & Getty Oil to establish minimum fee to producing studio of \$250,000 for each movie used for Premiere, maximum fee of \$4 million, based on box office results.

Joint venture deal provided that Getty would provide transponder through ESPN, movie companies would provide another transponder on Westar. JD motion contained copy of agreement, internal memos from Paramount, depositions from HBO, Showtime, Warner Amex.

Premiere Chmn. Burt Harris told us that if JD gets injunction on 9-month window, "My recommendation will be and my presumption is that we'll close the company... Because if we don't have something different to sell (9-month lead time on movies) we cannot create new competition... That I believe strongly in."

Harris, with contract through 1983, said Premiere is staffing up without regard to the suit, now has 10 employees, will have 50 within 60 days, plus 20 more under contract at Getty's ESPN hq in Conn. He wouldn't reveal which cable systems have signed contracts, called number "meaningless. All that will do is generate comment. It's an academic question. We do have



contracts signed and will be on the air Jan. 1, even if we don't have one subscriber. The numbers mean little since we could have cable systems serving millions, but that doesn't mean we will have one Premiere subscriber. We don't have any Premiere subscribers yet and haven't named our transponder."

Harris said delay would be costly, since Premiere is spending money on space, personnel & programming. "We won't be spending much more money once we actually start... Any delay is a very, very serious problem. We are just now starting our marketing effort and I would have to presume that many cable companies are taking a 'wait-and-see' attitude. But we have had people come forward and say 'Notwithstanding the suit, we are with you.' We will do all we can to expedite this."

Premiere asked court to include Premiere as party in lawsuit, which only names joint venture partners. "Premiere is the company that would be stopped if [JD] won their suit. We should be able to interact in defending ourselves against the suit. We have signed contracts and are going forward," Harris said. He said he intends to continue signing contracts with cable systems on assumption that service will start Jan. 1.

**DEMOCRATIC CONVENTION HO-HUM:** Although it drew higher ratings than GOP Convention, Democratic quadrennial meeting was by many accounts lackluster TV — except for speech by Ted Kennedy — and it provided little suspense, less enthusiasm, and not that much news.

"I'd give it a C as conventions go," said CBS Pres. William Leonard. "It certainly has not been the most thrilling, but it's far from the worst. There were some high points: Suspense of Carter-Kennedy relationship, lots of wheeling and dealing in the party and a thrilling speech by Kennedy, the best since Adlai Stevenson in 1952." NBC News Pres William Small said he "didn't think that much" of first 2 days, but found Kennedy speech extremely exciting. "I haven't seen a speech like that in years." Ted Kavanau, senior CNN news producer, said he came to Convention worried that this wouldn't be a highly news-making convention. But he said Kennedy-Carter conflict "has made this more interesting. It's had more emotional impact than we thought it would."

Since GOP convention, print journalists have repeatedly criticized networks for devoting too much time to conventions, criticism which some at CBS and ABC have agreed with to some extent. Small disagreed: "We did more [coverage] than anyone else and we think it was extremely worthwhile. In retrospect, there are some things here or there that could have been cut. I'm amused by the print guys who asked, 'Do you really have to devote that much time?' I ask them how many column inches they devoted to the Convention. There are few moments in the average voter's life as important as when they vote for a president."

Leonard foresees networks committing same resources in 1984. "When you make these decisions a year or 2 in advance, you cannot cut back. You may not even know where the convention is going to be. In my opinion, these decisions will be made for the same scale as this time." What may be different, he said, is when the networks will begin broadcasting. "The networks will tend to start later and later. Coverage used to start at 6:30 or 7. It has tended of late to start at 7:30 and even at 8. My guess is that 4 years from now 8 p.m. will be the rule and even 8:30."

By most accounts, broadcast journalists coped well with facilities much more limited than in Detroit (which were highly praised). TV networks and Mutual shared 16,399 sq. ft. of space, almost 3,000 less than 1976 convention in same spot. Non-network TV & radio, on other hand, had some 1,200 sq. ft. more than 1976. Convention floor also was smaller than in Detroit. Leonard said this has caused "physical strain" on his reporters. "It is enormously crowded. It is almost dangerously crowded." Said Small: "It's been very tough for our floor people. Four years ago here it was very tough, and that was a coronation." ABC's Robert Seigenthaler said one large problem was fact that ABC is spread out in handful of places. "That has built-in problems in people flow. In Detroit, you were able to solve problems in person. Here, a lot of business is on the phone. The trouble shooters have to take cabs all over."



Convention drew far more independent electronic journalists than that in Detroit, according to Patrick Cullen, asst. supt. of House Radio & TV Gallery. He said his office issued 3,100 credentials, 800 more than at GOP. He said key reason was that many journalists came in just for a day. "New York is more accessible," he said.

TV network officials said they encountered few technical problems, although almost everyone complained about tight security. (Security official at one point threatened to cut NBC correspondent Douglas Kiker's cables.) Others, however, had major problems. CNN, for instance, lost power in its anchor booth several times, although not while on air. It finally set up alternate anchor booth in other area as backup.

If Convention was lackluster, so were ratings. CBS was winner in national average Mon.-Wed. (GOP Convention figures in parentheses), garnering 9.3/18.8 (7.8/17.1). Next was ABC with 8.9/17.8 (7.3/15.9), then NBC with 8.8/17.7 (7.1/15.7). Thurs. national figures were unavailable. Indicative of lack of interest at Convention was scene Wed. night behind podium where group of delegates, reporters and others gathered around TV screen, following action. Crowd grew, others peered over shoulders to catch glimpse. The program: "Casablanca."

**LACKLUSTER 1979 FOR TV?** NAB annual TV station survey indicates average financial performance was down last year from 1978, but NAB says survey was thrown off by larger-than-usual reporting by secondary-market UHF stations. For first time, NAB released survey figures without comparing them to year before, giving discrepancies as reason.

Survey showed dip in profits, only small increase in revenues and time sales. NAB didn't quarrel with profit dip — official said drop was expected because of inflation. Problem was revenues & time sales, with NAB insisting small 7% increase in both isn't accurate and FCC survey will show more representative 11-12% increase.

Survey results: 88.5% of reporting stations showed profit (93.5% in 1978); typical station had profit margin of 25.9% (28.5% year before) on average time sales of \$4.58 million (\$4.3 million); average pre-tax profit was \$1.03 million (\$1.07 million); net broadcast revenue, \$4.01 million (\$3.76 million).

Calling figures "skewed," NAB official said more UHF stations became members last year, apparently felt more obligated to participate in survey (although survey is industry wide). More UHF participation makes survey more accurate in long run, but also makes comparison with last year inaccurate, he said. Survey also shows typical station had payroll of slightly over \$1 million (similar to year before), with total expenses, \$2.9 million (\$2.7 million before).

**New Rainbow pay-tv service announced** monthly per-subscriber rates: \$2.40 for Escapade (action-adventure movies & specials on 5-day schedule); \$1.20 for combo of "bravo" (Sun.-Mon. cultural series) & Sneak Preview (major movies shown before release to other pay services); \$3.60 for both, with volume discounts available. Start-up date for partnership of Cablevision, Comcast, Daniels & Assoc., and Cox Cable is Oct. 26. Daniels Mktg. Vp Thomas Johnson estimated Rainbow will pick up 25-30% of 4 MSO's 1.2 million basic subscribers. Other Rainbow announcements: First bravo production will be Aug. 22-24 Aspen Music festival; Sheila Mahony, ex-Carnegie Commission and an author of PACE report, has been hired as full-time bravo consultant.

**Woodruff seminar on "News Technology of the Future,"** Sept. 11-13 in San Francisco, features Jay Bowles, AP deputy dir. of bestg., on "Will Best. News Survive the '80s?" Fee: \$295. Contact: Woodruff Organization, 415-788-4000.

**N.J. group wants Ch. 9 N.Y. (WOR-TV),** has asked FCC to open proceeding so it can file competing application. Crossroads Communications, group of prominent N.J. residents including former speaker of N.J. Assembly, told FCC that action could solve "N.J. problem." Crossroads said Multi-State Communications, only remaining applicant now that RKO has been disqualified, "promises no relief from the current inadequacy of service [to N.J.] ... in view of Multi-State's minimal N.J. ownership or other N.J. ties." Group also asked Commission to grant petition for rulemaking, filed by Sens. Williams (D-N.J.) & Bradley (D-N.J.), to reallocate Ch. 9 to N.J.

**"Interim" DBS service** — proposed by NTIA (Vol. 2:32 p2) — isn't likely to find favor at FCC, where staffers believe that 7-year life of satellite would make "interim" designation meaningless. Staff is preparing notice of inquiry for U.S. DBS, intends to present it to Commission Sept. 30. NOI is reportedly favorable to DBS as further means of diversifying program choices for viewers, we understand.



**NEXT WAVE—MINI-ENG?** Japanese broadcasters are getting excited about possibility of using 1/4" VCRs for ENG, and Nippon Bestg. Corp. (NTV) News Technical Mgr. Yukinobu Yoneda — having already used system — says ruggedized version with editing capability could be ready for everyday use in year.

NTV was encouraged by its broadcast of 2-hour Himalaya mountain climbing expedition special June 16 of which 80% was taped on consumer model Funai 1/4" VCR purchased at retail store, using single vidicon JVC consumer camera. Funai unit is same one introduced into U.S. consumer market by Technicolor, whose ENG use is being explored by ABC (Vol. 20:32 p7).

Although NTV had intended to make extensive modification of VCR, it had time to modify only one circuit board and microphone connector. Cameraman who carried it slept with VCR in his sleeping bag to keep it warm. For editing, 1/4" tapes were duffed to 1" Type C VTR through TBC & picture sharpening equipment. On basis of Himalaya special and other news use, Yoneda said 7-lb. VCR provided better pictures than 3/4" units, although it must be pushed to limit. Ruggedized broadcast version capable of direct editing is now under development. NTV, which uses ENG equipment for 90% of its news broadcasting, believes it can reduce camera & taping crew from 3 persons to one with new equipment.

(Copies of Television Digest Videocassette Extra taped at Aug. 7 news conference introducing 1/4" VCR are still available; they include sample material made by Tokyo TV station using unit. Call our Washington or N.Y. office for information about 20-min. cassette.)

**Video via telephone** technique announced by Bell Labs last week won't be used for relay of broadcast quality TV. Bell Labs said improved digital bandwidth compression technique "may make it possible" to transmit videoconferences over copper wire digital carrier phone lines. Bell said "further development is required to reduce these computer simulations to a practical system that can be put into service."

**Deaf captioning** using line 21 system will be used in 150,000 homes by end of 1981, National Captioning Institute Pres. John Ball estimates. Ball said NCI is renewing efforts to persuade CBS to join program since "there are no valid reasons why CBS cannot participate in closed captioning now while waiting for FCC action [on teletext] and while continuing its feasibility studies of the teletext system."

**Supporting cable moratorium** proposed by National League of Cities (Vol. 20:29 p2), NBMC chmn. Pluria Marshall said "cable industry has utterly failed to provide adequate public access and equal employment opportunities." He said cable "has the worst record in minority hiring of any media industry in the country." NBMC will urge black mayors to support halt to franchising, he added.

ABC appealed Carter-Mondale campaign case (Vol. 20:11 p2) to Supreme Court, said D.C. Appeals Court decision was "contrary to the purposes of the Communications Act... unduly restricts the discretionary judgment broadcasters are permitted... in allocating time to federal candidates... impermissibly casts the Commission in the role of supervising political programming." Appeals Court upheld FCC ruling that networks were unreasonable in turning down request by Carter-Mondale Presidential Committee for time to announce re-election campaign.

**Cable network notes:** (1) English Channel, former tape bicycled stand alone basic cable service, moves to USA Network Sept. 7, featuring programs from British Granada network. (2) CFMT Toronto intends to uplink from WIVB Buffalo, hoping to be first Canadian superstation aimed at U.S. cable viewers. (3) HBO began 18-hour daily east coast Cinemax pay-TV feed on Satcom 1, serving 56 cable heads; west feed starts Sept. 1.

**U.S. cable consumer profile** will be offered by Cable Marketing Management based on comprehensive data from small, mid-size and major metro systems. CMM, subsidiary of Durbrow Assoc. in Columbus, will offer data at 2-day seminars in Columbus Oct. 9-10, Dallas Oct. 23-24, Boston Oct. 29-30.

**Spark plug rules** should be reconsidered by FCC, MST said of Commission decision not to set standards on interference from spark ignition systems in cars. MST said federal mandatory standards are needed to reduce interference to TV and land mobile signals.

**WTAR-TV Norfolk**, CBS affiliate, is being sold to Knight-Ridder. Price hasn't been disclosed, but it's believed to be \$40-\$45 million. Seller Landmark previously had tentative deal to sell to Scripps-Howard, but that fell through, and station was put up for bids.

**Claiming partial victory** despite losing suit to force networks to use closed captioning or signers at Democratic Convention, attorney for deaf Cleveland man who filed class action suit said as result of it, networks carried some sign language interpretation.

**Klan trial jurors** in Greensboro, N.C. were shown WGHP-TV High Point, N.C. news film of Nov. 3 rally in which 5 Communist Workers Party members were killed in confrontation with Klan. Film was subpoenaed by dist. attorney.

