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# Television Digest

WITH AM FM REPORTS

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(For additional trade news, see Trade Reports, pages 7-9)

**RECORD TV OUTPUT WEEKS IN OCTOBER:** Average of well over 200,000 TVs per week during 4-week October brought total production to 813,851 for month, just short of record 817,157 for 5-week September (Vol. 6:41). Weekly output rate reached new high in October: 183,031 first week, 203,436 second, 219,680 third (record), 207,704 fourth.

These are projected RTMA figures, covering entire industry's estimated output. They mean first 10 months of 1950 have accounted for 5,777,610 TVs, remaining 2 months are certain to bring this year's total to well over 7,000,000.

Radio output, too, continues at high pace -- 1,413,563 sets during October, produced at this weekly rate: 353,171 first week, 352,651 second, 340,065 third, 367,676 fourth (record). This brings total 1950 radios to date to 11,481,823.

**\$2,000,000 AD CAMPAIGN TO 'SELL' TV:** Not a word about prices, shortages or color -- but affirmatively-worded newspaper and radio advertisements designed simply to "sell television," keep receivers moving to public, offset possibility of trade slump.

That's idea behind cooperative institutional campaign launched Friday by combined chiefs of advertising of leading TV manufacturing companies. Ads will be full-page or 1000-line insertions in 1100 newspapers in TV areas, starting Monday, Nov. 13; plus spots on 250 radio stations in TV areas, starting Nov. 6.

Budgeted for \$2,000,000 at outset, running for indefinite period (as long as needed), copy will feature noted educators and editors emphasizing educational value of TV, its importance in life of children, its influence on family group.

Prime mover behind campaign, which will not carry individual manufacturer credits but will simply be "sponsored by leading TV manufacturers and dealers," is reported to be Motorola's Paul Galvin, whose agency Ruthrauff & Ryan is handling account out of New York. All underwriters aren't yet disclosed, but they include top producers, representing considerably more than half industry's output -- namely, Admiral, Motorola, Philco, RCA.

**TRENDS AT END-OF-FREEZE HEARING:** Allocation hearing is moving faster than expected, with first phase (general issues) likely to end in couple weeks. As third week of hearing concluded, number of factors stand out:

(1) FCC is bound to come up with new allocation plan -- for uhf certainly, if not for vhf too. Commissioners and staff have made it clear, during hearing, that new data on interference alone -- oscillator radiation, image, intermodulation -- make reallocation necessary. Question, of course, is whether next allocation will be proposed or final and whether there will be another general issues hearing. Commission isn't committing itself.

(2) Recommendations are so varied that FCC can come forth with almost any proposal and find sizable support for it. But all witnesses are agreed on one thing -- flexibility. They fear FCC may regard its allocation as ironclad pattern. FCC counsel Harry Plotkin tried to calm fears by indicating that it hasn't been difficult to change FM allocation upon proper showing.

(3) Sadly missing are non-engineering witnesses. The telecaster, present and prospective, just isn't there. His engineers are, and they're being asked the



vital economic, social and political questions -- which frequently mean more to allocations than engineering.

For example, intermixture of vhf and uhf in same city is regarded as primarily an economic question, yet DuMont is about only outfit presenting clearcut non-engineering testimony on it. Charles E. Denny, manager of WERC, Erie, came prepared to offer opinion on intermixing, but Chairman Coy objected to receiving non-engineering testimony on subject. Denny was finally permitted to comment, but was so nonplussed by Coy and Plotkin that he never even read his prepared statement.

No network president has appeared. Presumably, management will be brought in during next phase of hearing -- specific cities. Everyone is wondering, however, whether FCC will have already laid down basic policy in a general issues decision, rendering subsequent testimony academic.

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(4) "Don't trust manufacturers" seems to be a recurrent Commission theme, when question arises whether receivers of various characteristics will be built. Chairman Coy and counsel Plotkin got in several digs, alluding to manufacturers' attitude on color and/or brackets, when talking about receivers of good adjacent-channel selectivity, oscillator suppression, image rejection, standard IF, etc.

When adjacent-channel question was dismissed by consultant A. Earl Cullum, who said: "There are technical ways to overcome the problem," Coy commented:

"I'm very glad to have you, as a consulting engineer, point out this opportunity for improvement in TV receivers, because I'm afraid that if the Commission did it we might not get it done."

Plotkin has hammered away on question whether FCC, if it has the authority, should set a standard IF. In essence, answer generally received was: "You make the allocation; supply and demand will take care of set quality."

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(5) Big stations vs. small, or more coverage vs. more competition -- any allocation's basic question -- has developed plenty of argument.

Pitch for big stations and rural coverage came from Cullum, representing number of stations and applicants. He asked for 100 kw, 1000 ft. for Channels 2-6; 300 kw, 1000 ft. for Channels 7-13.

In lieu of FCC's proposed allocation priorities (Supplement No. 64), he recommended that aim be 3 services for entire country. This could be approached with the 12 vhf channels, he said, conceding it would mean deleting stations from cities now having more than 3.

He cited WCON-TV, Atlanta, as practical example of 1000-ft tower. Such towers, he said, could be erected in all cities he had studied, even though CAA officials were horrified at first thought. These included: Buffalo, Detroit, Indianapolis, Kansas City, Dallas, Shreveport, Jackson, Miss.

Extreme opposite in allocations was presented by Prof. R. G. Kloeffler, of Kansas State College. He asked that 1-kw stations be permitted in some areas, since few additional people would be served by considerable increases in power, but he thought room for later hikes should be allowed.

Between extremes, rather startling analysis came from Bernard C. O'Brien, WHEC, Rochester. The 150-mile co-channel spacing of Commission's May 1948 proposal (Supplement 58), he asserted, actually fulfills first 4 of FCC's priorities far better than currently proposed allocation. He analyzed vhf only, but claimed FCC should use vhf in most efficient manner, regardless of uhf. Also, he hadn't compared Grade C (fringe) service of the two plans, although he thought Grade C would be pretty good with old plan.

Plea for exception to power minimum of 10 kw came from consultant Robert Kennedy, of Kear & Kennedy, who stated that cities such as Holyoke, Mass. could get vhf channel without violating FCC's proposal to any perceptible degree.

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(6) Vhf-uhf intermingling remains as tough a question as ever. This week's testimony leaned largely towards mixing. Some witnesses even recommended adding uhf



in New York City, saying: "If it can't get going there, it won't work out anywhere."

Note: Hearing resumes Wednesday, Nov. 8, at 2 p.m. in FCC Room 6121.

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Progress on uhf receivers, the other end of the uhf picture, seeps out of laboratories from time to time. In addition to those of Admiral and Zenith, strip tuner has reportedly been developed by big tuner maker Standard Coil. Another of the big boys is known to have new continuous tuner which company officials claim is "terrific" in matter of oscillator suppression, image rejection, etc. Only catch, they fear, is cost; it runs about \$75, as against the few dollars the turret tuner strips are supposed to cost.

Also, GE added useful "building block" for uhf sets this week when it announced a "miniature magnetron," first application of wartime radar tube to home receivers. It's claimed to be good for vhf and uhf, will cost about \$1, including magnet. Tube is now being turned out in experimental quantities at Owensboro, Ky. works. It was unveiled at RTMA-IRE session in Syracuse this week, got good reception from technicians.

**A FORMULA FOR EXCESS PROFITS TAX?** Likely to be bellwether, sure to be cited as the prime example of "growth industry" when House Ways & Means Committee begins excess profits tax hearings Nov. 15, is the TV manufacturing industry -- probably also telecasting (Vol. 6:43).

That was acknowledged by Congressional and Treasury Dept. experts who met with RTMA "defense profits" committee Nov. 1 in informal, pre-hearing consultation.

TV industry is opposed in principle, as are most other businesses, to excess profits tax, committee telling tax technicians that increased corporation tax would be preferable to the penalty an excess profits tax imposes on efficiency and on growth industries. However, if an excess profits tax must be accepted, RTMA recommended special formula to determine "normal" profits.

Base for TV industry, it was suggested, should be a "reconstructed" net earnings figure for 1950. This would be accomplished by finding ratio between earnings first 6 months of each year 1946-49 and total earnings for each of those years. This ratio factor would be multiplied by net earnings before Federal taxes for first 6 months of 1950 (pre-Korea profits) to give "reconstructed" 1950 net earnings.

[For example, assume hypothetical Company X earned \$200,000 in 1946, \$300,000 in 1947, \$400,000 in 1948, \$600,000 in 1949 -- total \$1,500,000 for 4 years. Assume first 6 months earnings for those years were \$50,000 in 1946, \$100,000 in 1947, \$150,000 in 1948, \$200,000 in 1949 -- total \$500,000. Ratio between total earnings and first 6 months earnings would thus be 3.

[Assume Company X earned \$1,000,000 first 6 months of 1950. Multiply this sum by factor of 3, and "reconstructed" 1950 earnings for tax purposes would be \$3,000,000.]

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House has 11 excess profits tax bills pending -- 4 introduced by members of House Ways & Means Committee being identical, namely, H.R. 9611, 9613, 9614, 9615. These would require corporations to compute their profits by reference to invested capital or to average 1946-49 base period, whichever results in lower tax. Excess profits would be taxed at 95%, retroactive to July 1950. Bills contain no provisions for refunds, do not exempt capital gains. Estimated 6 billion dollars would be derived annually.

RTMA committee recommended profits be taken out of war contracts through initial negotiations or renegotiations. Reasons for recommending special formula for TV companies are: (a) None of other formulas adjust for TV, which has had its growth only from 1946 to date. (b) TV's largest increases have been in 1949 and 1950. (c) Any fair base for TV industry must take 1950 earnings into account.

RTMA's "defense tax" committee got sympathetic reactions from govt. tax technicians when Chairman Glen McDaniel (RCA), RTMA president Robert Sprague and other committeemen appeared. But it must place case before House committee, which



has not yet set hearing date. Also asking to be heard are TBA, NAB, Philco, United Electrical Workers, expelled leftwing former CIO union, and KING-TV, Seattle. Statements will be submitted by WHEN, Syracuse and KMTV, Omaha.

