SUMMARY-INDEX OF WEEK'S NEWS

Broadcast

UNEASY TRUCE FOLLOWS CONTEMPT WAR: Industry leaders see 'a lot of scar tissue' on Hill following House's 226-181 vote killing Staggers' contemtp citation. Macdonald plans hearings 'long after summer recess' on editing practices in documentaries, promises no harassment. (P. 1)

CABLE PLANS STILL ON TRACK: Nearing final action, Commission follows proposals outlined Senate on distant signals, access, etc. Effective date not yet chosen. Symons heads NCTA presidential selection committee; Exec. Committee members chosen. (P. 3)

ABC REPORTS ON TV VIOLENCE: While exposure of children to TV violence doesn't lead to 'heightened aggressive behavior,' it does create 'negativism, resentment & suspicion,' ABC says, reporting initial findings of 2 studies. (P. 4)

Consumer Electronics

TAIWAN TV EXPORTS SEEN CLIMBING to 2.4 million annual rate in 2nd half, as new plants go on stream. Tatung Engineering buys Sylvania Hong Kong TV equipment. Japan yen revaluation would cut TV exports to 2.4 million for 2nd half, as new plants go on stream. (P. 7)

UNEASY TRUCE AFTER CONTEMPT-CITATION WAR: Will revenge & retaliation be order of the day on House Commerce Committee? That's salient question hanging in air following House's 226-181 vote against Chmn. Staggers' (D-W.Va.) effort to get CBS cited for contempt for refusing to deliver 'Selling of the Pentagon' outtakes. There are conflicting evaluations, of course, but broadcast industry leadership is taking conservative view that life on the Hill will be no picnic for some time.

Staggers has shifted network-editing controversy from Investigations Subcommittee back to Communications Subcommittee. Chmn. of latter, Rep. Macdonald (D-Mass.), told us: "I'm not in any punitive mood. Hearings are possible...but long after the summer recess" which also in any punitive mood. Hearings are possible...but long after the summer recess" which Staggers' (D-W.Va.) effort to get CBS cited for contempt for refusing to deliver "Selling of the Pentagon" out takes. There are conflicting evaluations, of course, but broadcast industry leadership is taking conservative view that life on the Hill will be no picnic for some time.

With blessing of Staggers, Rep. Keith (R-Mass.), ranking Republican on Macdonald's Sub- committee, introduced bill prohibiting staging, rearranging events or statements, or interviews committee, introduced bill prohibiting staging, rearranging events or statements, or interviews committee, introduced bill prohibiting staging, rearranging events or statements, or interviews committee, introduced bill prohibiting staging, rearranging events or statements, or interviews committee, introduced bill prohibiting staging, rearranging events or statements, or interviews committee, introduced bill prohibiting staging, rearranging events or statements, or interviews committee, introduced bill prohibiting staging, rearranging events or statements, or interviews
MAGNAVOX, WARWICK, AMPLEX: Continuing story of industry’s financial recovery was evidenced in latest year results announced last week by Magnavox, Warwick (see financial table).

Magna vox reported record first-half & 2nd quarter sales, up 18% & 16% respectively from same periods. Profits rose 38% for half, 41% for quarter. Firm said Consumer Electronics Div. "showed sales increases," "excellent" profit gain and "improvement in market penetration of major product areas was achieved."

Warwick posted indicated $321,000 profit in 2nd quarter, vs. $6.8 million loss in same 1970 period. Sales in quarter were up 68.6% to $45.8 million; first half sales gain was 60.6%. Renegotiated contract, under which Sears buys products produced rather than when shipped (Vol. 10: 43 pi), increased Warwick’s first half sales by about $31 million, reduced loss by some $3.6 million. Parent Whirlpool reported 69% first half earnings gain on 5% sales increase.

Ampex annual report says 30% of $280.3 million sales in fiscal 1971 (to May 1) were accounted for by leisure-entertainment products—consumer electronics and blank & recorded tape—vs. 24% in 1970. First recorder-player line had strong first half, but sales "fell far below expectations" during Christmas season; pickup was seen in spring. Ampex plans to offer 4-channel recorded tapes later this year.