**Video Group** was announced by Bureau of National Affairs, Washington legal publisher, to produce 8 tapes on tax aspects of divorce with Warner Amex's QUBE in Columbus, intended for attorneys and accountants.

**Teleprompter set up studio**, produced 3- & 5-min. interviews with congressmen at N.Y. Democratic convention for TPT cable systems.



NBMC is opposed to FCC's handling of plans for 9-kHz AM channel spacing, complained that FCC's plan to accept statements of intent from non-minorities could harm minority chances. NBMC asked FCC to postpone Oct. 1 deadline to Dec. 15, hold meetings throughout country to explain intent procedure to minority broadcasters, increase minority participation in Region 2 Advisory Committee, issue statement to emphasize that filing of intent statements by non-minorities doesn't give them any advantage over minorities.

Pentagon wants to block construction of transmitter tower near Eglin Air Force Base in Fla., says it threatens secret tests involving radar evasion by B-52 bombers. Defense Dept. asked FCC to deny applications of 7 firms competing for new high powered FM radio station in Fla. Panhandle (all proposing same site for transmitter). Other competing firm, proposing different site, isn't included in Pentagon request.

Jurors named for Alfred du Pont-Columbia University Survey & Awards in Broadcast Journalism: Nora Ephron, writer, editor; Elmer Lower, broadcaster, teacher; Eric Sevareid, CBS news; Margaret Young, civic worker, author; Osborn Elliott, dean of Columbia's Graduate School of Journalism; Edward Barrett, publisher, Columbia Journalism Review; Richard Baker, Columbia journalism prof.

NCTA 1981 convention was switched back to L.A. from Las Vegas after L.A. officials threatened multi-million-dollar suit to hold Assn. to original plans. Suit would have been first of its kind, a test case, according to NCTA officials. Convention runs May 29-June 1, starting on Fri., only dates available. One benefit: Light traffic between Convention Center and hotels on week end.

"The Boom in Cable TV," 5-session program on politics, technology and govt. regulation of cable, will be offered by UCLA Extension. Program begins Oct. 13, features govt. officials, cable experts & owners, costs \$75, meets Mon., 7:30-10 p.m., Neuropsychiatric Institute Auditorium, UCLA. Details: 213-825-9064.

Oak will appeal adverse STV piracy judgment in L.A. federal court, (Vol. 20:32 p5), calling decision "merely a temporary aberration... completely contrary to conclusions reached recently in similar cases by federal judges in Mich. & Ariz. We don't regard this as a serious development."

Personal attack and political editorializing rules should be repealed by FCC, NAB says in filing asking for FCC rulemaking proceeding. Rules "have stifled debate and inhibited broadcasters," NAB said.

Ampex Corp. delivered 2,000th VPR-2 helical scan videotape recorder to Datacommunications, Paris.

News organizations, headed by Radio-TV News Directors Assn., filed U.S. Supreme Court brief in Chandler vs. Florida case, supporting state's position that defendant's right to fair trial isn't hurt by presence of cameras and microphones. Florida is 1 of 13 states which allow cameras despite objection of defendants. Brief's appendix updates electronic coverage rules state-by-state.

Televising trials could reduce number of reporters and "lessen the chance of any distraction," San Diego attorney H. Dean Steward argued on behalf of client Joseph Meltzer in federal fraud trial stemming from ABSCAM investigation. Meltzer & wife Hilda face charges, but Hilda's attorney will oppose TV coverage because it might intimidate witnesses.

Richard Jencks, ex-pres. of CBS Best. Group and once head of CBS Washington office, has been appointed chmn. of NewCo., RKO's proposed new subsidiary proposed to operate WHBQ-TV Memphis and 12 radio stations. RKO had proposed new company as means to further separate it from General Tire and RKO (Vol. 20:28 p7).

Japanese CATV grows with 25,334 facilities at end of 1979 serving 2,314,426 terminals, up 400,000 in 1 year. Govt. license is needed if system has more than 500 subscribers; 274 systems have more than 500; 14,848 have 51-500; 10,212 have less than 50. Pioneer is leading CATV facility manufacturer.

Cox Bestg. Corp. agreed in principal to sell business publishing div. to Hearst Corp. for \$26 million. Div. includes United Technical Publications, National Auto Research Publications, Industrial Machinery News Corp., Bart Publications, direct mail services, catalogs, buyer's guides & newsletters.

Advanced DBS home antenna is being developed by NASA with Edutel Communications & Development, Palo Alto. Edutel won noncompetitive contract to study design and development of direct-to-user 12-GHz ground station with offset-fed parabola, ultra low side lobes, suitable for urban use.

Radio looks at TV in 20-part critique of new TV season, election coverage, and future of broadcast by critic Steven Scheuer Aug. 30-31 on CBS Radio Network.

Network ad investments were \$401.2 million in June, 23.9% higher than year ago; first half billings passed \$2.5 billion mark, TvB reports.

KCWY-TV (Ch. 14) Casper, Wyo. began Aug. 12, bringing total operating stations to 1,025 (628 VHF, 397 UHF).

Cable News plans Nov. 11-12 ad seminar in Atlanta, at Colony Square Hotel. Registration \$60 before Sept. 15, \$75 after.

Next target of SAG/AFTRA picketing is Disney Studios Aug. 21.



## Personals

Earl Greenburg, ex-NBC compliance & practices dir., named vp, compliance & practices, west coast; Susan Beckett, ex-Justice Dept. antitrust div. trial attorney, becomes senior counsel, NBC Law... Jerry Stahler named vp, engineering & operations, CBS TV Stations Div... John Grace, ex-ABC central div sales mgr., promoted to vp-sales, central div., replacing Douglas Streff, shifting to sales vp, western div... Homer Lane, KOOL-TV Phoenix vp & gen. mgr., appointed chmn., CBS affiliates new govt. relations committee... Chuck McKeever promoted at WDBJ Roanoke to vp & station mgr... O.J. Reiss, currently creative services dir., KTVU Oakland-S.F., will move to Cox Bestg. corp. hq as dir., local sales development.

Steven Bookshester, ex-aide to Rep. Mikulski (D-Md.), named dir., FCC's Children's TV Task Force, replacing Susan Greene, joining Manhattan Cable as vp, corp. affairs; Paul Fox, former engineer, Office of Plans & Policy, moves to asst. chief for technology in same office... Michael Sommerfield moves at KGUN-TV Tucson from national sales mgr. to gen. sales mgr... Robert Carpenter, ex-marketing prof., selected local/regional sales mgr., WUHQ-TV Battle Creek-Kalamazoo... Paul Travis, ex-Dayton Daily News reporter, joins Television Digest as an assoc. editor.

John Walden, ex-20th Century Fox, named vp, research & sales development, Columbia Pictures TV... Robert McRann, ex-Gibson Instrument, joins Oak Communications as vp, operations, CATV div... H.I. Grousebeck elected chmn., Amos Hostetter pres., at Continental Cablevision in realignment of responsibilities of 2 founders; Timothy Neher elected vp & treas... Daniel Gold, ex-WCAU-TV Philadelphia gen. mgr., joins Comcast as vp & exec. asst. to pres... Laurie Young, former ICAP assoc. administrator, joins Daniels & Assoc. as dir., mktg. services.

Gregory Rose promoted at TeleRep to Atlanta sales mgr... Sherman Miller, ex-Comtech Antenna vp, starts Unicom, Maitland, Fla. communications consultancy... Gregory Groce, ex-AP Fla. best. exec., becomes AP cable TV dir., succeeding Henry Heilbrunn, becoming dir., information technology... John Higgins, ex-consultant, appointed corp. dir., public relations, Conrac... Tinga Lingelbach promoted at Teletronics to operations mgr... Charles Rockhill, ex-Drake-Chenault, joins Moseley & Assoc. as mktg. mgr... Dean Richmond, ex-Buffalo State College, named news services mgr., RCA Govt. Systems... John Lawrence, ex-Privy Council office, named to 7-year term as vice chmn., Canadian Radio-TV & Telecommunications Commission... Andre Lamy, ex-CBC, selected exec. dir., Canadian Film Development Corp.

FCC special meetings set for Sept.: Sept. 15, low-power TV & VHF drop-ins; Sept. 15-16, radio deregulation panels; Sept. 18, UHF comparability; Sept. 30, direct broadcast satellites.

## WEEKLY Television Digest

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Bizarre court battle ensued after WAGA-TV Atlanta ran investigative report on Dekalb County Dist. Attorney Randall Peek before Aug. 5 primary in which he ran. Non-stop 2-day fray began early Aug. 4 when Peek protested story, turned down offer of follow-up interview, insisted on reading prepared statement over air. Station refused. Later in day, Peek filed fairness doctrine suit in U.S. Dist. Court in Atlanta which threw out suit for lack of jurisdiction. Peek filed suit with county court which set 3 a.m. Aug. 5 hearing (rescheduled to 7 a.m. at station's request for more "reasonable" hour). At Aug. 5 hearing, county court ordered station to run Peek's statement on noon newscast. Station didn't. Court issued contempt ruling shortly after noon, set 2:30 p.m. hearing. Ga. Supreme Court, ruling on station appeal, issued stay but not before county judge, who ordered cameras off hearing floor, caught WAGA-TV camera crew in banned area, interviewing Peek. Judge threw camera crew in jail, later rescinded jail order after meeting with station lawyers. Peek lost election.

High income readers watched lots of TV, Panorama survey showed. Results: Mean household income \$26,900; male subscribers watched average of 24.9 hours (national average 23.5), female subscribers watched 27.5 hours (national average 29); 39% have cable, more than 60% have pay TV, more than 30% have VCR, more than 25% own video games, more than 10% plan to buy video disc player in next year.

### Obituary

Robert Hurleigh, 68, Washington communications consultant, conservative publisher, retired Mutual Bestg. pres., and past pres., Washington Radio-TV Correspondents Assn., died last week of heart attack.



# Consumer Electronics®

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## STATE OF THE INDUSTRY

Sales to dealers (total market), from EIA, for week ended Aug. 1 (31th week of 1980):

	July 26- Aug. 1	1979 week	% change	July 19-25	1980 to date	1979 to date	% change
Total TV.....	345,278	322,426	+7.1	299,112	8,044,271	8,765,337	-8.2
color.....	200,412*	186,531	+7.4	193,352	5,123,882	5,501,504	-6.9
monochrome..	144,866	135,895	+6.6	105,760	2,920,389	3,263,833	-10.5
Home VCR.....	14,666*	10,592	+38.5	16,711	351,580*	215,250	+63.3

Color TV 5-week moving average: 1980—169,684; 1979—174,632 (down 2.8%).

Home VCR 5-week moving average: 1980—12,996\*; 1979—6,961 (up 86.7%).

\*Record for period.

**PENNEY CHOOSES CED DISC—HITACHI NEXT?** J.C. Penney, whose label is on about 1.5% of all color sets sold in U.S., last week climbed aboard CED videodisc bandwagon, and RCA said it would supply Penney with players for sale in 2nd half 1981. As RCA prepared to start 11 days of Selectavision demonstrations in Tokyo Aug. 18, Hitachi was understood to be ready to announce it would make CED players for U.S. market.

Penney decision had been expected for some time — it has close ties with RCA, which makes most of its color sets. It was 5th brand name to declare for CED, which now has trade names in its camp representing 52.5% of color TV sales (for tabulation, see p. 11). Hitachi would be 2nd Japanese manufacturer to go along with CED, after Sanyo, and Toshiba may well be 3rd.

RCA's team for demonstrations in Japan to some 20 Far East licensees is star-studded, headed by Exec. Vp Roy Pollack who heads entire videodisc project, and includes Stephen Barone, senior vp, licensing, and James Alic, staff vp, Selectavision videodisc. Presentations to individual licensees, in which RCA is expected to offer complete production information, are bound to have impact.

RCA may make some new revelations at Tokyo press conference — probably disclosing that first production line is now in at least pilot operation in Bloomington, Ind. Discs have been in production for some time, and it's indicated RCA is well satisfied with yields so far. Whole videodisc operation, in fact, currently seems swathed in confidence. "I actually saw [Selectavision Videodisc Div. Vp] Jay Brandinger smile," confided one software company official.

Fact that RCA is now promising to provide Sears & Penney with players in 1981 — and making same offer to others, after turning down similar requests earlier in year — is some indication that production plans are going more smoothly than anticipated. Said one top CBS official: "We've had no surprises" in pilot videodisc production project. "Everything is going smoothly."

Silence from VHD camp is deafening, but presumably there will be some word from that source this week or next after RCA Tokyo safari. GE merely says its plans for disc & player consortium with JVC, Matsushita & Thorn EMI are still under negotiation. They still require



GE board & Justice Dept. approval, and next GE board meeting isn't scheduled until mid-Sept. We can find no evidence of any diligent approach by VHD sources to programmers since CES.

RCA, meanwhile, has raised its sights on VCR sales this year, saying they'll "approach" 800,000, which now seems safe. Consumer Electronics Vp-Gen. Mgr. Jack Sauter told us it was first major new market in his experience which hasn't been affected by the economy. "It's still an affluent market dominated by people with money to spend, who live the 'good life.' The average dealer isn't even selling VCRs — it's dominated by specialty stores."