Besides Sprague and McDaniel, RTMA committee includes Max Balcom, Sylvania; J. E. Cain, Mallory; B. L. Graham, DuMont; Robert Hamilton, Hytron; Raymond Herzog, Emerson; Edward L. Hulse, GE; G. R. MacDonald, Motorola; W. Myron Owen, Aerovox; M. G. Paul, Philco; Earnest Searing, International Resistance; Robert C. Tait, Stromberg-Carlson. Named RTMA tax counsel is Charles Hedrick, of Pierson & Ball.

**TEMPERS HOT AS COLOR SHOWDOWN NEARS:** Climax to bitter color war seems in the making. It could come Nov. 14, after arguments before 3-judge court in Chicago (Vol. 6:43). Or Nov. 20, effective date of FCC's decision, when CBS is supposed to begin commercial telecasts -- unless stayed by court.

Or it may come Dec. 5, when RCA demonstrates improvements in its all-electronic system in Washington. Or after Congress reconvenes, when reactions to manufacturer-distributor-dealer outcries -- and FCC counter-campaign -- may take shape.

Or else the whole affair may resolve itself when reaction of public, in set purchases, makes it obvious that CBS or RCA, or neither, is winning.

Ironically, for both color camps, receiver production and sales continue unabated -- for time being, at least (see Trade Reports).

Most striking developments of week were:

(1) FCC Chairman Coy's white-heat letter to Hallicrafters' Wm. Halligan, berating him for his company's ad captioned "The Color Television Blunder" (reprints of letter and ad in Special Report herewith).

Coy's letter makes clearer than ever that he has no intention of leaving industry to battle issue out itself. Nor does anyone doubt that FCC will pressure telecasters when and if it deems expedient.

Coy is a tough customer, stubborn, a fighter who knows his political ropes well from his days as assistant to President Roosevelt and his various other govt. jobs. Letter emphasizes more than ever his belief in (1) imperativeness of color, that it's now or never; (2) workability of CBS system, and its acceptance by public; (3) need to battle all opposition from those who don't go along with FCC decisions.

Halligan is also a fighter, a West Pointer who came up the hard way to become one of industry's most respected producers, his brand name particularly well known on precision instruments for military and Govt. Hallicrafters is reputed to be 9th or 10th largest TV producer.

Reached in New York as he was about to embark on flying trip to Europe, Mr. Halligan told Herald Tribune "if it hadn't been for Senatorial pressure on Coy and others on the Commission we feel there wouldn't have been any color decision to criticize." He said the company "would make the same criticism again and again."

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Coy's "suggestion" that Hallicrafters make color sets, etc. has interesting answer. Company went on record, shortly after FCC decision, as promising color production. In fact, prior to Coy's letter, company had advertised in trade press: "From the world-famed short-wave laboratories of Hallicrafters comes this newest answer to the color TV question -- Hallicrafters Color-Vision. Not just a gadget-like attachment, but a complete color unit, expertly engineered and smartly styled..."

It's clear FCC and industry have a political fight on their hands -- with major manufacturers-distributors and most telecasters opposing FCC. Only CBS, a few smaller manufacturers and very few stations are ranged on FCC's side. Within Commission, the political fight is faced with dis-relish by some, especially since the industry has just as much Democratic as Republican support.

FCC's "open door" to compatible systems appears little more than a slit when Coy states in letter "it is pointless to wait any longer..." The pressure on RCA to really produce Dec. 5 is terrific.

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(2) More pressure on RCA came from Commission in form of letter "requesting" that RCA supply CBS with its tri-color tube, with instructions in its use, plus dem-



onstration of tube on RCA system for benefit of CBS engineers. CBS on Sept. 8 had asked Sarnoff direct for the tube, which would be useful in eliminating mechanical color wheel, but had been told to wait for further development.

RCA had not replied to FCC, up to late Friday, but it was regarded unlikely to acquiesce before its own Dec. 5 demonstration.

Noteworthy are names of commissioners who signed letter: Walker, Webster, Sterling. Language of letter is very polite: "The Commission was pleased to note the progress mentioned in [RCA progress report (Vol. 6:31)]..."

Letter then called attention to FCC's grant of continued experimental authorization to NBC's WNBW & WNBT (Vol. 6:42) and said: "The Commission expects that the fruits derived from such research and development will be made available to the entire industry...that your cooperation in this matter will be in the public interest..." Letter also reminded RCA that Gen. Sarnoff had promised samples of tube to the industry.

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Nov. 14 Chicago arguments will be before Judges Phillip L. Sullivan and Walter J. LaBuy, of Federal district court there, and Judge J. Earl Major, chief justice of Circuit Court of Appeals.

Replying to RCA complaint this week, Commission recites how it went about making color decision. This was to counter charges of being "arbitrary and capricious." It also said there's nothing wrong with participation of staff engineer Chapin (Vol. 6:42), and concludes that its decision "did not deprive plaintiffs of their property without due process of law" and that "there is no genuine issue as to any material fact."

CBS was granted intervention, said it was ready to telecast color and would suffer heavy losses if prevented -- claiming investment of \$4,000,000 in color.

Pilot asked to intervene, but court hasn't acted on request yet. Halli-crafters and Sightmaster have said they'd file, but had not at this writing.

Appeal direct to U.S. Supreme Court may be made immediately after court's decision, whichever way it goes.

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CBS plans to feed network color Nov. 20, with New York demonstrations week before -- undoubtedly accompanied by plenty of promotion. Avowed intention is to build up to 20 hours weekly by mid-December. In New York, there's possibility of off-the-line and microwaved color, in order to free demonstrations from broadcast time (on virtually sold-out WCBS-TV).

In talk before New York Radio Executives Club Nov. 2, CBS v.p. Adrian Murphy spoke of possible 6-6:30 show, but most, if not all, shows will be morning and after-hours at start. Initial network is expected to comprise New York (WCBS-TV), Philadelphia (WCAU-TV), Washington (WTOP-TV), perhaps Baltimore (WMAR-TV) -- nothing west of Philadelphia.

To argument that movies never went much for color, Murphy retorted that it was processing facilities and cost that limited color film. Natalie Kalmus, onetime Technicolor executive, affirmed that, saying "the demand was there." Now a small TV set producer, she's excited about color, talks about making a \$3.95 disc device "to be used on an individual basis," plans to conduct a "color TV school."

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Full-page ads have dropped down to smaller space -- or nothing -- but topic remains live in letters to the editor, columns, speeches, etc.

Lipton Tea told CBS to keep it out of controversy, after getting lambasted for Arthur Godfrey "wait 6 months" simulcast (Vol. 6:43). Commented columnist John Crosby: "This is the first time in my memory when an entertainer has advised people not to buy something. It is especially intriguing when you consider that the object Arthur is telling us not to buy is the one that earns his living.

"My own advice is to go ahead and buy a present set; you'll get your money's worth out of it during the life of the set. However, I recognize there is room for



argument...If you hear it on the air, take it with a grain of salt -- no matter which side of the question is being advanced."

"Variety" sees CBS jeopardizing some \$5,000,000 worth of time sales to TV manufacturers. It cites possibility of irate cancellations by GE (Fred Waring), Magnavox (dramatic series), Sylvania (Beat the Clock). But it says Westinghouse (Studio One) isn't so likely to pull out, since it has said it would make converters "if and when color reaches your market."

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Engineers are still worked up over what they believe is FCC's technical short-sightedness. Hazeltine's A. V. Loughren, before Oct. 31 IRE-RTMA meeting of 600 engineers in Syracuse, showed color slides demonstrating value of mixed highs.

Field-sequential system gives only 41% of monochrome resolution, he said, while same system with dot interlace gives 62%. But any "band shared" system, such as RCA's, he pointed out, gives full monochrome resolution, plus color.

"Any system which doesn't use mixed highs," he concluded, "is wasteful of spectrum space -- therefore not in the public interest." Audience gave him virtual ovation, reflecting breach between engineering fraternity and FCC (Vol. 6:43).

Dr. Allen DuMont uncorked typically blunt attack on FCC in session previous evening. He urged everyone write Congressmen, demand stand on color issue. He foresaw very slow growth of CBS system, and development of compatible system. He observed that public reaction to decision hasn't been severe to date. He also brought up angle worrying many manufacturers and set owners:

"One question of considerable importance to the present 8,000,000 set owners has just been determined by Underwriters Laboratories. [It] will withdraw its approval from any receiver which is adapted in the field for CBS black-and-white standards or which is converted for CBS color. Only factory adaptations or conversions which meet the most rigid standards will receive the UL label."

Meanwhile, GE announced it would continue work on its color system (Vol. 6:30,34,37), beginning "extensive laboratory tests" within 30 days, stating that "color TV has not yet arrived for the general public, and will not replace black-and-white broadcasting as a national service in the predictable future."

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**Network Accounts:** Thanksgiving Day specials on CBS-TV (Thu., Nov. 23) include Coca-Cola's sponsorship of filmed *Edgar Bergen* show, 4:30-5, and Longines-Wittnauer Watch Co.'s *Thanksgiving Day Festival*, 5-6 . . . Christmas Day, Coca-Cola will also sponsor special Walt Disney film titled *One Hour in Wonderland*, on NBC-TV, 4-5, with appearances by Disney, Edgar Bergen, Charlie McCarthy, Bobby Driscoll . . . General Mills Nov. 9 starts *Betty Crocker Program* on CBS-TV, Thu. 3:30-4; Jan. 2 adds Tue. 3:30-4 . . . International Latex Corp. Nov. 3 replaced *Look Your Best* with Ilka Chase's *Fashion Magic* on CBS-TV, Mon. & Fri. 3:30-4 . . . S. C. Johnson & Son (Johnson's Wax) reported taking CBS-TV's *Starlight Theatre*, dramatic show, Thu. 8-8:30, alternating every other week with *Carnation's Burns & Allen* . . . Norge Division, Borg-Warner Corp. (refrigerators) reported ready to join Motorola after Jan. 1 in sponsoring *Four Star Revue* on NBC-TV, Wed. 8-9, with one getting major plugs each week on rotating basis; Motorola has had program alone since Oct. 4.