FIRST-HALF SALES: Milestones along recovery road are these monthly totals of domestic-brand to-dealer sales of consumer electronics products for year’s first half, compared with same 1970 period, as obtained from EIA:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>TELEVISION TO DEALERS</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>2,482,076</td>
<td>1,979,533</td>
<td>18%</td>
<td>16%</td>
<td></td>
</tr>
<tr>
<td>Portable &amp; Table</td>
<td>2,171,248</td>
<td>1,688,533</td>
<td>18%</td>
<td>16%</td>
<td></td>
</tr>
<tr>
<td>Portables</td>
<td>1,264,420</td>
<td>974,297</td>
<td>50%</td>
<td>44%</td>
<td></td>
</tr>
<tr>
<td>Table</td>
<td>906,828</td>
<td>714,236</td>
<td>43%</td>
<td>40%</td>
<td></td>
</tr>
</tbody>
</table>

| PHONOGRAPH SALES TO DEALERS |          |           |       |       |                      |
| Total              | 2,482,076 | 1,979,533 | 18%   | 16%   |                      |
| Portable & Table   | 2,171,248 | 1,688,533 | 18%   | 16%   |                      |
| Portables          | 1,264,420 | 974,297   | 50%   | 44%   |                      |
| Table              | 906,828   | 714,236   | 43%   | 40%   |                      |

| RADIO SALES TO DEALERS |          |           |       |       |                      |
| Total              | 2,482,076 | 1,979,533 | 18%   | 16%   |                      |
| Portable & Table   | 2,171,248 | 1,688,533 | 18%   | 16%   |                      |
| Portables          | 1,264,420 | 974,297   | 50%   | 44%   |                      |
| Table              | 906,828   | 714,236   | 43%   | 40%   |                      |

Ampex—Warwick—Magna vox sales report compared with similar comparisons for Sony, Philips, & others.

- **Suppliers** (N.Y.)
- **Manufacturers** (N.Y., Calif., Calif.)
- **Dealers** (N.Y., Calif.)

**Summary:**
- Total radio exports in April were 22% above May 1970.
- **Japanese**: Imports of TVs, home radios, radio-phonos, & DSS recorders rose.
- Imports of DSS recorders rose by 92%.
- Imports of tapes, horns & tubes rose by 36%.
- Imports of TV, components rose by 36%
- Exports of TVs, home radios, record players, & DSS recorders fell by 35%. Export of radio-phonos fell by 50%.

**Notes:**
- General Motors reports high sales of Monza, Nova, & Camaro.
- **Japanese** report high sales of DSS recorders.
- **Japanese** report high sales of DSS recorders.
- **Japanese** report high sales of DSS recorders.

**Radio Topics:**
- **UMTS**
- **Wireless**
- **DSS**
- **Satellite**

**Executive**
- **Executive**
- **Executive**
- **Executive**

**Executive**
- **Executive**
- **Executive**
- **Executive**

**Executive**
- **Executive**
- **Executive**
- **Executive**

**Executive**
- **Executive**
- **Executive**
- **Executive**

**Executive**
- **Executive**
- **Executive**
- **Executive**
JANUARY'S EXPORTS: Japanese exports to U.S. sold in May (Vol. 11:26 p10), according to Finance Ministry.

Total radio exports in month slipped less than 1% from May 1970 as 22% unit gain in auto radios nearly 2.4% home radio decline to 983,000. Exports of phonos & radio-phonos jumped 45.5% to 160,000; color radio-phonos combinations were up 14.4%, while power transceivers increased 24.6%. Cassette recorderes continued as strong export, with month's shipments up 46.6%; open reel volume took 63% nosedive; auto tape players sold at year-earlier level. Following are Japanese radio exports to U.S., with 1970 month's results for comparison:

JAPANESE EXPORTS TO U.S.

<table>
<thead>
<tr>
<th>Year</th>
<th>Value ($)</th>
<th>Units ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>May 1971</td>
<td>May 1970</td>
<td></td>
</tr>
<tr>
<td>TV</td>
<td>24,992</td>
<td>3,568</td>
</tr>
<tr>
<td>Phonos</td>
<td>12,077</td>
<td>2,503</td>
</tr>
<tr>
<td>Monochrome, stereo.</td>
<td>5,195</td>
<td>5,195</td>
</tr>
<tr>
<td>Monochrome, non-stereo.</td>
<td>1,473</td>
<td>1,473</td>
</tr>
<tr>
<td>Stereo, non-stereo.</td>
<td>420</td>
<td>420</td>
</tr>
<tr>
<td>Recorder, other</td>
<td>90,199</td>
<td>72,797</td>
</tr>
<tr>
<td>Recorder, tape</td>
<td>106,897</td>
<td>15,020</td>
</tr>
<tr>
<td>Phonos, tape</td>
<td>10,607,825</td>
<td>1,502,023</td>
</tr>
</tbody>
</table>

Canada's first quarter: Canada's total TV market shrank in year's opening quarter, compared with same year-earlier period, with b&w unit volume off sharply, color posting increase, according to Dominion Bureau of Statistics (DBS). Total market equals domestic-made Canadian factory sales plus imports.