Sauter reiterated his forecast that practical limit to VCR sales is perhaps 2 million units annually, thus differentiating it from videodisc player which, of course, RCA believes is for everybody.

**JAPANESE SEEK TV DUMPING INJURY REVIEW:** Matsushita & Sanyo have asked International Trade Commission to reconsider its 1971 finding that dumped TVs imported from Japan are injuring domestic industry. COMPACT (in conjunction with EIA Tube Div.) & Zenith are asking ITC to reject request.

ITC issued injury determination following Treasury finding that Japanese were exporting TVs to U.S. at unfairly low prices. Since Treasury issued final dumping determination in 1972, all importers of TVs from Japan have been liable for assessment of antidumping duties. Under regulations put into effect at start of this year, most Japanese TV importers have had to post cash bonds equal to 20% of shipment value to cover possible extra duties. An ITC reinvestigation resulting in no-injury finding would put end to bonding and other paperwork requirements on subsequent imports, but would not affect status of sets brought in earlier.

In petitions to ITC, Japanese say domestic industry has changed dramatically since 1971. In color TV, they claim that virtually all Japanese manufacturers are now producing their sets here, or are having them assembled by domestic manufacturers, while imports from Japan have dropped drastically. They note that average value of sets still imported from Japan has risen sharply, and point out that with addition of Japanese-owned plants here U.S. color factory production is currently at record levels. As additional support for contention that Japanese color imports no longer are threat to U.S. makers, they remind ITC of its own recent finding that quotas are no longer needed to limit unit exports from Japan (Vol. 20:20 p12). Arguments against injury from b&w center on lack of significant domestic production, fact Japan has slipped to distant 3rd (behind Taiwan & Korea) as source country for U.S. imports.

Key point in COMPACT & Zenith arguments against review is Govt. failure firmly to establish dumping margins on either past or current Japanese TV imports. Margins are dollar differentials between high home market and low export pricing on similar TV models, and are usually amount assessed in dumping duties. They point out that size of margin is critical to determine whether injury to U.S. industry is severe enough to call for penalty duties, say that without concrete data ITC lacks yardstick necessary for review.

ITC, they say, would be on shaky ground in reopening issue because of pending lawsuits challenging Govt. handling of case and seeking nullification of settlement in which U.S. agreed to drop dumping and other claims relating to Japanese TVs imported through March 31, 1979 in exchange for \$76 million payment by importers (Vol. 20:18 p9). In its filing, Zenith details what it considers to be long history of Treasury & Commerce mishandling of case, calls it "Watergate of Trade."

D.C Appeals Court set Sept. 15 for oral argument in COMPACT-Tube Div. suit seeking civil court review of Govt. procedures in TV dumping case. Last May, court issued still-standing injunction blocking completion of Govt.-importer settlement pending resolution of COMPACT case (Vol. 20:19 p9). Customs Court in N.Y. is awaiting Zenith's response to govt. request for dismissal of company suit asking that settlement be declared illegal (Vol. 20:27 p9). Govt. claims Appeals Court has jurisdiction.



ITC, meanwhile, upheld 1976 finding of no injury from dumped tantalum capacitors from Japan. By 3-2 vote, against original 5-1, ITC revalidated ruling that Japanese hold too small a market share to pose significant threat to health of U.S. producers. ITC reviewed case on order of Customs Court, where Sprague suit challenging 1976 determination is pending.

**U.S. COLOR OUTPUT RECORD SET IN 2ND QUARTER:** U.S. color factories set all-time production record in 2nd quarter, hit new first-half high, but continued drop in complete set imports, held total supply for full period below that of same year-earlier period. That's major finding in our analysis of color market, at factory-plus-import level, based on EIA & Commerce figures.

With assist from expanded production of Japanese-owned plants here, domestic color output rose 3.8% in quarter to 2.34 million, eclipsing earlier record of 2.28 million in 4th quarters of both 1973 & 1978. First half production total of 5.08 million was record for period, topping mark set last year. While total color supply in quarter of 2.65 million was up 3.8% from last year, it was short of 2.72 million record for period set in 1978. That year industry set 3rd quarter total color supply record of 2.72 million, and in final 3 months produced & imported all-time record of 2.74 million.

Domestic TV factories accounted for 60.3% of new TV supply in first half, up from 58.9% in same 1979 months, all of improvement coming in color. U.S.-produced share of color supply rose to 89.8% from 85.4%, while b&w share dropped to just 8% from 15%. For quarter, U.S. production provided 60.5% share, up from 55.2%, as color share edged up to 88.4% from 86.9%, and b&w leaped to 13.2% from 2.3%. B&w totals don't include imports of combinations, reported by Commerce for first time this year. Factoring them in would result in indicated domestic b&w production total of 66,000 for quarter, a negative production of 10,000 for half.

Commerce data indicate that U.S. plants used imported chassis & kits for 32.6% of their production in quarter, for 33.9% in half, up from 24.8% & 25.9% in same respective 1979 period. So in terms of electronics assembly, imports accounted for 40.6% of production in first half, up from 36.7%, and 41.7% in quarter, up from 34.6%. Here's how we break down first half & 2nd quarter total TV supply into domestic production & imports:

#### U.S. TOTAL TV SUPPLY

				U.S.- Produced	% change	Imports*	% change	Total Supply	% change
Total TV	Jan.-June 1980.....			4,798,000	-2.3	3,146,000	-8.1	7,935,000	-4.7
	Jan.-June 1979.....			4,903,000		3,422,000		8,325,000	
Color TV	Jan.-June 1980.....			4,561,000	+2.9	517,000	-31.5	5,078,000	-2.1
	Jan.-June 1979.....			4,433,000		755,000		5,188,000	
B&w TV	Jan.-June 1980.....			228,000	-51.5	2,629,000	-1.4	2,857,000	-8.7
	Jan.-June 1979.....			470,000		2,667,000		3,137,000	

#### 2ND QUARTER

Total TV	April-June 1980.....			2,545,000	+13.1	1,660,000	-9.2	4,205,000	+3.0
	April-June 1979.....			2,252,000		1,829,000		4,018,000	
Color TV	April-June 1980.....			2,339,000	+5.5	308,000	-7.5	2,647,000	+3.8
	April-June 1979.....			2,216,000		333,000		2,549,000	
B&w TV	April-June 1980.....			208,000	+472.2	1,352,000	-9.6	1,558,000	+1.7
	April-June 1979.....			36,000		1,496,000		1,532,000	

\*U.S. production includes sets assembled from imported chassis & kits, imports are complete sets only. B&w imports exclude combinations.



**RCA NEW SETS, VCR:** "One of the largest RCA promotions ever" is planned for Aug. 21-Oct. 12, geared to remote control and using company's successful trade-in approach, with savings up to \$120. Consumer Electronics Vp-Gen. Mgr. Jack Sauter pointed out remote control sales are running 19% ahead of last year and forecast they'd represent nearly 30% of color mix by year's end. He predicted 1980 color sales of more than 9.2 million units.

RCA capitulated on one phase of its price increase strategy — trying to raise 19" leader above \$400 area. In regular 1980 line introduced last May, cheapest set was priced around \$460. With Zenith fielding open list model saleable in \$400 range, RCA last week introduced comparable open list mechanically tuned 19" leader.

RCA also introduced 2 new electronically tuned 13" sets — its first small screen set with keypad tuning at \$400, and scan-remote at \$470. New remote 19" is \$570, same as predecessor. In b&w, RCA premiered open list 12" AC model and 19" at \$180.

Deluxe special-effects 14-day programmable 4-head VCR was introduced at \$1,350, replacing previous 7-day unit at about same price. New VCR has 12-function remote, provides 9-times forward & reverse scan in LP & SLP modes (4.5 times in SP), with relatively noise-free stop & variable (1/4 to 1/30) slow motion. Still in line are \$995 high speed search unit, \$1,200-\$1,250 14-day programmable and \$1,075 portable — latter to be subject of special Sept. promotion. New cameras, previewed last May (Vol. 20:20 p10): Electronic viewfinder unit with 4-1 zoom, RCA's lowest priced camera at \$750, down about \$50 from through-lens viewer predecessor and weighing only 3.3 lb. High end unit with 6-1 power zoom, macro focus, fade, automatic white balance, is \$995, about \$50 above closeout price of earlier model.

\* \* \* \*

Radio Shack will add TV sets as companions to its new \$399 home/educational color computer (Vol. 20:31 p13). Color set, to be priced same as computer, is 13" RCA-made unit with keypad tuning, similar to new model introduced by RCA last week (see above).

Zenith adds simulated leather-covered 12" b&w AC-DC with detachable sunshield (about \$135).

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**Home audio taping** of discs or off air is rampant in Canada, according to Gallup poll showing 54% of recorder owners engaged in practice last year. Survey showed 64% of owners in 16-29 age group were currently taping music from borrowed records. Poll was follow-up to smaller survey conducted by Canadian Recording Industry Assn. earlier this year (Vol. 20:30 p11).

Magnavox will be aiming its VCRs at more camera dealers, it was indicated with appointment of George Simkowski, ex-Admiral & Bell & Howell, as exclusive sales agent for Magnavox products to camera stores. Simkowski heads Sim-Co marketing.

**VIDEODISC BOXSCORE:** Here's how things stand in commitments to videodisc systems by hardware manufacturers. This table lists brand names in order of market share shown by our June survey (Vol. 20:24 p9), disc system chosen for consumer market, and VCR system marketed. CED is RCA grooved capacitance system, VHD is JVC grooveless capacitance, VLP is Philips-MCA optical system (u=unannounced).

Rank	Brand	Share	Disc System	VCR
1	RCA.....	21.0%	CED	VHS
2	Zenith....	20.5%	CED	Beta
3	GE.....	7.5%	VHD*	VHS
4	Sears.....	7.5%	CED	Beta
5	Magnavox..	7.0%	VLP	VHS
6	Sony.....	6.5%	u	Beta
7	Quasar....	5.0%	VHD	VHS
8	Sylvania..	4.0%	u	VHS
9	Mont. Ward	2.25%	u	VHS
10	Panasonic.	2.0%	VHD	VHS
11	Sanyo.....	2.0%	CED	Beta
12	Hitachi...	1.7%	u	VHS
13	Penney....	1.5%	CED	VHS
14	Sharp.....	1.5%	u	VHS
15	Philco....	1.2%	u	VHS
16	MGA.....	1.0%	u	VHS
17	C. Mathes.	1.0%	u	VHS
18	Toshiba...	1.0%	u	Beta
	JVC.....	n.a.	VHD	VHS
	Gold Star.	n.a.	VLP	VHS
	Pioneer...	0	VLP	—

System	No. Brands	Color Mkt. %
CED	5	52.5
VHD	4	14.5
VLP	3	8.6
unannounced	-	24.4

Disc pressing commitments:

CED — CBS, RCA.

VHD — GE-Thorn-JVC-Matsushita\*, JVC, EMI (Capitol).

VLP — DVA, Philips, Pioneer, Sony\*\*, 3M, Universal Pioneer.

\*Not finalized. \*\*Industrial only.

**PHILIPS NET OFF:** Dutch Philips reported sharp declines in 2nd quarter & first half net, although sales were up for both periods (see financial table). Company blamed deficit on rising production costs and selling price pressures in consumer electronics & industrial supplies.

Philips said it cut worldwide employment in first half by 1,600 to 380,200, with layoffs mainly in Europe, Australia & New Zealand. It said workforce was substantially increased in U.S. & Asia.

Soundesign & Supercope both reported losses, lower sales, for 2nd quarter & first half. Their results match those of other major mid-fi audio marketers, including Emerson, Morse & Lloyd's, whose most recent financial statements also showed losses.



**KORVETTES CUTS CREDIT:** Your credit was no good at Korvettes last week. French-owned N.Y. discount chain switched to cash-only sales policy, refused to honor even its own credit cards, after banks called in \$55 million in loans, froze about \$6 million in cash representing funds due Korvettes from credit card purchases banks were processing.

Plastic payments should be OK again this week, however, as result of accord under which lenders have agreed to accept \$28 million in cash as settlement. Deal was negotiated by rehired Korvettes Chmn. Joseph Ris, who had resigned when parent Agache-Willot Group refused to accept his debt restructuring plan pledging 25% of company profits to banks through 1987. Most Korvettes suppliers were shipping on COD-only basis pending clarification of firm's financial situation.

That retailing business is getting tougher was demonstrated by J.C. Penney report of 69% decline in 2nd quarter net on 1.3% sales gain. For half, net was down 63%, sales up 1%. Industry analysts say they expect other major retailers to report similar profit drops for periods.

In annual Cost of Doing Business Survey for 1979, NARDA reports average dealer unit sales of most consumer electronics declined, with exception of VCRs & color consoles, which showed respective 10% & 1% gains. Biggest drop, 4%, was for color combinations, b&w portables & audio components; audio recorders were off 3%; color portables & stereo consoles were each down 1%. Copies of survey are \$25 from NARDA, 2 N. Riverside Plaza, Chicago, Ill. 60606.