**Station Accounts:** Novel Thu. 1-1:30 p.m. show on Baltimore's WMAR-TV, with 6 participating sponsors, is *Block Party*. Studio giveaway show has 6 persons answering questions for gifts, in addition to which that person can name odd or even side of any city block, in which every household then gets free sample of product sponsoring that particular segment of show. There's also grand prize of refrigerator to home-owner who recognizes his "mystery house" flashed on screen and phones in its correct address . . . Ted & Jinx McCrary *Closeup* on WNBT, New York, Mon. thru Fri. 6:30-6:45, now

has these sponsors: Brooklyn Union Gas Co., Monsanto Chemical Co., Curtis Publishing Co., Bond Bread, Yardley . . . New participating show on WJZ-TV, New York, is *Poppy Cannon Presents What's New*, starting Nov. 6, Mon.-Tue.-Wed. 6:30-7; sponsors include Brown & Williamson (Viceroys), Frito New York Inc. (Fritos), Fred Fear & Co. (Burton's Frosting), John G. Paton Co. (Golden Blossom Honey), Seabrook Farms (frozen foods), Bonoil Packing Corp. (olive oil, etc.) . . . Rayco Mfg. Co. (auto seat covers) sponsoring *Eva Gabor Show* on WJZ-TV, Fri. 8-8:15, and on same station's *American Home Show*, Fri. 6:30-7, participants signed include Sapolin Paints Inc. and Awnair Corp. of America (metal awnings), both thru R. T. O'Connell Co. . . . Among advertisers reported currently using or planning to use TV (all agencies New York unless otherwise specified): Minnesota Consolidated Canneries Inc. (Butter Kernel canned products), thru Campbell-Mithun Inc., Minneapolis; Chicago Western Corp. (Pinafore chicken), thru Phil Gordon Agency, Chicago; Lady's Choice Foods (groceries), thru Walter McCreery Inc., Los Angeles; Doeskin Products Inc. (Doeskin tissues), thru Federal Adv. Agency; J. W. Landenberger & Co. (Footies, Randolph Knit hosiery), thru Richard E. Fredericks Adv.; Delaware Mushroom Co-operative Assn. (First State mushrooms, mushroom gravy), thru Weightman Inc., Philadelphia; Eversharp Inc. (Desk-Pac writing set), thru Biow Co.; In-Sink-Erator Mfg. (garbage disposal unit), thru Cummings, Brand & McPherson, Chicago; Gibson Refrigerator Co., thru W. W. Garrison, Chicago; Heet Div., DeMart & Dougherty Co. (anti-freeze), thru Ruthrauff & Ryan, Chicago; Zinsmaster Baking Co. (Master White Bread), thru Campbell-Mithun, Minneapolis.



**TOO EARLY TO GAUGE TV TRADE FORCES:** It should take week or more, possibly most of November, to discern TV-radio industry trends resulting from tightened credit controls, higher prices due to excise tax, confusion about color. Even then, the trade picture may remain clouded by materials restrictions and military requirements -- rendering difficult indeed any long-range planning for production and markets.

This week's movement of merchandise continued heavy everywhere, greatest stimulus to buying being the advertising campaigns preceding 10% factory excise that went into effect Nov. 1. Though big set makers say their inventories at distributor-dealer levels are down to matter of days -- one claimed only one day (!), another said 3½ days -- fact is that tax-free receivers are still being advertised and probably will be for some weeks, brand-name as well as non-brand.

Exhaustion of pre-Nov. 1 receivers should not be far off, however, in view of heavy selling reported from nearly every TV market. Fact is that, though all companies have posted new lists-including-tax or new tax-plus-warranty (see Topics & Trends, p. 8), the tax actually has not been imposed on any merchandise on hand before Nov. 1 or whose "possession or the right of possession" passed to purchaser before that date. And at retail level, it should add no more than 6% to old price.

Thus, most retailers are honoring back orders, and many stores this week were still advertising "tax free" receivers. Big Davega and Vim chains in New York, Macy's, Stern's and others there and elsewhere, pegged Nov. 1-2 ads offering top brands at "same low prices as before" because, it was stated, inventories were purchased "before the new 10% Federal excise tax took effect."

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Whereas tax stimulated buying, Regulation W's tighter requirements are cutting into biggest segment of purchasing power -- the installment buyer. There's also substantial group, influenced by color publicity, who have decided to wait.

Despite flush few weeks of selling, large bearish element in trade looks to trouble ahead -- "a terrible time in January and the early part of next year," as the head of one major company put it. He even foresees distress selling of receivers, if today's high pace of production (some 200,000 per week) continues.

In an open letter to President Truman, National Appliance & Radio Dealers Assn. deplores "prosperity depression" it foresees as result of FCC action on color, Federal Reserve Board's new credit controls, excise tax. Regulation W, it claims, could have been held up until curbs on critical materials had cut production and lessened inventory. Letter states:

"An excise tax very likely is necessary as a means of raising revenue for the defense program our nation must support. But add to this retailing handicap a credit regulation that came without warning and that failed properly to evaluate economic results -- and all of this clouded by the FCC decision -- and you can readily see in one industry alone that hundreds of millions of dollars invested in television by retailers is drastically jeopardized.

"With little recourse other than to 'unload' at a loss (most dealers cannot afford to hold an inventory of such proportions beyond a given time) we can very likely witness thousands of dealers either leaving the business or being forced out because of losses instrumented and fostered by governmental action."

Smouldering resentment over Washington actions is somewhat more pointedly and bitterly expressed by executive of big manufacturing concern, who remarked: "They slap us in the face, kick us in the shins, punch us in the stomach -- yet we're still doing business. And yet," he added, philosophically, "maybe all these ordeals are good for us if we're going to have to face up to the first wartime economy in peacetime in our history."



**Topics & Trends of TV Trade:** Though the trade isn't talking much about it, fact is that new list prices of TV sets posted by some companies not only embrace factory excise tax of 10% imposed as of Nov. 1 (which should amount to around 6% at retail level) but were used as vehicle for another round of normal price increases. Tax is being passed on to consumer, all right, but prices have gone up more than tax in many cases.

Canvass of trade reports indicate following have adopted policy of including tax in new lists: Admiral, Air King, Andrea, Bendix, Capehart-Farnsworth, Crosley, DuMont, Freed, Fada, GE, Hallicrafters, Hoffman, Meck, Motorola, Packard-Bell, RCA, Scott, Sparton, Stromberg-Carlson, Zenith.

Including tax in new warranty-plus-tax are Arvin, Kaye-Halbert, Majestic, National, Olympic, Philco, Sentinel, Sylvania, Tele King, Tele-tone.

Magnavox and Stewart-Warner are only ones reported retaining former lists and warranties, simply adding tax as separate charge. And Emerson is leaving to distributor to decide whether to change list or lump tax with warranty.

Hallicrafters now warrants tubes and parts for whole year, Meck for 6 months.

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New Admiral list prices, including excise tax, are as follows—increases from last price hikes (Vol. 6:34) being shown in parentheses:

14-in. rectangulars: Model 14R12, plastic mahogany table, \$199.95 (\$10); 24R12, same, console, \$219.95 (\$20); 34R15, wood walnut console, AM-phono, \$349.95 (\$20); 34R16, same, mahogany, \$369.95 (\$20).

16-in. rectangulars: 16R12, plastic mahogany table, \$249.95 (\$20); 26R12, same, console, \$269.95 (\$20); 36R45, wood walnut console, AM-FM-phono, \$449.95 (\$50); 36R46, same, mahogany, \$469.95 (\$50); 36R37, same, blonde, \$499.95 (\$35).

16-in. rounds: 26X55, walnut console, \$329.95 (\$30); 26X56, same, mahogany, \$339.95 (\$20); 26X57, same, blonde, \$349.95 (\$30); 26X65, walnut console, doors, \$359.95 (\$30); 26X66, same, mahogany, \$379.95 (\$30); 26X67, same, blonde, \$399.95 (\$30); 26X75, Traditional walnut console, \$379.95 (\$30); 26X76, same, mahogany, \$399.95 (\$30).

19-in. rounds: 29X25, walnut console, \$475 (\$45); 29X26, same, mahogany, \$495 (\$45); 29X17, same, blonde, \$525 (\$50); 39X35, walnut console, AM-phono, \$599.50 (\$50); 39X36, same, mahogany, \$619.50 (\$50); 39X25, walnut console, AM-FM-phono, \$695 (\$50); 39X26, same, mahogany, \$725 (\$60); 39X17, same, blonde, \$795 (\$70).

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New list prices for Motorola sets, with excise included—increases from last prices (Vol. 6:35) in parentheses:

14-in. rectangulars: Model 14T3, walnut plastic table, \$209.95 (\$20); 14K1, mahogany console, \$279.95 (\$20); 14K1B, same, blonde, \$299.95 (\$30).

17-in. rectangulars: 17T3, walnut plastic table, \$239.95 (\$30); 17T1, mahogany wood table, \$289.95 (\$30); 17T1B, same, blonde, \$299.95 (\$30); 17T2, mahogany table, different cabinet, \$289.95 (\$30); 17T2B, same, blonde, \$299.95 (\$30); 17K4, mahogany console, \$299.95 (\$30); 17K1, same, different cabinet, \$319.95 (\$30); 17K1B, same, blonde, \$329.95 (\$30); 17K2, mahogany console, half-doors, \$359.95 (\$30); 17K2B, same, blonde, \$374.95 (\$35); 17K3, mahogany console, doors, \$389.95 (\$30); 17K3B, same, blonde, \$419.95 (\$40); 17F5, mahogany console, AM-FM-phono, \$479.95 (\$50); 17F5B, same, blonde, \$499.95 (\$50); 17F1, same, different cabinet, \$499.95 (\$50); 17F1B, same, blonde, \$519.95 (\$50); 17F2, walnut console, Provincial, AM-FM-phono, \$529.95 (\$50); 17F3B, same, modern blonde, \$549.95 (\$50); 17F4, same, period mahogany, \$549.95 (\$50).

19-in. rounds: 19K2, mahogany console, \$399.95 (\$30); 19K2B, same, blonde, \$429.95 (\$40); 19K3, mahogany pe-

riod console, half-doors, \$469.95 (\$40); 19K4, same, traditional, full doors, \$499.95 (\$50); 19K4B, same, blonde, \$519.95 (\$50).

20-in. rectangulars: 20F1, mahogany console, AM-FM-phono, \$675 (\$50); 20F1B, same, blonde, \$725 (\$75).

\* \* \* \*

RCA's new list prices, including excise tax, with increases from last boost (Vol. 6:34) shown in parentheses:

12½-in. sets: 2T51 Shelby, maroon plastic table, \$189.95 (\$10); 2T60 Cumberland, walnut or mahogany wood console, \$219.95 (\$10); in blonde, \$229.95 (\$10); 2T81 Somervell, same, AM-phono, \$349.50 (\$20); in blonde, \$359.50 (\$20).