Sold in period were 184,645 TVs, off 5% from 1970 quarter, with color up 25.7% to 84,784, monochrome down 13.4% to 100,461. Total domestic-made factory TV sales were down 3%, as color jumped 34.8%, nearly offsetting 25.5% decline in b&w. TV imports fell 8%, with color up 9%, b&w down 15.2%. As result, Canadian-made TV took 61% domestic market share in period, up from 59.7%; in color, b&w 54% (down from 57.1%).

New TV import breakdown by screen size shows, for color: Under 18” (over-all diagonal), 7,381; 18”, 4,466; over 18”, 10,904. B&w: Under 18”, 36,924; 18”, 3,901; over 18”, 5,954. U.S. was source for 99% of imported over-18” color sets.

Japan principal supplier in all other sizes. DBS has discontinued publishing domestic-made sales by screen size. In table chart, comparable year-earlier totals for home radio & phone sales aren’t available; other figures indicate Canada’s phone production, at 24,621 in period, was about 34% behind last year.

Canadian TV producers included in totals (which DBS indicates represent 100% of sales) are Admiral, Electrohome, Fleetwood, GE, Philco-Ford, Philips, RCA & Westinghouse. Clairton was dropped from list in March. Mitsubishi (Canada), which was included in 1970, is off list this year.

CANADIAN FACTORY SALES*  

<table>
<thead>
<tr>
<th>Jan.-March</th>
<th>Jan.-March</th>
</tr>
</thead>
<tbody>
<tr>
<td>1971</td>
<td>1970</td>
</tr>
<tr>
<td>Total TV</td>
<td>112,566</td>
</tr>
<tr>
<td>color</td>
<td>56,367</td>
</tr>
<tr>
<td>monochrome</td>
<td>54,199</td>
</tr>
<tr>
<td>Radio-phonos</td>
<td>24,992</td>
</tr>
<tr>
<td>Total phonos</td>
<td>20,135</td>
</tr>
<tr>
<td>mono</td>
<td>11,337</td>
</tr>
<tr>
<td>stereo</td>
<td>8,798</td>
</tr>
<tr>
<td>Home radios</td>
<td>7,311</td>
</tr>
</tbody>
</table>

MINERS

<table>
<thead>
<tr>
<th>Year</th>
<th>Monitors</th>
</tr>
</thead>
<tbody>
<tr>
<td>1970</td>
<td>2,177,244</td>
</tr>
<tr>
<td>1971</td>
<td>3,614,263</td>
</tr>
</tbody>
</table>

Table

<table>
<thead>
<tr>
<th>Year</th>
<th>Cassette</th>
</tr>
</thead>
<tbody>
<tr>
<td>1970</td>
<td>32,602</td>
</tr>
<tr>
<td>1971</td>
<td>36,221</td>
</tr>
</tbody>
</table>

Note: Beginning in January, “Canada’s First Quarter” appears in the “Television Digest.”
SUMMARY-INDEX OF WEEK'S NEWS

Broadcast

U.S. SATELLITE-TO-HOME TV experiment to start in Rocky Mountain states in May 1973 in plan pushed through WARC by HEW. Programming to last year, NASA satellite will be shifted to orbit over India. "Alienated & disregarded." (P. 1)

FIRE'S COMMITMENT TO CHILDREN'S TV: Says "Middle America" has joined "alienated & disregarded." Expresses "cautious optimism" about new programs, commercial cutoffs, Toy Code. (P. 2)

TV SET TO ATTACK growing practice of advertising 3 products in 30-sec. spot. Move led by large groups. Code subscribers polled on Preparation B. (P. 3)

SLEEP FOR LANGHOFF AT ARB: Firing of Langhoff as pres. comes as surprise since most problems with televangelists have been worked out. (P. 4)

WHITEHEAD-CHANGE TV VIA CATV: Hints at common carrier for cable, pushes pay TV, says 'there's too much govt. interference.' (P. 5)

CBS NEWS SHAKEUP IN L.A. follows House Subcommittee probe of news fakery. Network suspends correspondent Drinkwater for 90 days. (P. 5)

U.S. SATELLITE-TO-HOME TV IN 1973: Rocky Mountain states have been picked for govt.-backed satellite-to-home TV experiment slated to go on air in May 1973 via NASA satellite which eventually will be parked over India. Experiment, right out of blue, is result of little-noticed U.S. proposal (through HEW) which won approval at June-July WARC conference in Geneva—where nearly all the talk was about Indian experiment, not U.S. Satellite will be moved to India orbit after U.S. experiment.