ITT will continue making color TV at Basildon plant in U.K., company stated in response to rumors that 900-employee facility would be closed. ITT closed 2 U.K. color plants last year. Company said it issued statement of reassurance because of misinterpretation of announced plan to consolidate all its mainland Europe color production in Germany following completion of sale of its French interests to Sweden's Electrolux (Vol. 20:30 p9). Also in U.K., Grundig rejected requests it reconsider plan for year-end closing of 1,000-worker radio-recorder plant in West Belfast. Grundig said plant has shown losses in last 2 years because of high production costs, indicated market conditions precluded needed steep price increases. Grundig, which became 24.5%-owned affiliate of Dutch Philips last year (Vol. 19:35 p9), shut French parts plant last March, idling 300, is closing German components plant next month, laying off 350.

Electronic bowing teacher developed by Osaka retailer Kintetsu is designed to help younger Japanese improve manners. Instructions note that 15-degree bend is adequate for greeting peers, calls for 30-degree dip for customers, with 45 degrees required to show special respect for superiors. Basic model sells for \$315; deluxe version, which measures position of various parts of body, is \$10,800. Kintetsu says it doesn't expect much export demand.

**ALLIED ARTISTS DIES:** Parent Lorimar Productions pulled plug on Allied Artists Video, creating first significant casualty among Hollywood video software companies. AAV is selling off inventory and Lorimar is negotiating with outside companies to take over video rights to Allied Artists' 500 movie titles.

AAV hasn't shipped any cassettes since June, after it failed to meet note to Bell & Howell, which had been duplicating for it. "We had \$150,000 in back orders for Story of O," AAV National Sales & Mktg. Mgr. Dennis Hedlund told us. "An advance of \$150,000 would have put us back in business. Lorimar isn't interested in video." Lorimar officials couldn't be reached for comment.

AAV launched videocassette business in 1978 with 100 titles, including The Betsy, Man Who Would Be King, Papillon, Alice Sweet Alice, issued Wild Geese on cassette simultaneously with its theatrical debut. Parent AA & subsidiary AAV declared bankruptcy in 1979 and Lorimar took over this year.

In other software developments: Video Corp. of America has been named primary duplicator for big CBS/MGM videocassette venture, which starts up this fall. Home Theatre cut prices on most videocassettes to \$50, in anticipation, according to Pres. Al Landau, of introduction of videodiscs at lower prices. Pickwick International plans to expand its Videoworks current 5-market recorded cassette marketing test to more markets in year's 2nd half. For detailed coverage of video software activity, write for sample of our companion publication, Video Week.

CB launch proposal by U.K. has drawn fire from National Committee for Legalization of CB there, charging transceivers will be too expensive and have unnecessarily short range. Govt. plans to set up CB channels in 900 MHz range, set power limit for about 10 mile transmission coverage in open country. Band picked, govt. says, is one with least potential for interference with other services. It added that service could be launched in year, estimated first year unit sales at 150,000. NCLCB claims 900 MHz units would sell for \$800, argues instead for service in 41-47 MHz band now used for 405-line b&w TV which will be phased out starting in 1982. Such CBs, group says, would sell for \$350-\$425. Estimated 100,000 illegal 27 MHz CBs are in use in U.K., despite govt. crackdown on operators. They sell under counter for about \$150.

Chrysler rehired about 300 of 500 workers it laid off last year at Huntsville, Ala. Electronics Div. in preparation for production start of electronics-laden 1981 model cars. Company produces radios, tape players, electronic clocks and engine & emission control systems there, as well as test equipment for use by Chrysler and other car OEMs.

Sales missions sent overseas by EIA-Korea in first half this year landed \$100 million in sales contracts, opened door to additional \$170 million in deals still being negotiated, Assn. reports.



**FIRST HALF TV IMPORTS:** Sharp surge in June imports of incomplete color TVs (chassis & kits), combined with modest & unusual gain in complete color, put total TV imports ahead of 1979 for first half this year, Commerce figures show (Vol. 20:32 p9).

Here's breakdown of TV imports by country for June, with results for half in parentheses: Japan total TV 91,300, -6.4% (414,000, -41.8%); color 37,600, -23.5% (204,900, -44.7%); b&w 53,700, +11%, (209,100, -38.8%). Taiwan total TV 392,000, -11.6% (2.23 million, +10.5%); color 73,000, -26.7% (421,800, -13.5%); b&w, 319,000, -7.3% (1.81 million, +18.2%). Korea total TV 159,700, -21.2% (907,000, -7.8%); color 34,500, +231% (113,300, -46.1%); b&w 125,100, -34.9% (793,700, +2.6%). Singapore total TV 64,500 (390,500), no comparable 1979 results; color 59,000, +547.1% (363,700, +809.3%); b&w 5,400 (26,700), no b&w last year. Canada color only 7,400, +77.6% (42,500, -33.7%). Mexico color only 182,500, +68.8% (852,200, +18.9%).

Imports of complete color TVs: Japan 30,700, -13.1% (161,700, -41.4%). Taiwan 34,400, -34% (155,100, -8.1%). Singapore 1,800, -75% (25,000, -30.5%). Canada 7,400, +77.4% (40,100, -33.1%). Mexico 1,900 (5,600), none in 1979. All color from Korea was complete.

Imports of incomplete color: Japan 6,900, -49.9% (43,200, -54.2%); Taiwan 38,700, -18.7% (266,700, -16.3%). Singapore 57,300, +2720.3% (338,700, +8304.8%). Canada 7, none in June 1979 (2,400, -42.4%); Mexico 180,600, +67.1% (846,500, +18.1%). Philippines 7,700 (49,100), none in 1979.

Home satellite receiver development project has been launched by Orrex under license from Japan's NHK. Effort is being headed by Chmn. Bernard Jacobs, who told us company aim is to use proprietary circuit technology approach to come up with complete system, including dish antenna, that can sell for \$500 or less. System is intended for use with 12 GHz satellite developed for home use by NHK, has been tested in Japan. NHK's satellite failed recently, and Orrex is now relying on low-power experimental Canadian 12 GHz satellite for future tests. Dish antenna needed for 12 GHz reception has 0.6-meter (23.6-in.) diameter, against 18 meters (59.1-ft.) for current commercial satellite antennas. Jacobs says company hopes to demonstrate receiver by year's end.

U.K.-financed IC producer Inmos got additional \$50 million govt. grant guarantee needed to build first MPU plant. Grant was held up for about 7 months while prospects for private financing were explored. At govt. insistence, plant will be in economically depressed South Wales, qualifying it for regional & EEC aid. Inmos predicts it will have sales of \$345 million, employ 1,600 by 1985.

RCA won \$6 million tax refund for 1958-59 when N.Y. Federal Court Judge upheld its method of calculating profit from TV service contract sales. IRS may appeal.

Duty-free import list, which provides preferential treatment to qualified products from less developed countries, would be expanded to include TV circuit boards, subassemblies & parts; radio-phonos, phonos & parts; combination TV receivers; b&w picture tubes smaller than 11.6" or larger than 16.4", under list submitted to International Trade Commission by Office of Special Trade Representative. ITC is being asked to comment on whether such concessions might injure domestic producers. Separate list sent to ITC by STR, and which includes virtually all consumer electronic products & parts except complete TVs & CBs, covers items on which duty rates or other trade barriers might be lowered as result of multinational trade talks. STR will hold public hearing before finalizing lists.

Growth rate of Japan's electronics industry will average 8.3% annually through 1985, when total production will be valued at about \$50.6 billion, slow to 8% in next 5 years to 1990, value rising to about \$74.3 billion, according to forecast of Japan Electronic Industry Development Assn. It predicted value of consumer electronics output at \$14 billion in 1985, rising only slightly to \$15.9 billion in 1990. In contrast, value of industrial & business equipment production is seen jumping from \$22.4 billion in 1985 to \$36.9 billion in 1990, while over same period value of parts output will rise from \$14.1 billion to \$21.5 billion.

Taiwan added color TV cameras, record changers & automatic turntables, optical fiber telecommunications equipment & microprocessor-based equipment to list of products eligible for extra manufacturing investment incentives. None of those items is currently made in Taiwan. Recent govt. survey showed electronics industry there had 95% operational rate in July, and that most factories were booked with orders through early Oct.

Jacket encoding is newest music industry weapon in fight against recorded tape & disc pirates. Some manufacturers are printing labels with fine colored lines visible only with magnifying glass, others use ink that glows in black light, and some employ magnetic ink or stickers. Object is to develop way to spot counterfeit recordings in distributor & dealer inventory without opening package.

Magnavox Magnavision is moving into Canada. Optical videodisc player is slated to be in distribution there soon, timing & market size to be determined by MCA Discovision's ability to make software available. Players are expected to list at \$1,300, discs of recent feature films at around \$40-\$45 each. Prices are premium of 50-55% over those in U.S.

Theater projection TV system using 6 Novatron tubes for 10- or 15-ft. flat screen will be introduced next month at Fotokina in Cologne by Kloss Video. Claimed to provide 400 lumens brightness, projector will be priced at \$6,000-\$8,000.



## Consumer Electronics Personals

Earle Malm promoted at RCA Service from consumer products mktg. dir. to vp, telephone systems & commercial products (hotel & institutional TV), succeeding Walter Seuren, resigned... Joshua Denham advanced at Mattel from senior vp for toy operations to Mattel Electronics pres., succeeding Senior Vp Edward Krakauer, Mattel Electronics gen. mgr., who has been serving as pres. since resignation of Jeffrey Rochlis; Krakauer is leaving Mattel to return to consulting, with Mattel as client... Robert Hackenberg, Lloyd's operations vp, named dir.

Jack Dreyer, ex-BASF Systems, joins Magnetic Video Consumer Products Div. as vp-gen. mgr., succeeding Robert Vandegrift, who takes new post of vp, administration, following return from temporary assignment in London; Dolly Cole joins as PR dir.; Guenther Grochla, BASF Systems pres., assumes interim responsibility for Dreyer's former duties as mktg. & sales vp... Kazuyoshi Ishisaka named Trio-Kenwood pres., replacing Ichiro Tsubol, now chmn.; former chmn. Hideo Nakano is now dir. & advisor... Fred Ertl, Ertl Toys pres., adds duties as pres. of Vanity Fair, succeeding Stanley Cohen, resigned. Ertl & VF are units of Kidde Inc.... Ron Friedman, National Video Group vp, named dir. of new direct mail unit, Video Society.

Albert Snider advanced at Bourns from exec. vp to pres. & chief exec., replacing Guy Entrekin, reassigned as vice chmn., pending retirement at year's end... John Archer, ex-Rockwell, joins Union Carbide as Materials Group technology mgr... James Morrow promoted at Oak Technology from controller to vp-gen. mgr. of Hart Ind. Div.

George Wells advanced at Fairchild Camera from senior vp to exec. vp, responsible for new Analog & Components Group; Richard Abraham named exec. vp in charge of all LSI operations; Thomas Longo, chief technical officer, named vp of parent Schlumberger... George Nelson, ex-American Microsystems, joins Commodore Semiconductor Group as mktg. dir., new post... David Snow, ex-Digital Equipment, appointed National Semiconductor Salt Lake City plant mfg. mgr.

Speech synthesizer IC chip sets are now being offered by Mitsubishi. In Japan, Hitachi, Matsushita, Sharp & Toshiba all have started synthesizer production. Texas Instruments & National Semiconductor are producing them in U.S.

Toshiba is making CCD comb filter chips RCA now uses in high-end color TVs, will be exclusive supplier until RCA Solid State Div. tools up. Toshiba is offering chips to other U.S. as well as Japanese TV OEMs.

## Obituary

John W. Craig, 73, who retired as Admiral exec. vp in 1974, following firm's acquisition by Rockwell, died in Casstown, O. Aug. 4, following long illness. Wife survives.