16-in. rounds: 6T53 Newport, maroon metal table, \$239.95 (\$20); 6T54 Kent, same, mahogany table stand, \$269.95 (\$20); 6T64 Kingsbury, console, walnut or mahogany, \$299.95 (\$20); in blonde, \$309.50 (\$20); 6T65 Highland, same, different cabinet, \$319.50 (\$20); in blonde, \$339.50 (\$20); 6T71 Fairfield, same, half-doors, \$349.50 (\$20); in blonde, \$369.50 (\$20); 6T74 Regency, same, full doors, \$379.50 (\$20); 6T75 Modern, same, swivel-mounted, walnut, mahogany or blonde, \$389.50 (\$20); 6T76 Provincial, same, walnut, mahogany or maple, \$419.50 (\$30); 6T84 Fairfax, same, AM-phono, walnut or mahogany, doors, \$489.50 (\$30); in blonde, \$509.50 (\$30); 6T86 Rutland, same, AM-FM-phono, 18th Century, \$550 (\$25); 6T87 Hartford, same, Regency, \$595 (\$20); blonde, \$615 (\$20).

19-in. rounds: 9T57 York, walnut or mahogany table, drop panel for controls, \$369.50 (\$20); in blonde, \$379.50 (\$20); 9T77 Hillsdale, walnut or mahogany console, half-doors, \$450 (\$25); in blonde, \$470 (\$20); 9T79 Northampton, same, Regency, full doors, \$475 (\$25); 9T89 Sedgewick, same, AM-FM-phono, \$795 (\$45).

\* \* \* \*

Of the "Big Four" producers, it will be noted only Philco adds tax to warranty, keeps list prices unchanged. Illustrative of this method are following basic Philco prices (old warranty in parentheses):

Model 1207, 12½-in. plastic mahogany table, \$169.95 plus \$16.50 for tax and warranty (formerly \$5.06); 1443B, 14-in. rectangular mahogany table, \$219.95 plus \$18.04 (\$5.35); 1601, 16-in. metal mahogany table, \$229.95 plus \$21.32 (\$7.53); 1836W, 17-in. rect. walnut console, \$359.95 plus \$27.84 (\$7.86); 2134, 20-in. rect. mahogany console, \$429.95 plus \$34.60 (\$10.05); 2176, 20-in. rect. period mahogany console, AM-FM-phono, remote control, \$750 plus \$52.30 (\$15.13).

\* \* \* \*

Big and rectangular—that's uninterrupted picture tube trend, as emphasized by RTMA September figures on sales. Breakdown of month's 764,913 sales to manufacturers: 362,142 (47%) were 16 & 17-in. rect.; 221,983 (29%) were 16-in. round; 73,584 (9.6%) were 19-in. or larger rounds; 58,561 (7.6%) were 14-in. rect.; 40,759 (5%) were 12½-in. round. There were also 6031 rect. 18-in. or more, 1120 of 10-in., 722 under 10-in., 12 projections. Value of all CR tubes shipped, including non-receiver types, was \$21,989,548. September sales compare with August's 767,051, July's 341,940, June's 566,942.

Add gadget sellers riding color publicity: Ad in color in *Billboard* proclaims "Color-Vision Television Is Here for All!!!" Device offered turns out to be 4-ply plastic sheet which "brings a flesh-color tint to your pictures" when placed over screen. Prices range from \$15 to \$27.50. Incidentally, term "Color-Vision" is being claimed by number of people, could wind up in trade-mark battle.

RTMA board and committees meet Nov. 14-16 in New York's Waldorf-Astoria to discuss color, uhf, excess profits tax, military procurement and NPA regulations, code of advertising and selling ethics.



**Financial & Trade Notes:** Philco sales for third quarter were \$82,193,000, and net earnings after accounting for new taxes were \$4,256,000, or \$2.47 per share after preferred dividends. This compares with sales of \$46,776,000 and earnings of \$508,000 (24¢) for same 1949 quarter. Revised earnings for first 6 months of 1950 were \$6,156,000 (\$3.56), taking into account new tax rates. For first 9 months of this year, Philco sales were \$229,205,000, earnings \$10,412,000 (\$6.03), compared with \$150,043,000 sales and \$2,506,000 (\$1.32) earnings for same 1949 period.

\* \* \* \*

Stockholders committee that charged management with spending too much time on other interests, and holding too little stock in their own organization, acquired control of Sparks-Withington at Cleveland meeting Oct. 29, voting 313,622 shares against 229,660. New directors are John J. Smith, James M. Crowley and I. M. Olsen, all of Jackson, Mich., home of company; Hazen P. Johnson and Richard Scheindewind, Ann Arbor, Mich. Re-elected to board were Harry Sparks, Clifford Sparks, William Corbett, Harry Burmeister.

When board met in Cleveland Nov. 3, it elected John J. Smith, an accountant, as president to succeed Harry Sparks (whose father, Capt. William Sparks, founded the company), Mr. Smith also assuming board chairmanship from Winthrop Withington, retiring. Mr. Smith headed the protest committee, whose counsel Louis S. Peirce, Cleveland attorney, becomes secretary, replacing David L. Johnson, also a Cleveland attorney. William J. Corbett and Charles J. Kayko, vice presidents, will continue, and Harold M. Johnson was re-elected treasurer.

Mr. Smith, 38, said company is in "excellent financial condition" and disclosed arrangements with Michigan National Bank for credit of \$1,000,000 for expanded production and other operations.

\* \* \* \*

Among officers' and directors' stock transactions reported by SEC for September: Wm. J. Halligan bought 100 Hallcrafters (May), holds 106,400 (plus 211,400 in name of wife and in trust for children); William B. Yoder bought 100 Philco, holds 462; E. W. Engstrom bought 100 RCA, holds 111; Paul F. Hannah bought 50 Raytheon, holds 170; Percy L. Spencer bought 1000 Raytheon, holds 1003; William G. Sparks sold 1000 Sparks-Withington, holds 1000; Don G. Mitchell bought 100 Sylvania, holds 3000; William J. Wardall bought 200 Sylvania, holds 700; Yandell C. Cline bought 100 Arvin Industries, holds 3665; Gordon T. Ritter sold 100 Arvin, holds 614; Eldo H. Stonecipher bought 150 Arvin (July), holds 1200; Herbert W. Clough bought 100 Belden Mfg., holds 500; Arthur L. Wanner bought 6 Belden, holds 1800; Q. S. Snyder sold 200 Blaw-Knox, holds 3222; Howard S. Meighan bought 25 CBS, holds 125.

\* \* \* \*

Webster-Chicago net profit for quarter ended Sept. 30 was \$447,119 (\$1.55 per share) on sales of \$5,072,490, compared with \$157,971 (55¢) on sales of \$2,129,025 for same 1949 period. For first 9 months of this year, net profit was \$1,134,618 (\$3.93) on sales of \$12,980,230, compared with \$524,679 (\$1.82) on \$7,303,978 for same 1949 period.

National Union Radio Corp. in first 9 months of 1950 earned \$606,891 net income on sales of \$9,488,912, compared to loss of \$75,309 on sales of \$5,653,082 for same 1949 period. Third quarter net income was \$289,733, sales \$3,888,038, against loss of \$83,782 on sales of \$1,790,323 in third 1949 quarter.

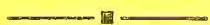
Dividends: Hytron, special dividend of 10¢ on common, payable Nov. 16 to stock of record Nov. 6 . . . Muntz TV Inc., initial dividend of 15¢, payable Nov. 30 to stock of record Nov. 15.

Trade Personals: Brig. Gen. David Sarnoff named national chairman of 1951 Red Cross fund campaign next March . . . David E. Lilienthal, former chairman of Atomic Energy Commission, retained by RCA for special work in connection with RCA Laboratories; he will have Washington office . . . William J. Halligan, president of Hallcrafters, off for Europe Nov. 3 on flying trip to buy components . . . R. P. Clausen promoted by Sylvania from asst. to chief engineer, Radio Tube Div., succeeding M. A. Acheson who has been transferred to staff of E. Finley Carter, engineering v.p. in New York . . . Hulbert C. Tittle, engineering service mgr., appointed asst. chief engineer of Sylvania Radio-TV Div., Buffalo . . . Floyd Makstein named mgr. of Emerson field engineering dept. . . . John D. Grayson, controller, elected v.p. of Magnavox . . . Irving R. Ross out as sales director of Atwater Television Corp. . . . Robert W. Davis, ex-Firestone, new gen. mgr. of Hoffman Sales Corp., distributing subsidiary of Hoffman Radio, succeeding L. R. Camp; Bert Dorris continues as sales mgr. . . . William I. Myers, dean of New York State College of Agriculture, elected to board of Avco, replacing late H. E. Babcock . . . Jack Cherry, Philco Accessories Div. chief, named sales mgr. for air conditioning and freezers . . . Robert I. Erlichman, ex-Meck and Tele King, appointed regional sales mgr. of newly formed Commander Television Corp. . . . Admiral Walter A. Buck, RCA v.p. & gen. mgr. RCA Victor Div., elected Nov. 3 to RCA board.

GE has delivered some 24-in. picture tubes (round, metal-coned) to first customer Stromberg-Carlson, which has released picture of receiver containing it with AM and 3-speed turntable. However, no price has been set nor have any 24-in. units been promised this year by either GE or Stromberg. Production depends on availability of materials. GE is also working on 30-in. tube, only other reported besides DuMont's (Vol. 6:40).

Dominic R. Siragusa, 37, brother of Admiral president Ross D. Siragusa and president of Molded Products Co., Chicago plastics manufacturer, died Oct. 29 in Chicago following long illness.

L. C. F. Horle, 58, veteran consulting engineer, one-time chief engineer for de Forest and Federal, recently retired as RTMA chief engineer, winner of IRE Medal of Honor, died in a Newark hospital Oct. 28.



Unique system for achieving higher black-and-white definition was set before FCC this week by GE's prolific inventor R. B. Dome, who is also working on frequency-interlace color system (Vol. 6:30, 34, 37). In filing description, Dome lists these advantages: (1) All precision equipment is at transmitter. (2) System is compatible with present black-and-white. (3) Texture of picture is better than that achieved with dot-interlace.