ATS-F satellite will be used for year over Rocky Mountain states—area picked at secret meeting at Goddard Space Flight Center month ago—and will provide "good" signal from Mexico to Canada, and from Cal. to Kan. Satellite will be programmed 2 hours daily on one channel, for direct reception. Of these antennas, 30 will only, with 500 antennas to be provided by govt. for direct reception, "70 for colleges, 150 for direct home reception, 100 in broadcasting & cable installations," 70 for colleges, 150 for direct home reception, 100 in broadcasting & cable installations," 150 in public schools. In addition, "any individual, business or organization" can buy antenna for $150-$200 to receive satellite programming.

Programs will be aimed at all educational levels, and will be carried on ETV stations & cable systems in area, according to HEW, which has assigned job of coordinating experiment to Federation of Rocky Mountain States (FRMS) —formed several years ago by governors of 8 states.

Consumer Electronics

PHILCO TESTS TV-LEASING plan for CATV subscribers in Greensburg, Pa., in pilot study which could lead to nationwide operation. Factory will supply & maintain color sets for $15 per month. RCA establishes CATV group in Consumer Electronics Div. (P. 7)

MORE SHOCK WAVES for importers—new dumping complaint on Japan color tubes; get-tough policy urged by Presidential trade commission; threat of long future for surcharge; increased probability of East & Gulf port strikes. (P. 8)

CERAMIC THROW A WAY TV CIRCUITS being expanded by RCA. Production to reach 2-3 million rate by year's end with goal of putting 80% of color circuitry on disposable modules. Increased reliability, price competitiveness with imports seen as aims. (P. 9)

JULY IMPORT FIGURES show general decline from last year, reflecting strike at West Coast ports. Slump hits hardest at open-reel recorders, auto tape players. (P. 11)

OTP FEARS FCC VTR CONTROLS: Burch FCC type-acceptance rules lean toward too much govt. intervention. (P. 11)

WS SHAKEUP IN L.A. follows House Subcommittee probe of news fakery. Network suspends correspondent Drinkwater for 90 days. (P. 5)
RCA's decision to quit general-purpose computer business, approved at week's end by special board meeting, will result in "one-time charge for 1971 that could reach $250 million after tax," placing firm in "substantial loss position for this year," according to Chmn. Robert Sarnoff, who said no adverse effects are expected in future years. Decision to quit main frame business, he said, was dictated by studies showing industry will grow at lower rate than expected, with intensified pressures by "uniquely entrenched competition." To continue in race, RCA would require "massive infusion of capital"—probably more than $500 million in next 5 years. RCA will concentrate computer efforts in areas of specialized data communications systems and computer maintenance.

Radio Shack, consumer electronics mail order & retail store subsidiary of Tandy Corp., plans network TV ad campaign. Bloom Advtg., Dallas, will handle account.

Obituary

Jordan Listick, 32, who was named Admiral sccy.-treas. last June, died Sept. 12 of apparent heart attack. Widow, 2 sons survive.
SUMMARY-INDEX OF WEEK'S NEWS

COLOR BREAKS THROUGH to 9-month record of 4,074,500 domestic-label sets, with 199,000 sold in final Sept. week, 3rd best week in history. Signs point to color's first 6-million-set year. (P. 1)

TV INDUSTRY INJURY HEARING before Tariff Commission in Washington sheds little new light, as testimony concentrates on legal points. Magnavox pledges return to all-U.S. production if duty rate is raised; Zenith claims serious injury. IUE loses $67 million suit against Japan TV makers. Japan bow to U.S. pressure on textile quotas. (P. 7)

HOTEL-MOTEL TV—another off year seen, with sales declining for 3rd consecutive turn—but Philco's Telesound, claiming No. 2 spot, cites gains. Rentertainment consumer leasing program may move into Pittsburgh with large-dealer participation. (P. 9)

VTR & 'MYSTERY PRODUCT' on Magnavox sales agenda for 1972. Platt lai ?n Magnavox sales increases in 3rd quarter. (P. 10)