## Financial Reports of TV-Electronics Companies

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

Company & Period	Revenues	Net Earnings	Per Share
APF Electronics			
1980-6 mo. to June 30	10,144,677	128,826	.11
1979-6 mo. to June 30	9,243,466	(221,730)	--
Comcast			
1980-6 mo. to June 30	12,060,000	1,012,000	.40
1979-6 mo. to June 30 <sup>a</sup>	10,330,000	766,000	.30 <sup>b</sup>
1980-qtr. to June 30	6,302,000	561,000	.22
1979-qtr. to June 30 <sup>a</sup>	5,445,000	454,000	.18 <sup>b</sup>
Doyle Dane Bernbach			
1980-6 mo. to June 30	71,595,000	5,844,000	2.23
1979-6 mo. to June 30	49,313,000	4,598,000	1.73
1980-qtr. to June 30	40,241,000	4,111,000	1.57
1979-qtr. to June 30	27,450,000	3,363,000	1.26
Esquire Radio & Electronics			
1980-6 mo. to June 30	18,860,605	356,798	.74
1979-6 mo. to June 30	12,218,906	303,581	.63
1980-qtr. to June 30	9,421,694	184,095	.38
1979-qtr. to June 30	7,379,716	184,958	.38
JWT Group			
1980-6 mo. to June 30	150,043,000	7,158,000	1.56
1979-6 mo. to June 30	114,139,000	5,762,000	1.27 <sup>b</sup>
1980-qtr. to June 30	82,229,000	6,462,000	1.40
1979-qtr. to June 30	62,601,000	5,072,000	1.12 <sup>b</sup>
Koss			
1980-year to June 30	23,224,692	1,748,102 <sup>c</sup>	1.05
1979-year to June 30	25,699,459	1,020,629	.60
Movielab			
1980-26 wk. to June 28	20,080,000	1,175,103	.72
1979-26 wk. to June 30	16,046,262	886,993 <sup>c</sup>	.55 <sup>b</sup>
1980-13 wk. to June 28	11,488,766	598,576	.37
1979-13 wk. to June 30	7,941,159	384,098 <sup>c</sup>	.24 <sup>b</sup>
Philips NVd			
1980-6 mo. to June 30	8,672,700,000	120,700,000	--
1979-6 mo. to June 30	7,738,500,000	166,600,000	--
1980-qtr. to June 30	4,452,900,000	36,600,000	--
1979-qtr. to June 30	4,012,900,000	83,100,000	--
Soundesign			
1980-6 mo. to June 30	49,262,000 <sup>f</sup>	(2,358,000)	--
1979-6 mo. to June 30	68,157,000	89,000	.04
1980-qtr. to June 30	23,811,000	(1,094,000)	--
1979-qtr. to June 30	39,889,000	399,000	.16
Superscope			
1980-6 mo. to June 30	71,257,000	(9,256,000)	--
1979-6 mo. to June 30	98,325,000	(8,999,000)	--
1980-qtr. to June 30	33,642,000	(6,668,000)	--
1979-qtr. to June 30	47,034,000	(7,289,000)	--
Tandy			
1980-year to June 30	1,384,637,000	112,235,000	4.47
1979-year to June 30	1,215,483,000	83,229,000	3.23
1980-qtr. to June 30	320,972,000	30,413,000	1.23
1979-qtr. to June 30	281,114,000	20,002,000	.76
Trans-Lux			
1980-6 mo. to June 30	9,521,750	1,047,824	.58
1979-6 mo. to June 30	8,347,538	1,020,352 <sup>c</sup>	.56
1980-qtr. to June 30	5,051,084	629,157	.34
1979-qtr. to June 40	4,413,792	489,404	.27

Notes: <sup>a</sup>Restated. <sup>b</sup>Adjusted. <sup>c</sup>Includes special credit. <sup>d</sup>At guildler's current rate.

Mitsubishi plans 50% increase in VCR production capacity by Sept. to 30,000 monthly. Aka is increasing production of VCRs in Nov. to 10,000 monthly from 6,000.



WEEKLY

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## SUMMARY-INDEX OF WEEK'S NEWS

### Broadcast

**ABC SETTLES:** Consent decree with Justice Dept. to settle 1974 antitrust suit. ABC gets better terms than CBS & NBC, is allowed to provide more programming. CBS & NBC expected to get same agreement. (P. 1)

**BUSY FALL & WINTER AT FCC:** Push is on to act on major items, although election impact denied. NAB likely to get 9 kHz advisory committee despite Ferris objection. (P. 2)

**NO SURPRISE:** Pay cable's clout depends on movies, says Arbitron-VPI study. Duplication of content not seen as problem in selling additional services to public. (P. 3)

**PROGRAMMING IS OPPORTUNITY** for blacks because 'significant leaps' in broadcast & cable ownership are precluded, NBMC says. (P. 3)

**HOUSE CATCH-ALL BILL:** Cross-ownership bill sponsored by Rep. Swift (D-Wash.) becomes vehicle for other bills. Several measures may be tacked on when bill is marked up this week. (P. 4)

**DBS SQUABBLE:** ABC seeks congressional review of FCC intent to foster direct satellite TV; Comsat says network wants to deprive viewers of new technology. Ferris weighs in with pro-DBS stance. (P. 5)

**ABC SETTLES WITH JUSTICE DEPT.:** Swinging what appears to be better deal than other networks, ABC last week came to terms with Justice Dept. over antitrust suit filed in 1974 and agreed to consent decree that is expected to be final chapter of case (Vol. 20:19 p5).

Agreement announced by JD limits prime-time production for 10 years, restricting network to 2-1/2 hours per week for first 5 years, with own production increasing after that. CBS & NBC agreements called for 2-1/2 hour provision through entire 10 year period. But although ABC did better, other two are expected to be able to get same terms because of provisions allowing for renegotiations.

JD filing notes this provision was "subject of intense negotiations." It said ABC wanted fewer limitations because it "forsees significant changes in the industry in the next 10 years."

### Consumer Electronics

**COLOR TV SALES** to dealers set record in first 3 weeks of Aug., at 10.6-million annual rate. Third-week sales up 24.4% from 1979. VCR sales up 158.7%. (P. 7)

**RCA TO LAUNCH** videodisc drive next March with national ad campaign, Tokyo meeting told. Stereo version coming in '82. (P. 7)

**COLOR PRICING, OUTPUT** of U.S. factories rose in 2nd quarter, preliminary ITC survey shows. Large differences between EIA, ITC color totals continue. (P. 8)

**ALTERNATIVE FORMATS** for video & data discs continue in development. Japan's KDD announces laser-read magnetic disc system, DRC gives update on photo-based format. (P. 10)

**GRANADA TRIES U.S. TV & VCR rental** with 11 stores, featuring Magnavox, RCA, Teknika. Program rental seen possibility. (P. 11)

**COMMERCIAL SILENCER** for TV sets patented by Faerber, who claims it will kill sound on ads. Price \$90. (P. 11)

**AMPEX FORMING JAPAN** video & audio tape manufacturing & marketing venture with Konishiroku Photo as local partner. (P. 11)



JD said settlements with NBC & CBS formed basis of ABC consent decree, which was filed in L.A. Aug. 22. Once U.S. Dist. Court there accepts consent decree, CBS & NBC decrees will take effect and case will effectively be over. In other provisions, ABC agreed: (1) Not to condition access to network upon independent program supplier's grant of any other right or interest to network. (2) To not — for 15 years — require independent producers to use ABC production facilities. (3) To not engage for 15 years in reciprocal program deals with CBS or NBC. (4) To limit for 15 years its ability to obtain exclusive network rights to independently produced programs. (5) To release performers from network talent contracts 90 days after cancellation of their programs. (6) Not to engage in domestic syndication of entertainment programs other than foreign programs and those produced by ABC — already prohibited by FCC rules.

ABC released short comment on decree, stating simply that agreement had been reached. Other networks declined comment until order could be examined.

FCC—BUSY FALL & WINTER: Unusually heavy activity on major items for an election year is a sure thing at FCC next several weeks, although Commission officials in Washington last week — and there were only a few — swear that Presidential election has nothing to do with it. All we talked to denied report that Chmn. Ferris (we weren't able to reach him) had ordered Best. Bureau to bring up controversial issues before election.

"We'll have a busy fall and a busy winter, there's no question about that," commissioner told us. That's indicated by 4 special meetings already scheduled for Sept. — low power TV and VHF drop-ins, radio deregulation, UHF comparability and direct broadcast satellites (see p. 5). Changes in TV allocations will be considered Sept. 9, much sooner than staff expected to have item ready. "We've been working weekends and nights," key staffer said. Included will be proposal to allow new VHF assignments at short separations in any market where "equivalent protection" is provided to existing station (Vol. 20:28 p1) — proposal that will be contested strongly by existing stations. FCC staff also is proposing approval of 4 VHF drop-ins and approval of "low-power" TV's limiting UHF's to 1 kw, VHF's to 100 watts.

Question of reducing AM bandwidth to 9 kHz will get major consideration this fall and, despite opposition of Ferris, we're told NAB is likely to get joint industry-govt. committee it has been seeking to study ramifications. Ferris twice has turned NAB down (Vol. 20:27 p6), but majority of commissioners now are said to favor it.

Another major due for early fall consideration is RKO situation and what to do about 13 stations owned by licensee ruled unfit to own TVs in N.Y., L.A. & Boston (Vol. 20:28 p7). Majority of Commission is expected to favor permitting RKO to spin off stations in separate corporation to be owned by current RKO stockholders. "I don't see the majority looking for a way to be vindictive," commissioner told us.

Due for mid-Oct. consideration will be final report of special Network Study Staff after 2 years work. Preliminary reports have found little wrong with way TV networks operate, and final recommendations aren't expected to contain major surprises. Other major items due for fall consideration include childrens' TV (just as in radio deregulation Sept. 15-16, Commission is expected to hold panel discussions in Dec.), reimbursement of public interest groups which participate in FCC proceedings, revised financial reporting forms (324).

NTIA is expected to file petition in Sept. which will give FCC pause and be praised by broadcasters. President's telecommunications advisor will support NAB request that personal attack rule be suspended and will go even further, urging Commission to reexamine its policy on investigations of complaints against alleged slanted newscasts. NTIA will tell FCC it has no jurisdiction and that such investigations do violence to First Amendment.



**PAY CABLE CLOUT—MOVIES:** Importance of movies to pay TV took center stage in release of preliminary findings of new electronic media study by Arbitron & Video Probe Index. Report also looked at VCRs & videodisc (p. 10), led Arbitron TV Mktg. Vp Pierre Megroz to state: "Every one of these [auxiliary services] is going to take its toll on broadcast TV. There are no ifs about that. The only question is when."

Study showed 92% of all basic cable households, 54-56% of non-cable homes, are aware of pay TV. "Based on limited data, it appears the whole future of pay cable will be based on movies," said Megroz. Duplication of HBO, Showtime & Warner Movie Channel schedules apparently isn't much of a factor. VPI Pres. Robert Schultz told us subscribers to tiered services know they're "buying repeats," thinks Cinemax "may be on sound ground" with plan to carry movies about 6 months after HBO has shown same features. Schultz notes viewer perception of made-for-pay specials is "higher than it used to be," but considers sports programming close to "satiation point."

"All tiers sold up front will have great success," said Megroz. Current figures show 60-90% acceptance of 2 or more packages offered together, although percentage usually drops after first enthusiasm wanes. Only 20% of existing subscribers were willing to pay \$8 per month for 2nd tier, but Schultz thinks even that number is good.

Among other pay-TV findings: (1) 40% of cable households don't subscribe because of cost, and significant number also object to sex & violence. (2) 15-20% of basic & non-cable households believe R-rated movies never should be shown, vs. 6% of pay subscribers. (3) Pay subscribers rank quality & number of children's programs as last reason for buying service. (4) 70% of respondents who had opinion preferred flat monthly fee to suggested pay-per-view of \$2.50-\$3.50. (5) "A surprisingly large number" of pay households would accept commercials before or after movies as means of controlling costs, but "more households strongly oppose commercials placed at an intermission midway through a movie."

Arbitron-VPI announcement at N.Y. press conference last week was made before release of 9-volume, 6,000-table report to more than 30 clients, including major pay & basic cable programming services, 3 networks, ad agencies, MSOs and Mobil & Pepsico. First 1,400 tables are being delivered this week, rest will follow as part of 8 special reports devoted to cable & pay TV, superstations & satellites, 2-way information systems such as teletext, VCRs and discs.

Results are based on questionnaires returned by 9,100 respondents of 13,500 households surveyed in top 25 ADI markets. New price to all but ad agencies is \$26,000 for basic report plus choice of 2 specials or \$31,000 for everything. VPI & Media Science Newsletter will provide follow-up interpretation of main document for \$3,000-\$5,000.

**BLACKS URGED TOWARD SOFTWARE:** Because "any really significant leaps in ownership for American minorities" are precluded by spectrum limitations, blacks should direct their talents toward providing software. That's advice of NBMC Chmn. Pluria Marshall in annual report.

Blacks, Marshall said, not only are frozen out of station ownership but "major lucrative cable opportunities [also] have been gobbled up by the communications giants and only crumbs are left for black interest groups... What we do have are ideas... creative instincts... Any cursory glance at the output of commercial TV reveals the creative equivalent of bankruptcy... Program content is not beyond our scope... What makes the future bright is that we still have the opportunity to establish some control over the broadcast media through our creativity."

Peabody Award winner, commentator & columnist Carl Rowan will be featured speaker during Oct. 9-12 NBMC convention at Mayflower Hotel, Washington. Other participants will include FCC members and key staffers. Panels are planned on advertising, news, development of black management talent, public affairs and public broadcasting.

Carter campaign officials, upset at lack of consultation by League of Women Voters, are thinking about finding other sponsors for Presidential debates, an aide said. League has announced tentative schedule, with debates in Baltimore, Louisville, Portland, Ore. & Cleveland. First is slated for Sept. 18. Meanwhile, American voters said by 2-1 margin in new ABC News-Harris survey that Presidential debates should include John Anderson. Total of 63% favored 3-way League of Women Voters debate, 34% want only Reagan & Carter. LWV has said Anderson will be included if he has 15% standing in national polls.

Russians jammed radio broadcasts from West on turmoil, strike in Poland. Jamming, first in 7 years, blocked reception of Russian language reports from West Germany's Deutsche Welle, Voice of America & BBC. State Dept. deplored jamming, called it "clear violation" of Helsinki agreement, filed official protest with Soviet Foreign Ministry, which denied jamming was taking place.