He gives this disadvantage: System increases definition by about 50%, compared with dot-interlacing potential of almost 100%. He also points out that full 4-mc network bandwidth is necessary for full definition, but that system has ordinary resolution when used with 2.7-mc coaxial. Also, he says, strong CW interference may reduce definition. Parts of system have been tested successfully, he reports.

Here's theory of system: Video band is divided into 2 nearly equal portions. Lower half is used for large detail and is included in all 60 fields. Upper half is used for fine detail and is transmitted only during odd fields. Then "super-fine" detail is transposed in frequency to fit into upper half of band and is transmitted only during even fields. Whole principle of system is that eye isn't very sensitive to flicker in small areas. Patents have been filed, and GE apparently intends to appear to discuss system in general issues phase of current freeze hearings.



**Telecasting Notes:** Super-hookup of 72 TV and about 1200 AM stations (all 4 major networks) for President Truman's address to Democratic party rally in St. Louis 10-10:30 p.m. EST, Nov. 4, cost Democratic National Committee well over \$100,000 for time, commercial clearances and artists; pocket-poor GOP has Harold Stassen replying via 521 MBS stations the half-hour afterward, costing \$15,400 . . . Signs of the times: Not only page 1, but first 14 pages of Nov. 4 *Billboard*, in new format not unlike *Variety*, are devoted to TV-radio—mostly TV. Both publications, incidentally, doing superb job of covering program-commercial aspects of TV . . . Six states account for 55 of TV's 107 stations: New York 13, Ohio 12, California 11, Pennsylvania 7, Michigan 6, Texas 6. At top in AM are Texas 189, California 145, Pennsylvania 111, New York 98 . . . Construction has begun on new ultra-modern office-studio building for WCAU & WCAU-TV at City Line & Monument Road, Philadelphia . . . Excavation started for new 2-story studio building for WWJ-TV, Detroit, adjoining present structure . . . WEWS, Cleveland, now starts weekday schedules at 10 a.m., telecasting more than 100 hours per week . . . Anticipating TV grant, Kansas City's KMBC has secured city council approval to erect 1000-ft. tower at 11th & Central Sts., will amend application to ask for 50 kw when freeze is lifted . . . CBS-TV claims Jack Benny's TV debut Sat., Oct. 28, 8-8:45 p.m., had hooperating of 41.5 and share-of-audience count of 76.6%, and that 15-min. special *Sam Levenson Show* that followed had 39.7 rating and 72.1% of audience . . . WTVR, Richmond, Oct. 31 raised base rate from \$375 to \$400, 1-min. announcements from \$75 to \$90 . . . San Francisco's KPX and KSFO engineers (35 members of IBEW) struck over wages and working conditions Nov. 2, forcing stations off air for 24 hours; they returned to jobs Friday.

Nov. 1 sets-in-use, reported since NBC Research's "census" of Oct. 1 (Vol. 6:42): Memphis 60,176, up 5576; Dallas 46,555, up 3455; Fort Worth 35,989, up 2289; Miami 40,000, up 3600; Greensboro 30,508, up 5508; Utica 27,900, up 3100; Norfolk 39,960, up 6460.

TV applicant No. 360 is WMBD, Peoria, Ill., seeking Channel No. 6. [For details, see *TV Addenda 11-P* herewith.] It's only application filed yet for that city. Same interests had CP but dropped it about year ago (Vol. 5:37).

**Personal Notes:** Robert P. Myers, NBC asst. general attorney and expert on copyright law, has resigned to join Los Angeles law firm of Lillick, Gary & McHose, taking charge of firm's Hollywood office . . . Richard A. Moore named mgr. of ABC's KECA-TV, Francis H. Conrad of KECA and western div. radio operations mgr., in line with new policy of separating TV-radio; Robert F. Laws is division TV sales mgr., Amos Baron radio sales mgr. . . . Leon R. Brooks, ex-Dept. of Justice, joins legal staff of CBS, assigned to Washington . . . Chester A. Rackey, NBC mgr. of audio-video engineering, wins 1950-51 award of Audio Engineering Society . . . Glenn Harris, from KMA, Shenandoah, Ia., named general program mgr., KMTV, Omaha . . . Willard E. Walbridge named mgr. of WWJ-TV, Don DeGroot mgr. of WWJ, Kirk Knight TV program director, Walter Koste TV production director, Norman Hawkins TV sales mgr., in new separation of TV-AM operations of *Detroit News* stations . . . Noran (Nick) Kersta, ex-Wm. Weintraub Agency, now working with Martin Jones-Elliott Roosevelt packaging firm, handling *Mrs. Roosevelt Show* . . . Seymour N. Siegel, director of New York municipal station WNYC, elected president of National Assn. of Educational Broadcasters at Lexington, Ky., convention Nov. 1 . . . Ira Marion, ABC staff writer, elected national president of Radio Writers Guild, succeeding Paul Franklin.

FCC will try hard to keep Nov. 20 hearing on AT&T's allocation of intercity TV circuits (Vol. 6:42) separate from Commission's proposals to limit number of hours TV stations in markets with less than 4 stations can take from single network (Vol. 6:40). But it's hard to see how networks and stations can be kept from arguing on both cases, since all obviously consider them as single problem. Asking to be heard Nov. 20 are CBS, NBC, DuMont, Crosley Broadcasting, Westinghouse Radio Stations, WNBC-TV Binghamton, WBTV Charlotte, WTVN Columbus, WICU Erie, WMCT Memphis, WSM-TV Nashville, WTMJ-TV Milwaukee, WHAM-TV Rochester, KSD-TV St. Louis, Theatre Owners of America and National Exhibitors Theatre Television Committee (Vol. 6:26).

In TV, Dallas and Fort Worth are 2 distinct markets and networks can't divide their commercial business between them. That's gist of Oct. 30 FCC letter to ABC and NBC which had asked for ruling on proposed contracts with WFAA-TV, Dallas, and WBAP-TV, Fort Worth. Contracts provided for dividing telecast week evenly between 2 stations, contained proviso that sponsor who wanted Dallas-Fort Worth market had to take station scheduled for the time sold. FCC turned thumbs down, said provision conflicted with network regulation prohibiting agreements between networks and stations that prevent another station "serving a substantially different area" from carrying same network program. In AM, both Texas stations share time, and that type contract is permitted.

Newly elected officers of Society of Motion Picture & Television Engineers: Peter Mole, Mole-Richardson Co., president; Herbert Barnett, General Precision Laboratories, executive v.p.; John G. Frayne, Westrex Corp., editorial v.p. William C. Kunzmann and Robert M. Corbin were reelected convention v.p. and secretary, respectively. Among new members of board, elected at recent Lake Placid convention is William B. Lodge, CBS general engineering v.p. Next SMPTE convention is set for New York's Hotel Statler, April 30-May 4.

Another postponement of Phoneyvision tests (Vol. 6:40) was sought this week by Zenith—this time asking FCC to authorize delay of start of 90-day tests until Dec. 1. Zenith reported "progress" being made in getting feature films, disclosed it had hired ex-film man to help get pictures, name undisclosed. Meanwhile, 300 "guinea pig" families, equipped by Zenith for tests, continue to see regular TV programs on their "loaned" sets which can also pick up regular telecasts.

DuMont held closed-circuit convention of affiliates Nov. 1, tying in 41 cities for purpose of advising stations of intention to fight for equal network facilities, compatible color. In press conference afterward, Dr. Allen DuMont stated color sets will cost twice as much as monochrome—yet give small picture.

TV and radio construction are not included in NPA ban on further building by amusement, entertainment and recreation industries (Vol. 6:43).

#### Television Map in Color

RCA Victor has prepared an excellent TV map, in color, showing locations of all stations and actual and projected coaxial-microwave interconnections as of Sept. 30, 1950—best map of its kind we've yet seen. It measures 40x25-in., is suitable for hanging and ideal for mapping markets. In consideration of fact that *Television Digest* helped furnish the data on which map is based, RCA Victor has supplied us with a quantity for our subscribers who may procure copy from us on request.



MARTIN CODEL'S

AUTHORITATIVE NEWS SERVICE  
OF THE  
VISUAL BROADCASTING  
ARTS AND INDUSTRY

# Television Digest

WITH AM FM REPORTS

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(For Report on Color, see pages 5-8. For Trade Reports, see pages 10-11)

**MUNITIONS BOARD CHIEF FROM INDUSTRY:** Even as week-end headlines were proclaiming compulsory production controls in the offing -- betokening reasonable probability luxury of color TV will have to be submerged, for all practical purposes, in favor of defense requirements -- President Truman appointed another electronics industry executive to key defense post.

He is Commodore John D. Small, USN retired, presently v.p. of Emerson Radio and asst. to its president Ben Abrams, nominated Friday to head Munitions Board. That agency supervises procurement and production schedules and stockpiling for the armed services.

With Maj. Gen. Wm. Henry Harrison, ex-AT&T and Capehart-Farnsworth executive and recently IT&T president, heading all-important National Production Authority, there should be complete understanding of role TV-radio and other electronics manufacturers must play in new "wartime economy" (see story below).

Commodore Small is a Texan, 57, graduate of Annapolis '15, left Navy in 1926 to be v.p. of Dry Ice Corp., then joined big Publicker Inc., Chicago, in 1932. He returned to Navy when war broke out, then served successively as deputy director, Army & Munitions Board; Navy materials control officer & landing craft coordinator; executive officer, War Production Board; chief, Civilian Production Administration. He became president of Maxson Food Systems in 1947, early this year joined Emerson.

**WHEN DEFENSE SQUEEZE WILL PINCH:** Military impact on TV-radio production will begin to be felt in second quarter of 1951. That's best estimate of informed Washington sources dealing with electronics, bolstered by Commerce Secy. Sawyer's Nov. 10 statement that business could expect to feel defense impact "next spring or summer."

Actually, at present there's almost \$1 billion worth of electronics military contracts outstanding, including \$400,000,000 from pre-Korea appropriations plus \$500-600,000,000 of post-Korea appropriations. Still to be let is another \$800,-000,000-\$1 billion.

Recent reports that President Truman expects to ask for another \$10 billion for defense, to bring 1951 fiscal military appropriations to \$55 billion, means there might be another \$1 billion for electronics.

Fact that outstanding military contracts haven't impinged to any great extent on TV production (currently running at rate of 200,000-plus sets per week) is due to development and design work that has to be done before military production can actually begin.