EIA EXAMINES COLOR set standardization to improve reception uniformity, names new consumer aff airs coordinator, opposes FCC type acceptance for videoplayers. Unified foreign trade position postponed. (P. 11)

WHITEHEAD'S 'BREATH OF FRESH AIR': To delight of broadcasters, OTP Dir. Clay T. Whitehead unrolled some blockbusters before IRTS last week, calling for legislation to: (1) Eliminate fairness doctrine. (2) "Change the license renewal process to get the government out of programming." (3) "De-regulate" radio to point of virtually no government. Whitehead said he had no draft of legislation to accomplish foregoing, admitted he was putting forth ideas for discussion. Asked whether his suggestions reflect Nixon's ideas, Whitehead told reporters: "They reflect the broad view of the Administration, but I don't want to tie the President to any specific proposal."

Though broadcasters cheered quickly & lustily, there will of course be vigorous opposition from "access" groups and their champions in Congress. Some cynics profess to find Whitehead home is goal-ward, Cal., industrial-electronics; Ted Monnet, mid-West.


sufficiently great to warrant consideration at our executive committee meeting Oct. 21," when Philco officials will be invited to discuss concept.

In all probability, Philco isn't looking for much help with Rentertainment from smaller dealers. In fact, franchising of regular Philco line, started last year, squeezed thousands of small outlets out of Philco family. If present test shows promise, indications are that next Rentertainment venture will be in major market—understood to be Pittsburgh, where 3 large retail operations, including Firestone Stores and Kelly & Cohen, are expected to participate.

**MAGNAVOX '72-VTR, 'MYSTERY PRODUCT':** Magnavox's spring 1972 line will feature at least one VTR, low-cost color camera and as-yet-undefined mystery device which "will introduce a new dimension to color TV."

That was part of message given to N.Y. security analysts last week by Pres. Robert Platt & Magnavox Consumer Electronics Pres. George Fezell. Other part was that 3rd-quarter earnings were up 19% from 1970, with record sales up 12% (see financial table) and prospects look good.

VTR will be shown to dealers next May, on market in fall, and will be aimed at educational-industrial & consumer markets. Platt declined to state which system would be used, but indicated it is not Magnavox's own development. "We will probably come in with 2 [VTR] products, but we're in active discussion with many." Initially, VTR "will not be inexpensive, and at its price range not a major consumer electronic product." He said complete VTR package will be more than $1,000. Magnavox is known to have had discussions with Cartridge TV, Ampex, Philips, perhaps other VTR developers. "In the long run," said Platt, "Teldec [video disc] is a very interesting development. Our 1972 program doesn't encompass it. We are talking tape."

The mystery product? Fezell's teaser: "It will work with any make of color or b&w TV, but will be best with large-screen color. It will appeal to young & old. It will attach to the antenna terminals. It will sell for less than $100." Your guess is as good as ours. Other comments by Magnavox topkicks:

**Current business:** "Significant sales pick-up in the latter part of Sept. Our market share in color TV is better than it was last year. The dock strike is hurting, tying up needed merchandise, but most of it is in small, low-cost items." Fourth quarter will be very competitive, with short-term dislocation caused when pre-surcharge products piled up by the dock strike start to come in. Fezell said 81% of Magnavox dealers report inventories in line with sales. Dealers, he added, are carrying lower inventories, buying more frequently in smaller quantities—a situation which he forecast will lead to fewer dumps, stabilizing prices.

**FTC consent decree:** "Our sales in non-fair-trade states are keeping pace with those in fair-trade states. We are not losing penetration. We're satisfied we can live with it."

**Canadian operations:** Platt hinted that Magnavox would start manufacturing north of border."We don't believe anyone can hope to export and be a factor of consequence in any country outside of the U.S." But Fezell stated that company's first year of Canadian sales showed profit.

**Solid-state color:** "We have held back due to wide acceptance of our hybrid chassis and softness in pricing of the competition's solid-state chassis—the premium isn't sufficient to cover the additional manufacturing cost. We will introduce a solid-state chassis in 1972."

**Sales breakdown:** Slightly less than half of company's 1971 business has come from consumer electronics; home furnishings & musical instruments contributed 26% and was fastest-growing group; govt. & industrial accounted for 25%. Company is continuing to decrease its relative dependence on consumer electronics.

**Price cutting:** "There are morons in every industry," said Platt. "This is the most ridiculous time to be cutting prices. We have taken action to preserve our position in the market and we will do it regularly." (For Magnavox position on imports, see p. 8).