Phoenix Newspapers (Arizona Republic & Phoenix Gazette) has leased 3 channels from Camelback Cablevision, is seeking same from other Phoenix CATV operators — American Cable TV, Cross Country Cablevision and Western Cablevision — to offer classifieds, local, national & international news.

"Ways must be found to insulate freedom of information from its natural enemies in the government," Robert Lewis, of Newhouse, chmn. of SPJ-SDX FOI Committee, told Senate subcommittee last week. He urged that Congress pass legislation to protect media from "bureaucrats and their allies in the private sector."



**HOUSE CATCH-ALL BILL:** Cross-ownership bill sponsored by Rep. Swift (D-Wash.) has become catch-all for less successful broadcast proposals. Supporters plan to attach at least 2 other broadcast measures — STV anti-piracy and assignment of VHF station to N.J. — as amendments to bill during markup by House Commerce Committee this week.

Possibility also exists that Rep. Mottl (D-O.) will try to attach his bill requiring FCC to make public station financial information. Less likely, but possible, is attempt by broadcast industry to get 5-year license renewals tacked on. With time running out, Swift bill, only one to get to full Committee, is seen as last hope.

STV measure, part of bill sponsored by Preyer (D-N.C.), was left in limbo when Committee tacked common carrier portion onto rewrite bill. It bans unauthorized sale, use, manufacture of decoders, and calls for civil & criminal penalties.

Rep. Preyer reportedly debated until last minute about whether to introduce amendment. Although his staff met with FCC & NTIA to work out few technical language problems, measure faces unexpected opposition from owners & manufacturers of individual earth stations, concerned that provision might indirectly affect earth station use. Rep. Swift has agreed to accept STV amendment but has taken no position on N.J. measure.

N.J. measure, which Rep. MacGuire (D-N.J.) introduced in May, requires FCC to reallocate VHF

licenses when feasible to N.J. or Del. if licenses become available through revocation or non-renewal — situation such as recent RKO decision. Measure also includes policy statement that every state should have at least one VHF station, portion opposed by NAB which says it circumvents FCC attempts to make UHF & VHF comparable.

Commenting that his bill is attracting possible amendments "like fly paper," Swift said move "shows how badly we need comprehensive broadcasting legislation."

Bill bars FCC from considering, in renewal, ownership of other media properties or involvement in day-to-day management, codifies FCC rules barring future cross-ownership. Bill probably will clear Committee but scheduling problems could keep it off House floor.

NCCB & 15 other public interest groups sent letter to Committee Chmn. Staggers (D-W. Va.) urging defeat of Swift bill, charging it "serves no valid public purpose." In support of bill, NAB released survey showing cross-ownership in top 50 markets dropped 16% in last 10 years, adding "statistics buttress the arguments... that further divestiture is not necessary and should not be formalized."

Despite opposition by public interest groups and some Committee members, insiders say opponents don't feel strongly enough about bill to try to defeat it in Committee.

Reports of dissension at CNN Washington bureau were confirmed with resignations of Washington Vp & Managing Editor George Watson and Washington Exec. Producer David Newman for "personal & professional reasons." Neither would expand on carefully worded statements released by CNN, but colleagues said they gave notice several weeks ago, were asked to review decisions, left anyway Aug. 8. Neither has lined up other job. Watson said in statement that he "wanted to relieve myself of some of the inevitable problems of managing a new enterprise... My future plans are not formulated beyond wishing at present to spend much more time with my family." Said Newman: "For personal reasons, I regret that I find it necessary to leave CNN." CNN Pres. Reese Schonfeld said he is "personally grieved at their decision."

**Videotext notes:** (1) Canadian Telidon teletext/viewdata system gets public demonstration at Canadian National Exhibition in Toronto through Labor Day. (2) Trial of Dutch broadcast teletext, joint venture of 6 of 8 Dutch TV broadcasters, will last until April 1981.

**Spot Time Ltd.** was appointed rep for 3 new UHF stations: WFTI Poughkeepsie, independent starting Sept. 15; WXAQ Jacksonville, independent which started Aug. 1, and KCWY Casper, new CBS affiliate which started Aug. 12.

**FCC Chmn. Ferris** urged Hispanics to take advantage of new technologies of cable, STV, DBS, low-power TV, to gain entry into once-exclusive media. In speech at Anaheim to American GI Forum, Hispanic civil rights group, Ferris said new technology has caused "a most unusual event... opportunity is knocking a 2nd time." He said FCC policies have resulted in more minority involvement but "we've a long way to go... the surest route to genuine diversity is through achieving... a free marketplace, [and] the key to this... is technology."

**U.S. Appeals Court** in N.Y. will decide "as soon as possible" whether to permit broadcasting of video tapes used as evidence in ABSCAM trial. Panel of 3 judges heard 2 hours of arguments on issue. Judge George Pratt, who is hearing ABSCAM case, said tapes can be broadcast, but defense attorneys filed motion to block release.

Negotiations resumed in SAG/AFTRA strike after carnival-like picketing at Disney Studios, with Disney characters, animals, child stars on picket line. SAG issued "open invitation" to individual producers, offering 3-year contracts to producers willing to accept Guild terms.

**CBS & NBC** had combined profits of \$50 million on news programs last year; ABC barely broke even, according to Aug. 23 TV Guide.



**ABC, COMSAT TRADE DBS SHOTS:** ABC charged last week that FCC has prejudged DBS issue, requested that Congress step in and make policy. FCC Chmn. Ferris promptly denounced ABC's complaint. Comsat reaction was fierce, showing newly vigorous approach to countering broadcast industry critics. Said Comsat:

"We think ABC's position is certainly consistent with its historical opposition to any technological progress which promises more video diversity for the American public. Satellite-to-home broadcasting will increase the quality and quantity of TV in this country and viewers deserve the right to chose."

Ferris: "There are a few in the industry who apparently consider it very threatening if the FCC merely contemplates providing the American public with more choices in broadcasting. The FCC's responsibility is more than simply protecting the economic interests of those we regulate but extends to assuring that the public obtains the maximum service available through the existing technology as well. One quickly discerns which of the existing providers of service will be the leaders in the years ahead by their attitudes towards the technologies of the future."

ABC Gen. Counsel Everett Erlick, in letters to Senate Commerce Chmn. Cannon (D-Nev.) & House Commerce Chmn. Staggers (D-W. Va.), said DBS would "necessarily bypass local TV and radio stations as well as local cable systems [and] is the kind of basic policy issue which... should be first addressed by the Congress."

Erlick said FCC is proposing to use "seemingly technical" inquiry planning 1983 regional DBS conference (Vol. 2:32 p4) "for the purposes of resolving one of the most important communications policy issues of the 1980's — namely the role of [DBS] in the U.S. communications system. The notice strongly suggests that the Commission has prejudged this matter in favor of such a communications mode." He said FCC's comment that it wants to foster DBS was "well buried" in its notice of inquiry for 1983 Regional Administrative Radio Conference scheduled to plan DBS service for western hemisphere. FCC meets Sept. 30 on DBS question.

No cameras will be allowed in San Diego federal court during Oct. trial of Joseph and Hilda Meltzer, ruled federal Judge Howard Turrentine. The 2 are charged with using inside information on the FBI's ABSCAM operation to make a profit. Joseph's attorney favored cameras, Hilda's opposed them, prosecutor called whole thing "publicity stunt."

FCC has ruled that financial records of 5 Alaska stations owned by Northern TV won't have to be made available to Alaskans for Better Media — reversing recommendation of Best. Bureau. ABM is challenging license renewals of stations, charging licensee has clipped network programs to insert local commercials.

**STV piracy update:** (1) Industry victory was recorded in U.S. Appeals Court in Cincinnati last week when Judge Cornelia Kennedy reversed ruling of lower court, issued temporary civil order restraining 3 suburban Detroit firms from selling ON TV decoders. (2) Two Detroit men were charged by U.S. Attorney with 3 misdemeanor violations of Communications Act, including conspiracy to assist unauthorized persons in receiving signals, offering decoders to public without obtaining FCC approval, actual sale of decoders contrary to FCC regulation that such devices be leased, not sold. Charges, carrying penalties up to one year in jail, followed FBI investigation. (3) STV Assn. Chmn. Rinaldo Brutoco issued statement in L.A. promising to "annihilate the pirates." (4) Marquee TV Network protested to Washington Post about ads in its TV magazine for "signal snatcher" to receive MDS transmissions of HBO. Marquee Pres. Gerald Madison said he'll be filing suit, probably this week, to obtain injunction against sales, has asked Post to quit carrying ads. (5) STV anti-piracy legislation advanced on Capitol Hill (see p. 4). FCC entered fray with warning that decoders must be licensed (p. 11).

Cable industry hasn't set "enviable record in arts programming or support of video artists... but the picture is changing now," Cox Cable Pres. Robert Wright told Cox-sponsored National Cable TV and the Arts Conference in Atlanta. "Any cable company which thinks it's going to survive the 80's without [supporting] video artists just hasn't opened its eyes," he said.

Local govt. could assign 2-way radio channels to public safety users better than FCC, said Private Radio Bureau Chief Carlos Roberts in speech to Public Safety Communications Officers in Phoenix. He said his office is studying idea. Commission has never proposed relinquishing control of transmission facilities before.

Showtime plans to add children's programming to pay-TV schedule, will announce details at Sept. 3 press conference in N.Y. Major contributor is Learning Corp. of America with 15 half-hour productions made originally for classroom use. Showtime will run one per month plus G-rated feature.

Cox Cable won Omaha franchise in 5-0 city council vote. System for 125,000-home market will include 1,095 miles of plant plus 150-mile institutional service network. It will offer 5 tiers of service, 14 public access channels.

Loyola U., licensee of WWL-AM New Orleans (870 kHz), asked D.C. Appeals Court to overturn FCC decision reducing nighttime protection for class 1-A clear channels to 750 miles (Vol. 20:22 p2).

NAB hotline to answer members' questions during fall campaign: 800-424-2928. It will operate 10 a.m.-7 p.m. starting Oct. 1. William Ray, ex-FCC political broadcast expert, will answer questions.



## Personals

Sen. Ernest Hollings (D-S.C.), chmn. of Communications Subcommittee and Budget Committee, addresses National Press Club luncheon Sept. 9; ABC Chmn. Leonard Goldenson speaks before same forum Sept. 17... Ex-FCC Comr. Margita White elected to ITT board; she recently also was named a Taft Bestg. dir.

Earl Greenburg promoted to vp, compliance & practices, NBC west coast; Warren Littlefield to dir., current comedy programs, NBC Entertainment; Mike Perez, ex-ABC, appointed mgr., worldwide sales, NBC Enterprises... Michael Dann, onetime head of programming for CBS & NBC, named senior program advisor, ABC Video Enterprises... Diane Okrent promoted to dir., program analysis, east coast, CBS Best. Group.; Gary McCarthy to controller, theatrical films, CBS Entertainment; Lana Freistat to comedy program development executive; Robert Flaherty to dir., contestant awards; Richard Pinkham to personnel vp, CBS Best. Group.

Volney Taylor, Dun & Bradstreet vp, elected senior vp with responsibility for subsidiaries Corinthian Bestg. and Official Airline Guides... J. Bruce Irving promoted to vp-assoc. gen. counsel, Wometco... Thomas Blair, ex-WTLV Jacksonville, appointed gen. sales mgr., WDBJ-TV Roanoke.

John Mitchell, Columbia Pictures TV, elected pres. of Academy of TV Arts & Sciences, succeeding Hank Rieger, L.A. Olympics Committee; actress Diana Muldaur named first vp; Douglas Duitsman, Columbia, 2nd vp; Warren Baker, KNBC-TV L. A., vp for L.A.; Michael Baugh, free lance, treas.; Arthur Schneider, CFI, secy.

Lewis Wetzel, ex-Flash Technology and ex-RCA, formerly with Washington consulting engineers Kear & Kennedy, appointed senior vp for engineering, NAB, succeeding George Bartlett, who becomes NAB consultant; Yolanda Tisdale, ex-Washington Post, joins NAB as dir. of employment services, succeeding Wanda Townsend, now asst. dir. of legislation, NCTA.

Richard Wolfe, ex-WBNS-TV Columbus, O. pres., joins Premiere as vp for operations & engineering... Neil McHugh promoted to senior vp for operations, NAB Communications Div.; Daniel Radcliff and Edward Bennett to senior vps for operations; Jerry Kaufer advanced to vp of creative services, Viacom Enterprises, new post; John Cosgrove, ex-CBS TV affiliate relations, joins Viacom Enterprises as northeast mgr.

Lee Tenebruso advanced at Showtime to western regional sales mgr.; Michael O'Connor to western regional affiliate mgr... John Lopinto, HBO, appointed acting chmn. of new NCTA Engineering Subcommittee on Videotext; Sylvia Marshall, ex-BLK Group, appointed human resources dir., NCTA.

Judy Snatarsier-Torello, ex-WABC-TV N.Y., joins HBO as program publicity dir... Robert Pittman promoted to programming vp, Warner Amex Movie Channel, will continue in charge of program acquisition for Qube... Kathy Jones, ex-Paramount, appointed vp for domestic marketing, Time-Life Films motion picture div., new post.