Coupled with coming impact of military production are accepted reports that National Production Authority's limitation orders on aluminum, copper and nickel will be more severe than announced 2 weeks ago (Vol. 6:43). First will be aluminum order, which has been batted back and forth within NPA during last few days.

Best reports agree that original order was going to cut non-essential use by 30-35%, using 12 months ending June 30, 1950 as base. (Electronics industry had recommended first 9 months of this year.) Whether aluminum order will actually use those figures, or be less or more stringent, wasn't known at week's end. Order is due out early next week.



Aluminum order should be considered guidepost for electronics industry, should be studied as to what can be expected on copper, nickel.

First "end use" restriction by NPA may be on cobalt, used in making speaker and CR tube magnets, glass-metal tube seals, etc. Originally, NPA said cobalt might be cut completely from civilian use. Now, word is that soon-to-be-issued limitation order will prohibit non-essential use of cobalt, but that radio-TV use won't be included -- at least not at first. NPA's expressed policy is to give industry time to develop substitutes before cutting off supply.

Cobalt issue may be entirely academic, however, if "DO" priority orders and military stockpiling leave little or none for civilian use.

Best and latest available estimates show these "critical" materials used in basic 16-in. TV set (exclusive of cabinet): Steel, 40 lbs., mostly for chassis (it's already on allocation); copper, 4 lbs., mainly wire; aluminum, one lb., mainly for tube cans, and also for antennas, etc.

Production engineers are busy, as all manufacturers seek to determine what can be eliminated from their sets, what can be substituted. First move was made this week when Stromberg-Carlson announced it had discontinued built-in antennas to save copper, nickel, tin and polyethylene.

Recent closed business leaders' conference at Sea Island, Ga., called by Commerce Secy. Sawyer and reported in Nov. 6 New York Times, indicated assurances of "limited TV production at least through 1951. None in Govt., however, dares paint picture after next year. Sawyer was reported to have told meeting that even under very best of world conditions, business would be affected by next 4 years' defense requirements. Repeated reports tell of \$50 billion military budget next year. [Rough rule-of-thumb is that 10% goes for electronics-communications equipment.]

**POLITICS—AND THE FCC'S FUTURE:** There can be little doubt that FCC's recent forays -- most particularly its color decision and proposed limitations on network programs some stations can take -- lost the Democrats substantial political support from the electronics and telecasting industries.

They might be laughed off as "a small group of big business men, who are Republican anyhow." This is only partially true. Fact is loudest cries of havoc have arisen from the grass roots -- from distributors and dealers, also some labor leaders, who have been writing and buttonholing their Senators and Congressmen.

This spells probable Congressional investigation, at which industry's big guns are likely to be not merely RCA-NBC spokesmen but such strong (and competitive) personalities as Admiral's Ross Siragusa, DuMont's Dr. Allen B. DuMont, Emerson's Ben Abrams, Hallicrafters' Wm. J. Halligan, Motorola's Paul Galvin, Philco's Wm. Balderston. All are known to be fighting mad, as are other smaller manufacturers and the letter-writing dealer-distributor-servicemen's associations.

Ironically, the bitter and almost unanimous reaction of trade against color decision and other actions grows out of no love for giant RCA-NBC, but is manifestly spontaneous reaction against alleged road-blocks FCC and "don't-buy-but-wait-for-color" publicity have erected against a going industry at such a critical time.

Another bit of irony is fact that industry side is supported by just as many Democrats as Republicans -- some in highest Administration circles, in fact. But blandishments of latter have had no effect on Chairman Coy's determination to fight color issue before courts, Congress and public. He has good contacts on Capitol Hill, makes a good Congressional witness, from his long experience, and of course in this case has CBS and perhaps some smaller companies at his side.

There's also talk, in light of election returns, of changes in FCC in not too distant future. Even if reappointed when his term expires in June, Coy would face bitter confirmation fight led by the now more powerful than ever Senator Taft and others who are openly hostile to FCC policies. Vacancy will also occur if and when Comr. Hennock gets her avowedly fondest wish fulfilled -- a judgeship.

Already mentioned for chairmanship are such names as Maj. Gen. Frank Stoner, retired former asst. Army Chief Signal Officer, presently Seattle resident partner



of consulting engineering firm of Weldon & Carr and director of communications for United Nations; Donald Fink, editor of Electronics Magazine and an outstanding technical authority on TV; Neville Miller, Washington radio attorney, onetime Mayor of Louisville, former head of National Assn. of Broadcasters, intimate of Vice President Barkley.

Since manufacturers have become extremely "Washington conscious" in recent months, particularly since the ill-starred "brackets standards" squeeze, their influence will certainly be exerted to get someone who knows their industry. Unlike the telecasters, most hold no licenses from FCC -- so aren't afraid to speak their minds quite openly.

\* \* \* \*

If there's Congressional probe, it's likely to be on House side -- before Rep. Crosser's Committee on Interstate & Foreign Commerce. He's a Cleveland Democrat, reelected. His committee has lost 5 Democrats, no Republicans -- namely Rep. Bulwinkle, of N.C. (deceased); Reps. Sadowski, Mich.; Biemiller, Wis.; Wilson, Okla.; Linehan, Ill. (defeated). Since Senator Johnson has supported FCC decision, there's little expectation of investigation by his committee. That committee lost only Senator Myers (D-Pa.) in last week's election.

Note: Apparently defeated for Senator from Connecticut by Democratic incumbent William Benton was Prescott S. Bush, member of CBS board of directors and partner in Brown Bros. Harriman & Co. Race was close, and recount is in progress.

**VHF-UHF HEARING MAKING RECORD TIME:** Final phase of end-of-freeze hearing (specific city allocations) should begin by first December week. Present phase, general issues, is just about cleaned up, with direct testimony all in except for discussion of educational channel question to start Nov. 27. Hearing resumes Nov. 16 with beginning of cross-examination which should wind up in 2-3 days.

Dwindled attendance, of both Commission and industry, was striking. As discussion devolved into almost pure technicalities, with "db" winning award as most-often-mentioned expression, only Comrs. Webster and Sterling were on hand most of the time and audience petered out to mere dozen or so.

\* \* \* \*

"Flexibility" seemed keynote of week. Neither FCC nor industry wants allocation to be "straight-jacket," but they approach question from different angles. Industry leans towards allowing room for more stations; Commission wants to insure future improvements in receivers.

JTAC's Donald Fink strongly endorsed offset-carrier, using poll of 21 stations employing it to back up argument. Westinghouse's Ralph Harmon also gave offset the nod and added pitch for directional antennas. FCC's own Edward Allen, while not directly advocating use of offset as allocation tool, seemed to favor it.

Good performance of present-day receivers in regard to adjacent-channel problems, according to NTSC witnesses, lent strength to contention of many engineers that FCC's proposed adjacent-channel separation of stations (110 miles vhf, 100 uhf) is too great; 75 miles is most commonly mentioned.

FCC's own concern about flexibility is this: Its proposed allocation has only 2 kinds of protection -- co-channel and adjacent-channel. If it builds an allocation around a specific intermediate frequency -- to minimize oscillator radiation, images, intermodulation, etc. -- will manufacturers be hampered in receiver development?

Fink thought not: "The use of an IF as a basis for an allocation has so much to recommend it that even if it precluded a change in IF for all future time, that would not be as serious a disadvantage as the advantage gained in the first place."

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Uhf was put in proper perspective, many thought, by Westinghouse's common-sense Harmon. To balance his pessimistic propagation findings in hilly Pittsburgh (Vol. 5:42,50), he introduced new data on Ft. Wayne, in level country.

Here's his estimated coverage of latter area, using 508 mc, 462 ft., 165 kw



ERP pulsed transmission: Grade A service, 21.5 miles; Grade B, 25.5; Grade C, 33.8. FCC's curves indicate 21, 29 and 43 miles for same grades with 500 ft. antenna -- pretty close correlation. In Pittsburgh, Westinghouse had found these service radii: Grade A, 6.5 miles; B, 12.5. FCC's figures predicted 12 and 17 miles, respectively.

Harmon concluded that best allocation would obtain if: (1) Equal spacing between stations is not rigidly enforced. (2) All stations are not allocated on basis of equal maximum power. (3) Coverage is predicted with due regard for terrain and frequency. (4) Maximum use is made of directionals and offset.

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Stratovision was placed totally in FCC's lap. Westinghouse's Walter Evans stated company had satisfied itself with system's practicability. From now on, he said, encouragement would have to come from Commission in form of commercialization. If such impetus came, he added, he'd be willing to urge company to spend estimated \$5,000,000 to establish service. Betting in industry, at moment, is that Commission won't grant the frequencies. No one in FCC has picked up subject as cause celebre, like color, possibly because of political fear of dragging freeze even further.

Polycasting, too, is getting no great play from Commission side of the bench. Proponent Raymond Wilmotte hasn't been able to promote full-scale test of his idea (covering large area with many small uhf stations, rather than one big one). His testimony was devoted primarily to philosophical urging that FCC hold itself receptive to new ideas.

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Fighting battle for FM inventor Edwin Armstrong, apparently without cease, Paul deMars resumed efforts to discredit Bureau of Standards' Kenneth Norton, who recommended moving FM from low to high band. Comr. Webster gave him full rein, but almost no one feels situation has changed much as result of lengthy attack.

**PREPARING FOR EXCESS PROFITS TAX:** Washington's changing political climate may turn less sympathetic to excess profits tax -- but industry continues to prepare to state positions if there must be such a tax (Vol. 6:44). So far as telecasting and TV manufacturing are concerned, these are latest developments:

(1) House Ways & Means Committee hearing starts Wed., Nov. 15 -- with NAB, TBA and United Electrical Workers scheduled to appear Nov. 17, RTMA Nov. 20.

(2) NAB has invited representatives of broadcasters, telecasters and manufacturers to Washington meeting Nov. 13, and has set up tentative tax bases and schedules for discussion purposes.

(3) Dr. Allen B. DuMont sparked meeting of "growth industry" people in New York Nov. 10, aiming at higher corporation taxes as preferable to excess profits tax but, if latter is necessary, seeking special formula for postwar growth firms.