W.N. Fleischman promoted to dir. of operations for Marketing Research Group USA, Nielsen... Stephan van Ophuijsen advanced to dir. of market development for west, Katz Agency... Claudia Young, ex-Warner Amex, appointed dir. of office management & personnel, Worldvision... August Lukasiewicz promoted to dir. of quality assurance, Corning Products Div. of General Cable; Robert Kordick to dir. of distribution & planning... A. R. Pignoni, ex-Northrop-Page Communications Engineers, appointed dir. of commercial sales, Fernseh.

Richard Mullen joins Magnavox CATV Systems as vp of marketing & sales; John Taylor, ex-San Juan Cable TV, appointed regional sales rep for Rocky Mountain states; James Shelton, ex-Simmonds Precision, named mfg. dir... Roland Adeszko promoted to sales mgr., Katz TV Continental Silver Team, Chicago.

Boycott threat against companies advertising on 8 TV programs blacklisted by 420,000-member Churches of Christ was rejected by General Foods, ignored by American Home Products, and Warner-Lambert asked for more time to study request. Church group said boycott could cost companies \$20 million annually. Programs: "Soap," "Three's Company," "Charlie's Angels," "Dallas," "Saturday Night Live," "The Newlywed Game," "The Dating Game" & "Three's a Crowd."

NCTA filed motion to join lawsuit filed by Malrite TV against FCC. NCTA supported Commission's July 23 decision to eliminate distant signal and syndicated exclusivity signal carriage rules, because "NCTA members will be substantially and materially affected by any determination made by the court in the review proceeding," said NCTA Pres. Thomas Wheeler.

Microband Corp., major MDS operator, has been sold to Tymshare, price undisclosed. Microband operates some 50 MDS stations, has more than 50 CPs & applications.

Granting NAB request, FCC has extended comments deadline on new Form 395 (EEO) to Oct. 24, replies Nov. 24.

## Obituary

Victor C. Diehm, 77, owner of WAZL(AM) & WVCD-FM Hazleton, Pa., died of cancer in Hazleton Aug. 17. Long active in industry affairs, Diehm served as MBS pres., RAB chmn., NAB board member. Survivors include wife, son, daughter.



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## STATE OF THE INDUSTRY

Sales to dealers (total market), from EIA, for week ended Aug. 8 (32nd week of 1980):

	Aug. 2-8	1979 week	% change	July 26- Aug.1	1980 to date	1979 to date	% change
Total TV.....	266,481	258,142	+3.2	345,278	8,310,752	9,023,479	-7.9
color.....	165,557*	150,054	+10.3	200,412	5,289,439	5,651,558	-6.4
monochrome..	100,924	108,088	-6.6	144,866	3,021,313	3,371,921	-10.4
Home VCR.....	10,313*	9,899	+4.2	14,666	361,893*	225,149	+60.7

Color TV 5-week moving average: 1980—168,650; 1979—172,412 (down 2.2%).

Home VCR 5-week moving average: 1980—12,303\*; 1979—7,631 (up 61.2%).

\*Record for period.

**COLOR TV SALES ZOOMING IN AUG.:** Buoyed by sellout of air conditioners, dealers apparently were making up for lost time with record buying of color TV sets in first 3 weeks of Aug. If final week's sales should continue at same pace, Aug. sales would be at annual rate of nearly 10.6 million, highest for any month since June 1979.

For month's first 3 weeks, EIA figures show color sales of nearly 545,000, up 13.4% from same period last year. Each of first 2 weeks of Aug. set all-time high for that week, and 3rd week (to be reported officially by EIA this week), while not a record, showed sales of nearly 179,000 sets, up 24.4% from same week last year. Color TV's 5-week moving average pulled ahead of year-earlier by 3.9%. B&w sales for week were up, too — about 95,000, some 6.5% above comparable 1979 week, bringing month to date well into black, up about 2.5% from last year.

VCR sales for 3rd Aug. week were 11,900, gain of 158.7% over 1979 week, bringing 3 weeks of Aug. to 47.2% gain over 1979.

**RCA TO LAUNCH VIDEODISC DRIVE IN MARCH:** "Full nationwide consumer launch" for RCA Selectavision videodisc will begin next March in "all national ad media" following dealer presentation in Feb., Staff Vp James Alic told press briefing on first day of 10-day demonstration schedule in Tokyo. Distributors will be given final details of marketing program at Dec. 4 meeting in Dallas. In answer to question, Exec. Vp Roy Pollack said RCA would offer step-up model with stereo sound in 1982.

Top Selectavision team is currently displaying system to 20 far eastern licensees (Vol. 20:23 p8), giving enough information "to manufacture the player but not the disc." As we forecast last week, RCA said pilot player production is under way at Rockville Rd. plant in Indianapolis (actual output will be in Bloomington) and mass production disc pressing is now in progress. First production line disc, Paramount's "Race for Your Life, Charlie Brown," was demonstrated (copies will be sent to all licensees), and Operations Vp Jay Brandinger said 35 titles had already been mastered for national release. He indicated this came to about 75 hours of programming.



Pollack, overall head of videodisc program, reiterated RCA plans to sell more than 2 million discs under own label for the 200,000 Selectavision players it hopes to market next year and he anticipated some audience questions by correcting some "untruths": (1) "Year after year, meeting after meeting with every company involved in videodisc, RCA has attempted to avoid a costly, non-productive standards battle." (2) RCA has never withheld information from its licensees. In no case in history of any major development has a company "shared information with competitors so early," Pollack said, pointing out it was demonstrating progress to licensees as early as 1973.

Answering questions, he declined to give information about licensees or their plans, saying it's up to them to make announcement. To our question whether he had met with proponents of competing systems on his Japan trip, he replied: "It's possible, but we can't announce that." Alic said RCA had no plans to market player in Japan, will have hands full with U.S. launch.

Future CED players, priced at "modest premium," will include stereo capability, Brandinger told press, adding that stop-action, slow motion & random access can also be added. In demonstrating forward & reverse visual search feature, Brandinger displayed aspect of system not previously demonstrated: By pressing both forward & reverse buttons simultaneously, it's possible to repeat same groove over & over again. Since single groove contains 4 frames, this appears as stop action on film titles and other sequences containing little movement.

RCA also displayed model of stylus, and while continuing to refer vaguely to "hundreds of hours" of stylus life, said "new processing technique" for forming tip results in extended life.

There was little immediate reaction from licensees. Spokesman for Hitachi, considered most likely Japanese firm to announce readiness to produce system for U.S. market (Hitachi & Toshiba have both been demonstrating their versions to U.S. marketers & manufacturers), said impression of company officials & engineers attending was that "the CED system shown in Tokyo presented an improvement over that shown in the U.S. in Feb." (Vol. 20:8 p8).

As expected, VHD group reacted with own announcement. Day after press conference, lead story in daily electronics newspaper Dempa Shinbun reported that JVC was "testing mass production" of the VHD videodisc at its Yamato plant, while story of RCA presentation was played down.

In U.S., meanwhile, RCA said proposed merger of its U.K. interests with Precision Records & Tapes into new audio/video disc firm (Vol. 20:26 p7) had collapsed because of "status of agreements with 3rd parties." However, company said Lew Grade, chmn. of PRT parent Associated Communications Corp., "reasserted his desire to make available ACC's vast feature film & video catalog" to RCA videodiscs.

\* \* \* \*

Yield problems at Discovision Assoc. plants apparently haven't been straightened out yet, but Sony spokesman said its new plant (Vol. 20:17 p9) is getting ready to take consumer-quantity orders for optical discs. Columbia Pictures, which had planned Oct. release of 10 features under its own label on optical videodiscs pressed by DVA, is shopping for new disc source. In answer to our query, Sony said in Japan that it had been swamped with requests for disc pressing since it announced establishment of plant — and Columbia was one of inquirers — but it hadn't yet signed any agreements. This was first time Sony confirmed our report of last April that it can accommodate orders for optical discs for consumer market.

**ITC REPORTS U.S. COLOR PRICES, OUTPUT UP:** Average selling prices of domestic color TV factories resumed upward climb in 2nd quarter, following 2 consecutive quarterly declines, according to International Trade Commission's preliminary report on activity of U.S. manufacturers for April-June. ITC figures also show U.S. plants set all-time quarterly production record in period, although shipments were up only modestly from same 1979 months and were significantly down from first quarter 1980.



ITC monitors U.S. color business to check impact of color import quotas on health of domestic industry. Latest report is preliminary — presidential order extending & revising quota coverage on shipments from Taiwan & Korea for 2 years from July 1, while allowing restriction on Japanese sets to lapse on schedule, was issued at last minute. ITC didn't know in advance whether new quota agreements would order continuation of monitoring activity, and as result it was late getting data collection process started. Staff members say they think final production & shipment figures for 2nd quarter will be essentially same as those in preliminary report.

ITC says U.S. factories shipped 2.17 million color sets in 2nd quarter, up 5.9% from same year-earlier period, but down 10.9% from opening quarter this year — it's first such first-to-2nd quarter decline since ITC started issuing reports, first one covering final quarter of 1976. Shipment value in quarter, \$747.5 million, was up 6.4% from last year, but off 9.2% from opening 1980 period. ITC put first-half shipments at 4.6 million, up 15.3%, with value at \$1.57 billion, up 15.1%. Figures include activity of Japan- & Taiwan-owned plants here, as well as those of traditional U.S. manufacturers.

Quarter's production hit record 2.72 million, up 23% from last year, topping previous high of 2.66 million set in opening quarter by 2.4%. Biggest increase was in 17"-&-under, which rose 38.4% to 584,700, followed by 36.4% rise in 18-19" to 1.49 million, while 20"-&-over declined for 7th consecutive quarter, slipping 6.3% to 647,900. In first half, production was up 23.7% to just under 5.39 million, with 17"-&-under up 33.5% to 1.1 million, 18-19" up 36.7% to 2.98 million, 20"-&-under down 3.3% to 1.31 million.

There's wide gap between ITC and indicated EIA U.S. output totals for 2nd consecutive quarter. ITC's figures are higher by 385,000 for quarter, and, added to 439,000 difference in first quarter this year, are a big 824,000 higher for first half. EIA totals indicated domestic color production was up only 5.5% in 2nd quarter, 2.9% for half. Adding Commerce Dept. complete-set color imports to ITC figures puts 2nd quarter total U.S. color supply up 19.3% to 3.03 million, and first half total at 5.9 million, up 15.5%, against EIA's comparable figures of 3.8% increase for quarter and 2.1% decrease for half (Vol. 20:33 p10).

Differential between ITC & EIA figures this year is notable because of close agreement in past. While ITC is 18.1% higher on U.S. production for first half, and 16.5% higher for quarter, last year differences were relatively insignificant 1.8% & 0.4% for same respective periods. Big question is what happened this year to cause spread. Both ITC & EIA say their reporting methods haven't changed. Both vouch for accuracy of their compilation of data received from essentially same manufacturers. There are some differences in parameters. ITC gets reports from all domestic producers, while EIA estimates production for some smaller companies.

New average-price record highs were hit in 2nd quarter in 18-19" & 20"-&-over color screen size groups. Previous 18-19" mark was \$310.61 in 4th quarter 1976. Previous 20"-&-over record came in first quarter this year. Prices include sets sold directly to dealers or OEM customers as well as those sold to distributors. Here's average price breakdown for U.S. color factory shipments as reported by, or derived from, ITC data:

#### U.S. COLOR FACTORY AVERAGE SELLING PRICES

	17" &-under	18-19"	20"-over	All Sizes
2nd quarter 1979...	\$251.87	\$305.41	\$467.78	\$343.26
3rd quarter 1979...	242.31	304.81	471.28	345.62
4th quarter 1979...	246.97	293.78	477.58	339.24
1st quarter 1980...	248.19	303.15	481.88	338.43
2nd quarter 1980*..	246.02	310.61	501.33	344.79
1st half 1979.....	245.04	303.04	469.16	342.21
1st half 1980*.....	247.09	306.65	491.01	341.42

\*Derived from preliminary data.



**VIDEODISC ALTERNATIVES:** That pending market availability of 3 different videodisc systems hasn't deterred development of alternatives is evidenced by announcement of magnetic optical format by Japan's international telecommunications company KDD, and by recently issued prospectus describing continued work on photographic optical system by Digital Recording Corp.

KDD has developed high density system that records as well as plays. Heat from semiconductor laser produces spot magnetic direction changes in thin-film coating on disc. Polarized light semiconductor laser is used for readout. KDD says system has 66% higher recording density and can be used for data as well as home video recording.

Status of DRC system, developed in conjunction with Battelle Development Corp., is outlined in preliminary prospectus for \$5 million 250,000-share offering. DRC is seeking funds for acquisition of Soundstream, which provides digital audio recording services to record companies & govt.

Prospectus says that, following Soundstream acquisition, DRC will take over work on laser optical record-play system, concentrate on developing home digital audio stereo player, data storage for computers. DRC is holding back on videoplayer work because of high cost, competition from other systems.

System uses scanning laser to record & play back digital information on 4x5" sheets of photo film. Most recent video prototype provides color picture, but no sound. Prospectus says Bell & Howell paid \$43,000 for exclusive U.S. license, non-exclusive in rest of world excluding Japan, for use of DRC system for govt. & scientific applications, except read-only data storage for computers. Fuji Photo has exclusive license for Japan for most applications.