Opposition to excess profits tax was voiced Nov. 9 by newly formed Business Committee on Emergency Corporate Taxation, comprising 100 business men including Stromberg-Carlson's Robert C. Tait, as vice chairman; CBS president Frank Stanton; GE chairman Philip Reed, among others. Headed by economist Beardsley Ruml, committee called tax "inequitable, inflationary, destructive and dangerous." Leon Henderson, ex-OPA chief, is consultant; Wilson Wyatt, ex-Federal Housing expediter, is counsel.

Opposition to excess profits tax as discriminating against growth companies, and proposed flat corporate tax increases for defense, provided theme of Conference of Growth Companies called by Dr. DuMont and attended by representatives of 85 companies whose earnings doubled between 1946-47 and 1948-49. Committee of 14, headed by Dr. DuMont, was empowered to appear at House hearing. Committee includes William C. Decker, Corning; H. L. Hoffman, Hoffman Radio; Walter R. Seibert, Sylvania; Joseph Kaplan, Zenith. Plan is to protect growth companies which had "abnormal expenses during 1946-49 for pioneering a new product or service."

Before the elections, with Administration known to be bent on excess profits tax (columnist Drew Pearson says up to 100%), there was talk of corporate tax boosts to 50% or 55% with an excess profits levy of about same percentage. Idea is to raise about \$10 billion to help meet defense budgets.



**COLOR CLIMAX IN CHICAGO & NEW YORK:** Another peak in the color crisis comes next week when RCA, et al, take issue to Chicago court and CBS takes it to New York public -- while political front rumbles.

RCA is picking up more allies as it heads for Nov. 14 argument before the 3-judge Federal district court (Vol. 6:44). This week, roster of intervenors on RCA side rose to 7, including manufacturers Emerson, Pilot, Radio Craftsmen Inc., Sight-master, Wells-Gardner; IBEW (AFL) Local 1031, and Chicago Television Installation Service Assn. Their intervention is subject to court approval, to be passed upon before opening arguments. Earlier, court had granted CBS permission to intervene on side of FCC.

Judge Phillip Sullivan promised quick action. He said argument will be limited to 3 hours each side "because of the urgency of the matter, and there may well be a decision from the bench after arguments."

FCC lawyers insist RCA can't possibly win ultimately, since Commission's "legislative" powers are so broad. But they do consider it possible that various delaying tactics can postpone start of commercial color for several months. However, they point out that extensive "experimental" telecasts can be conducted by CBS, such as it plans to do next week in New York.

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CBS starts public demonstrations same day as court argument, scheduling five 15-minute shows daily -- at 11, 12, 1, 4, 6 -- first 2 from WCBS-TV, rest closed-circuit. These will be sustaining, since commercial authorization isn't effective until Nov. 20. Showings will be on 10 receivers at 401 Fifth Ave. CBS says it passed out 12,250 tickets first day, can accommodate 450 viewers per performance.

"Sneak preview" at Tele-tone plant Friday greatly impressed New York Times' Jack Gould. He was permitted to operate 7-in. "companion" converter, blown up to 10-in. It was "simplicity itself," he wrote Nov. 11. "The images had exceptional color fidelity. More than 10 pastel shadings were distinguishable. Switching between black-and-white programs on other stations and the CBS telecast left no doubt of the greater appeal of color..."

Converter was connected by removing one receiving tube in monochrome set, plugging converter into socket and plugging tube into converter receptacle. Cost of converter wasn't given, but Gould mentioned previous estimates of around \$140.

Black-and-white reception of color, he said, "had obvious loss of definition compared with present monochrome but was by no means unusable."

Washington's WTOP-TV will be only station picking up color week of Nov. 20, but CBS says its affiliates will join up later in these cities: Atlanta, Baltimore, Boston, Chicago, Cincinnati, Dayton, Detroit, Louisville, Philadelphia. Nov. 20 show runs noon-1 p.m., features Arthur Godfrey. Thereafter, schedule is 11 a.m.-1 p.m.

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Notable array of legal talent due to participate in the court case reflects seriousness with which industry takes case. Emerson's chief counsel is Judge Simon H. Rifkind, recently resigned as Federal judge for southern district of New York, now partner in New York-Washington law firm of Paul, Weiss, Rifkind, Wharton & Garrison; in same firm is Brig. Gen. Telford Taylor, onetime FCC general counsel who was prosecutor of the Nuremberg war crimes cases. Emerson's Chicago counsel are Nash, Ahern & McNally.

RCA is represented by Cahill, Gordon, Zachry & Reindel, New York, and Kirkland, Fleming, Green, Martin & Ellis, Chicago. CBS top counsel will again be Judge Samuel I. Rosenman, of Rosenman, Goldmark, Colin & Kaye, New York; Chicago counsel are Arvey, Hodes & Mantynband.

Other counsel are: for Pilot, Mnuchin & Smith, New York, and Schapiro & Schiff, Chicago; for Radio Craftsmen, Kelly, Kelly & Kelly, Chicago; for Sight-master, Carl Pomerance, Chicago; for Wells-Gardner, Righeimer & Righeimer, Chicago; for IBEW Local 1031, Jacobs & Kamin, Chicago; for CTISA, Schradzke & Gould, Chicago.

IBEW Local 1031 worded its complaint particularly strongly, claiming to speak "from viewpoint of workers in the factories and set owners" who, it claims,



have already been affected by color edict. It's one of biggest unions in field, embraces 18,000 members in plants of Admiral, Wells-Gardner, Jefferson Electric, Rauland (Zenith), Oak Mfg. Co., Standard Transformer Co., American Phenolic Corp.

Emerson's president Ben Abrams issued blistering attack on Friday on what he called "an unreasonable abuse of the Commission's mandate under the law to foist upon the public a system of color TV which these [9,000,000 sets-in-use] are not able to receive." Mr. Abrams said Emerson primarily wants to insure that color won't be frozen with "extensive and expensive adaptation." He denounced CBS's "whirling disc" which he said would be "short-lived" and "soon superseded." He said public should have chance to choose between CBS and RCA systems "at the very least."

Pilot served subpoenas on FCC and CBS, demanding they produce all correspondence with Senator Johnson, who, company says, "evinced far more than a legislative interest in the controversy." Johnson, from Colorado, wired FCC and CBS that he hopes "every shred of correspondence...will be made a matter of public record. I have nothing to hide and nothing to cover up. In addition, I believe it would be well for Pilot to make full disclosures of meetings, correspondence and understandings between them and other TV manufacturers in relation to color." At week's end, Pilot said it was preparing response.

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FCC's request that RCA give tri-color tube to CBS (Vol. 6:44) brought a rasping reply from president Frank Folsom. Publicity-wise, it was a coup, though it infuriated some commissioners.

"We were both shocked and surprised at your request," wrote Folsom. "Already it is evident that your attempt to force an incompatible color TV system on the American public has backfired..."

"On July 31 and again on Oct. 4 we offered to show you our improvements in the RCA tri-color tubes. The first offer you ignored and the other you rejected. Now after your decision has been made you write us that you are 'pleased to note the progress' we have made..."

"But what you ask us to do amounts to a request that our stockholders bear the heavy cost of color TV research and transfer the benefits to a private interest...In this connection it is to be recalled that CBS has sworn that it 'expects to receive substantial revenues of many millions of dollars' as a result of your order adopting its system..."

"If this kind of thing goes in America, the Phillies certainly missed a bet in the last world series. They should have asked the Yanks for Joe DiMaggio...As soon as we can produce tri-color tubes that can form the basis for commercial design and factory production, we will, as we have previously said, make such tubes generally available."

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That "Joe DiMaggio" line caught fancy of headline writers, while editorialists of at least 3 papers -- N.Y. World-Telegram, Chicago Tribune, Washington Star -- agreed vehemently with RCA.

Commentator-columnist Fulton Lewis Jr. wrote: "A spinning wheel is sending the TV industry into a tailspin...A Congressional investigation of the TV mess can be forecast with certainty." He makes a pitch for competition among systems. Ex-Senator Joe Ball wrote in his Washington newsletter: "For sheer, unmitigated gall, the FCC 'request' to RCA that it make its electronic color tube for TV available to CBS takes the cake...Radio-TV industry generally feels FCC has gone power-crazy and is trying to wield authority never given it by Congress."

Reaction to RCA reply from one commissioner of the three who sent request to RCA -- Sterling, Walker, Webster:

"It was a snotty letter. That's my opinion. I don't mean that they have to agree with us. They could have said the same thing in polite language. We wrote a polite letter. It's just a hell of a response from such an organization."

Commission hasn't yet considered whether to jump down RCA's throat, though may, considering Mr. Coy's scathing letter to Hallicrafters last week (Vol. 6:44).



FCC hasn't formally asked Paramount-Chromatic to supply CBS with its Lawrence tube (Vol. 6:18-36), but there have been nudgings. CBS, of course, keeps nagging for sample. Paramount-Chromatic official says: "Each new tube we get is better than the last. We may be able to offer them one in a few weeks." Tube has never been shown to press or public, though it was first reported 7 months ago.

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Will public stop buying black-and-white? That's still 90% of the riddle. There's definitely a slump in the wind (see Trade Reports) -- perhaps temporary and probably due more to credit controls than to color. But if and when color becomes clearly responsible for any substantial sag, which could happen in New York next week, the new Congress will undoubtedly be deafened by agonized yelps from those hurt first -- the manufacturers and the retailers.

In forecasting public reaction, major criterion obviously is not whether people will buy color -- because there isn't any to buy, yet -- but whether publicity and demonstrations will deter them from black-and-white. First color offered for sale will be converters, but it's safe prediction that industry's abortive experience with radio converters (FM, shortwave) will be repeated. Novelty may sell a few, but mass market won't accept makeshifts -- and it buys on price.

Price of color will be high and likely to stay that way unless demand eventually fosters mass production. Some facts on prices are finally available, now that some manufacturers have studied costs.

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Webster-Chicago's executive v.p. C. P. Cushway frankly says first production, due "shortly after mid-December," will be 10-in. "companion" table model converters retailing for \$150-\$175. They'll utilize 7 or 10-in. tubes. Later, a converter to go in front of existing sets is planned for "under \$100." There are no plans for adapters or complete color sets. Company will sell to consumers as well as to manufacturers -- as it does its record-changers. It also has orders for converters to be used as station monitors "from quite a few stations, not a 100 or 50, but quite a few."