**Ownership of VCRs** among households with pay cable is more than twice national average, according to first results of 9,000-home New Electronic Media study by Arbitron & Video Probe Index, some 5% of pay-cable homes reporting ownership vs. national VCR penetration of 2%. Survey showed 2 out of 3 VCR homes owned VHS-format recorders. In all homes interest in VCR was higher than in videodisc player. Among pay-cable homes, 34% were "very interested" in buying VCR, 28% in buying disc player; in basic (non-pay) cable homes, percentages were 20% & 15%; in non-cable homes, 26% & 23%. "VCR intent," Arbitron Mktg. Vp Pierre Megroz told press conference, is clearcut in all homes. "The reason is the ability to build a library. But they haven't differentiated between the economics of videodisc & VCR. It looks as if the videodisc industry has a huge selling job to do." For pay-TV aspects of study, see p. 3.

First 6-hour industrial VHS recorder was introduced by Panasonic Video Systems. Unit has 3 speeds, electronic TV tuner, 9-times picture search, remote-control play, search & pause, at \$1,195.

**Programming notes:** Thorn EMI Video Programmes Ltd. is new name of EMI Audiovisual Services. Company now has clear division between marketing & product development, named John Sibley dir. of administration, Nicholas Bingham managing dir. of markets, Gary Parnall administrator of videogramme production. Donald MacLean remains managing dir... Video Corp. of America's Teletronics subsidiary in Chicago and joint venture (with Sony) S/T Videocassette will handle duplication & shipments of CBS/MGM titles in East & Midwest, United Video on West Coast. VCA now has 6 home video clients, including Disney, Warner, Time-Life, NFL & its own Vidamerica, is adding 20,000 sq. ft. of warehouse space. Recent reductions of 10-15% in cost of blank tape could knock as much as \$5 off retail price, VCA says... Anti-piracy "fingerprint" is used to encode serial number on Warner Home Video cassettes. System called SNID was developed by S/T, indicates lab in which cassette was duplicated, date & VCR slave.

Japan, Taiwan & Korea combined to use only 55.2% of allowable quota on color TV imports in year to June 30, special Customs monitoring report shows. Imports of complete & incomplete color from those countries in period totaled 1.64 million vs. allocation of 2.98 million. Just 46.4% of complete set quota was used, with imports of 991,000 against allowable 2.14 million, while chassis & kit imports of 651,000 represented 77.7% of permitted 838,000. Japan only used 33% of its allocation, shipping 577,000 against 1.75 million quota. Deficit was in complete sets, where imports of 382,000 were just 24.5% of 1.56 million authorized, while incompletes of 195,000 were 5,000 over limit. Taiwan used 84.4% of its 1.02 million allocations, accounting for 862,000 sets & chassis. Complete set imports of 406,000 represented 33,000 more than 373,000 limit, but chassis imports were only 456,000, 42.1% of 648,000 quota. Korea, with complete set quota of 204,000, supplied 203,000.

Upset Belgians may complain formally to Europe's Organization for Economic Cooperation & Development over GTE's plan to shut 700-worker color tube plant in Tienen Sept. 10. GTE sold plant's main customer, Saba of Germany, to Thomson-Brandt of France earlier this year. With excess tube capacity of its own, T-B refused to buy plant or continue purchasing its output. Plant's union claims GTE violated both Belgian and OECD rules on behavior of multinational corporations by not providing enough advance notice of closing to permit unions & govt. to come up with plan to save plant. In addition, they say GTE gave T-B first-refusal option on plant equipment, making it almost impossible to find buyer. Option is reportedly intended to keep plant out of Japanese hands.

Bell System is filing tariffs with state regulatory commissions to sell home telephone equipment, starting with \$429 replica of first phone made for system in 1882. Bell now sells only shells, retains ownership of workings.



**GRANADA TRIES U.S.:** Granada TV Rental, with over million worldwide customers, mostly in Commonwealth countries, is giving rental a try in U.S. with pilot operation of 11 stores in N.Y. state (Vol. 20:32 p11), pinning hopes that video age will help cause Americans to change to rental of electronic equipment as they do in U.K., where 65% of color TV sets are rented.

Subsidiary of Britain's Granada TV network purchased small TV rental firm in Long Island, has 10 outlets in N.Y.C. area, one in Albany. It offers 13" Teknika color set at \$11.95 monthly, 25" RCA XL-100 remote at \$25.95. Deposit of \$35 is required and minimum rental period is 3 months. Repairs and free use of loaner are included in rental fee.

Granada is renting basic Magnavox VCR for \$29.95 monthly, basic RCA for \$34.95, RCA programmable for \$37.95 (\$50 deposit), not offering Beta, since public has "decided more or less what it wants," according to Pres. Jeremy Rumfitt. He says Granada possibly will add pre-recorded videocassette rental, will look at videodisc players. Several more outlets will be opened, but no major expansion is planned until results are analyzed. Granada currently advertises mainly in newspapers, but local TV and TV Guide will be used beginning in mid-Sept.

Commercial silencer has been patented by inventor Nelson Faerber, who hopes to have it manufactured and marketed before Christmas. One part of 2-piece system attaches to back of set, other must be inserted in video circuit. Sensing fades which occur before commercials, device automatically mutes set when ads come on. It normally keeps set silent a few seconds into program, but sound may be restored by any high-pitched noise, such as snapping fingers or stroking glass with fork. Projected price is under \$90. Faerber also plans VCR commercial eliminator. His "Video Editor" works on same principle as Sheldon Video Editor, now being sold for \$250, but Faerber claims his is simpler and that he owns basic patent. Address: Code 3 Electronics, 900 6th Ave S., Naples, Fla.

FCC entered controversy over legality of STV decoder sale and home manufacture engendered by conflicting court rulings on subject (Vol. 20:32 p5), issuing warning that manufacture, sale or use of non-FCC approved decoders constitutes violation of Communications Act subject to fines up to \$2,000 a day. FCC said rules are based on concerns for spectrum efficiency, interference, consumer protection against degraded reception, "overall integrity of STV service."

Distributor sales of electronic parts rose 16.3% last year to \$4.8 billion, according to National Credit Office. Largest increase was in sales to industrial & govt. customers, up 17.5% to \$3.1 billion. Sales to dealers & servicemen were up 13.5% to \$1.2 billion. Other customers accounted for \$467 million, up 16.2%.

## WEEKLY Television Digest

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**AMPEX TAPE TO JAPAN:** Ampex has agreed to become 50% partner with Konishiroku Photo Industry in joint venture to make & market Ampex brand video & audio tape in Japan.

Venture first will market tape produced in Ampex's Opelika, Ala. plant, expects to launch production in new facility near Tokyo in Sept. 1981, full-scale output slated for fall 1982. Konishiroku is major manufacturer of photo & office equipment, markets here under Konica brand, also produces medical equipment.

Tenna may liquidate next month unless merger partner interested in its \$25 million tax loss carry-forward is found. Onetime autosound major is in Chapter 11, has until Sept. 10 to head off banks' request for liquidation to pay off \$4.5 million in loans. Tenna, which dropped out of car stereo last year, halted electric antenna & speaker production last week, laid off most of remaining 100 employees. Company says it has been breaking even recently, has enough firm orders from Detroit automakers to show profit of \$50,000-\$100,000 in next 3 months if it's allowed to stay in business.

Rep compensation bill (HR-5099) is being opposed by ERA, as well as FTC & New York City. Measure now before House Consumer Protection Subcommittee would require manufacturers to pay reps for lost business when terminating them. Critics say bill is designed to protect some specialized reps, would actually interfere with activities of those in electronics and many other fields. EIA Consumer Electronics Group hasn't taken position.

First BSR-brand speakers are slated for delivery at end of Sept. Units in first 4-model line, all being assembled in Blauvelt, N.Y. plant, list at \$60-\$130.



## Consumer Electronics Personals

Hajime Nakai appointed pres. of Sanyo Mfg. Co. (U.S.), succeeding Satoshi Iue, who returns to parent in Japan as exec. managing dir. and Mktg. Div. gen. mgr., continues as an SMC dir. Nakai, who becomes an SMC dir., was also named exec. mgr., dir. of parent and gen. mgr. of Consumer Electronics Div. He retains responsibilities as Sanyo Singapore pres., vp of units in Taiwan & Hong Kong, dir. of Sanyo's U.S. mktg. subsidiary, as well as exec. posts with several affiliated manufacturing companies in Japan.

Robert Eastwood advanced at Magnavox from VCR sales mgr. to videodisc player sales & mktg. dir.; Leonard Simons promoted from N.Y. Div. sales mgr. to audio mktg. mgr. for eastern divs. 1, 3 & 5; Neil Macht promoted from audio/visual production mgr. to home entertainment center mktg. mgr.; Richard Hostler appointed trade shows & point of sales materials mgr... Trevor Reisz, ex-Vivitar, joins Quasar as TV mktg. mgr., succeeding Jerry Hellman, who left to launch retail business in Tampa; Thomas Lauterback, ex-Brunswick, appointed ad & communications mgr., replacing David Carlson, resigned.

Richard Levin promoted at RCA Sales Corp. from retail ad mgr. to videodisc player mdsg. mgr.; J. William McGee advanced at RCA Service to field operations vp, responsible for 14 Consumer Services district offices & 163 branches, retains responsibility for technical support & training; C. Thomas Attix, former RCA staff senior counsel, real estate, named staff vp & senior staff counsel; others similarly promoted are James Farrell, industrial relations, and James Schroff, corporate matters.

C. J. (Red) Gentry resigns as Panasonic Auto Products Div. gen. mgr. to join ARA Mfg. as Auto Sound Div. vp. He joined Panasonic 2 years ago after 27 years with Motorola's car audio unit. Motorola sold aftermarket segment of autosound business to ARA earlier this year... Tom Frisina, ex-JBL, appointed Infinity Systems domestic sales vp... Walter Cross joins Audio-Technica as Signet Div. region mgr.

Bill Kelsey advanced at BSR from Audio Div. east region mgr. to X-10 Products Group national sales mgr... Leonard Lapine, ex-Certron & Morse, named west coast sales rep for audio tape marketer Avanti Products... Leo Cloutier, L.A., elected NATESA pres., succeeding George Weiss.

Charles Kovac appointed Rockwell Electronic Devices Div. mktg. vp... Lubo Micic named ITT Semiconductors Worldwide managing dir., responsible for plants in U.S., U.K. France & Germany... Jerry Brandeberry appointed National Semiconductor discrete products dir.

Import marking compromise worked out by State Dept. with Taiwan permits imports from there to be labeled "Taiwan Republic of China" or "Taiwan ROC." Under previous rule, use of China designation was restricted to imports from mainland.

## 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-qtr. to June 30	6,098,000	(893,000)	--
1979-qtr. to June 30	6,116,000	(802,000)	--
<b>Ampex</b>			
1980-qtr. to Aug. 2	119,636,000	5,425,000	.47
1979-qtr. to July 28	105,139,000	7,166,000 <sup>a</sup>	.63
<b>Audioelectronics</b>			
1980-year to June 30	22,943,000	965,000	1.02
1979-year to June 30	19,338,000	819,000	.88
1980-qtr. to June 30	6,461,000	368,000	.39
1979-qtr. to June 30	5,075,000	143,000	.16
<b>Lloyd's Electronics</b>			
1980-qtr. to June 30	11,538,000	(1,764,000)	--
1979-qtr. to June 30 <sup>b</sup>	11,722,000	(1,152,000)	--

Notes: <sup>a</sup>Includes special credit. <sup>b</sup>Restated.

**Eduard Rhein Prizes** for 1979 went to 7 international scientists for work on videodisc systems — Jon Clemens & Eugene Keizer of RCA Labs, Georges Broussard of Thomson-CSF, Klaas Compaan & Piet Kremer of Philips, Gerhard Dickopp & Horst Redlich of Teldec. Each received 10,000 German marks (about \$6,000). In addition, Broder Wendland of U. of Dortmund, Germany, received 30,000-mark award for basic scientific studies of development alternatives for future TV systems. Rhein, who celebrated 80th birthday Aug. 23, is German physicist, inventor & writer who established award for research leading way to improvements in TV.

**Sanyo Mfg. Co.**, U.S. color TV production arm of Japan's Sanyo Electric, reacquired 15,160 of its shares from public holders at \$2 each, lowering public ownership of company stock to about 1.6% from about 2%. Sears owns 25% of SMC, remainder is controlled by Sanyo. Following takeover of SMC (then Warwick) in 1976, Sanyo made \$4.43 per share tender offer for 803,000 shares still in public hands, picking up all but about 88,000. SMC said it made no solicitation for repurchased shares, bought them to accommodate holders who had expressed interest in selling.

**Malaysian TV components venture** planned by Hitachi has received approval from govt. there. Hitachi will be 89.4% owner of company expected to be capitalized at \$3 million, employ about 200.

**Sony will introduce** its long-awaited super-bright new home video projection system this week at N.Y. press showing.

## OBITUARY:

**Shuichiro (Sam) Oka**, 67, EIA-Japan engineering advisor, died in Tokyo Aug. 19. He was particularly active in international area, representing Japanese industry at UL, IEC and other meetings.