"I want to make one thing clear," states Mr. Cushway. "We're not proponents of CBS. We'll cooperate with anybody's color system if we can see a legitimate dollar in it. Our initial color production will be very modest. It will be geared to demand only, and built up as demand requires."

Demand is Tele-tone's sole criterion, says president S. W. Gross. First production, due in January, will be 12½-in., no prices estimated. Later, 10-in. "leader" is scheduled. Company plans "companion" converters only, no adapters.

Mr. Gross sees no unusual difficulty in shifting production emphasis between color and monochrome as demand indicates. Nor does he find color parts exceptionally scarce.

One reason "companion" converters are stressed, rather than front-of-the-set wheels (aside from sheer awkwardness), is that companion units allow far greater flexibility. For example, companion sets can use great variety of motors while other converters need hard-to-get "pancake" types.

Others planning on converter production -- actually, avowedly or simply rumored: Celomat, Hallicrafters, Natalie Kalmus, Muntz, Spellman Television Co., Westinghouse, Raytheon, Bendix, Majestic, Television Equipment Co., Meck, Video Corp., Starrett. There are undoubtedly others, but facts and assertions are almost impossible to segregate. Some sizable producers report they cannot honestly say their sets can be converted without bringing them back to factory.

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John Meck says he's "changed his mind". He has decided CBS system is practical, "though it may not be the ultimate in color transmission." So he states he's building his sets with adapter plugs, and plans to make companion "add-a-color" unit "as soon as production schedules permit."

"We may not agree with the technical details of the CBS system or the method used to publicize it," he said, "but a unified effort to let the public determine



its own interest in the CBS system will be far better for the industry and for the public...We should feel indebted to CBS in the long run for having created the demand for color units. It's still not too late to get together and present a united front for progress in the industry." He also believes that "CBS, which has so much to gain if its method succeeds, should help some of the manufacturers of components absorb tooling costs on necessary mechanical parts, of which there is no supply."

What CBS has to gain, if any sizable production develops, is a good question. "Patents are a controversial subject and I'd rather not talk about them," says one of CBS's manufacturing allies. CBS says it is quite satisfied with its patent position. Other patent experts state flatly: "CBS has nothing to sell."

Another angle on finances of CBS, whose earnings are best ever (see Financial & Trade Reports), is that excess profits tax could encourage it to spend very heavily on color promotion.

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Guerilla fighting on color issue, which seldom hits newspapers, is really rugged. Important Vendors Relations Committee of National Retail Dry Goods Assn. (mainly dept. stores) called in CBS and RCA representatives for straight facts on what to tell prospective TV customers. CBS produced president Frank Stanton and v.p. Adrian Murphy; RCA sent distribution v.p. Robert A. Seidel and v.p. Joseph Heffernan, general attorney.

Reports of what happened are conflicting. One had Stanton with "committee eating out of his hand", other had him apologizing for his and Godfrey's "wait 6 months" broadcasts (Vol. 6:42-44).

But reliable NRDGA spokesman had this to say after meeting: "Looks like it's still black-and-white for a long time." He quoted from Oct. 20 bulletin to members, to this effect: (1) Color is on the way. (2) It will be some time before there will be a substantial number of sponsors. (3) Sets can be adapted for about \$20, converted for about \$70. (4) Color picture is limited to 12½-in. (5) Black-and-white is not a poor investment. And, he added: "There's no reason to change those recommendations because of the meeting."

CBS is reported having lots more trouble clearing time for network shows since color decision. Coolness of stations is said (by Billboard) to be responsible for cancellation of hour-long Walt Disney film scheduled for Christmas sponsorship by Coca-Cola; it went to NBC-TV (Vol. 6:44).

Dr. Allen DuMont continues his slash-bang attack on decision. On Wed., Nov. 15, 8:30-9, before national meeting of Men of Science and Industry in Waldorf-Astoria, he has announced, he'll take another swing at FCC-CBS. His appearance will be carried by DuMont network, include demonstration of whirling disc converter. Among guests will be presidential assistant Dr. John R. Steelman and Bureau of Standards director Dr. Edward U. Condon.

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Novel sidelight on color decision: FCC left out a basic factor in its order amending engineering standards to permit CBS colorcasting. This is specification of "reference white." CBS had specified exact standard during hearing, but FCC must have simply forgotten. This has exasperated industry engineers who say that one glance at standards by any engineer could have saved FCC needless embarrassment.

Tri-color tube developer Charles Willard Geer (Vol. 5:42,45), in speech at University of Southern California this week, advised public to "use the same good common sense in buying TV as in purchasing a car." He pointed out that people don't rush out to get rid of their cars when they hear of a new automatic transmission or developmental work on diesel engines for autos.

Startling claims of color conversion on any set, simply through addition of one receiving tube, are reportedly made by Dr. Jenny W. Bramley, mathematician recently appointed to faculty of Monmouth Junior College, Long Branch, N. J. She says she has patented invention involv-

ing secondary electron emission. Story is reminiscent of claims of one Charles A. Birch-Field, Hamden, Conn., who said he had tube to convert AM sets to TV (Vol. 4:44).

Color photography expert Leopold Godowsky, co-developer of Eastman's Kodachrome, compared color TV and photographic systems, concluded dot-sequential system most promising. In Rochester speech this week, he said: "It seems to me, and you do not have to be an electronic engineer to recognize the fact, that in a color TV system where the so-called dot-sequential system is an inherent part of electronics, this autochrome counterpart has all the photographic advantages without the disadvantages."



**Station Accounts:** Backbone of October business on many TV stations was politics, with local use on big scale topped by heavy time purchases in New York particularly (no figures available) and more than \$100,000 reported spent on Los Angeles' 7 outlets . . . BAB has issued report on TV use by \$5 billion hotel industry, called America's seventh largest . . . Hookup of Baltimore's WAAM, Pittsburgh's WDTV, Cleveland's WXEL has been arranged for Nov. 12 telecast of Baltimore Colts-Pittsburgh Steelers football; Gunther Beer is sponsor, as it is of Baltimore Bullets basketball on WAAM . . . Tidewater Oil to sponsor East-West all-star football classic Dec. 30 on KTSL, Los Angeles; KGO-TV, San Francisco; KFMB-TV, San Diego. Radio version will be on 450 MBS stations . . . Bullock's-Los Angeles and McAlpin-Cincinnati are latest dept. store recruits as TV sponsors . . . United Cigars-Whelan Stores sponsoring *Meet Buddy Rogers*, variety, on WOR-TV, New York, Mon. thru Fri. 1-1:30 p.m. . . . New spot users on WABD, New York, are Maillard Corp. (chocolates), thru Byrde, Richard & Pound Adv., Ranson, W. Va.; Hamilton Watch Co., thru BBDO; Personal Products Corp. (Co-ets), thru Young & Rubicam . . . Among new accounts on WCBS-TV, New York: Cannon Mills, thru Young & Rubicam; Wheatena Corp. (cereal), thru Brisacher, Wheeler & Staff . . . Among other advertisers reported currently using or planning to use TV (agencies New York unless otherwise specified): California Turkey Federation and Pacific Dairy & Poultry Assn. (year-round sale of turkeys), thru Jenkins-Large Inc., Los Angeles; Pevely Dairy Co., St. Louis (Reddi-Wip), thru Olian Adv., St. Louis; Bunte Bros. (candy), thru Schoenfeld, Huber & Green, Chicago; Ben Hur Mfg. Co. (farm & home freezers), thru Morris Adv. Agency, Milwaukee; Chemicals Inc. (Vano laundry & cleaning aids), thru Sidney Garfield, San Francisco; Pearson Pharmacal Co. (Ennds deodorant tablets), thru Harry H. Cohen Adv.; Bristol-Myers Co. (Trushay hand lotion), thru Young & Rubicam; Casco Products Corp. (home appliances), thru Norman D. Waters & Assoc.; Phillips-Jones Corp. (Van Heusen shirts), thru Grey Adv. Agency; Borden Co. (Instant Hot Chocolate), thru Duane Jones; Phenix Pabst-Ett Co. (cheese loaf), thru Needham, Louis & Brorby; Falls City Brewing Co., Louisville, thru Prater Adv. Agency, St. Louis.

**Network Accounts:** Ranger Joe Inc. (cereal) Dec. 3 starts *Ranger Joe*, children's westerns, on 19 ABC-TV stations, Sun. 12-12:15 . . . Voice of Prophecy Inc. (Bible study course) Dec. 3 starts *Faith for Today* on 12 ABC-TV stations, Sun. 12:30-1 . . . Lutheran Laymen's League to sponsor 6 separate holiday programs on ABC-TV starting Thanksgiving, Nov. 23, 3:30-4; similar half-hour programs scheduled for Christmas, New Year, Easter . . . Bulova Watch Co. Nov. 18 starts sponsorship of 9-9:30 portion of CBS-TV's *Frank Sinatra Show*, Sat. 9-10; second half-hour is still unsold.

**Personal Notes:** Charles Philips named eastern sales mgr. for TV, Richard H. Close for radio, in separation of NBC spot sales dept. Account executives reporting to Philips: Robert E. Button, Bernard H. Pelzer Jr., Edwin F. England, Schuyler Chapin, Martin P. Harrison Jr. . . . Jerry Danzig appointed CBS-TV supervisor of color programming, assisted by Fred Rickey . . . Earl Mullin promoted to asst. to ABC v.p. Robert Saudck in charge of newly created exploitation dept.; John W. Pacey succeeds Mullin as publicity director . . . Henry A. Houston, ex-J. Walter Thompson, Young & Rubicam, Kenyon & Eckhardt, named asst. adv. mgr., Kaiser-Frazer Corp. . . . Robert W. Day, ex-Lynn Baker Inc., joins Albert Frank-Guenther Law Inc. as radio-TV director . . . M. J. Rifkin named sales v.p. of Ziv Television Programs Inc.

**Financial & Trade Notes:** CBS and subsidiaries enjoyed gross income for 39 weeks ended Sept. 30 of \$85,946,982, compared with \$74,607,071 for same 1949 period. Net earnings were \$3,110,783 (\$1.81 per share), after adjustment to new tax rates, compared with \$2,003,812 for same 3 quarters of 1949. In all 1949, CBS gross was \$105,397,580, net \$4,184,079 (Vol. 6:13).

ABC has borrowed \$1,000,000 from New York Trust Co. (at 3%) from \$2,500,000 standby credit established last March. Meanwhile, *Radio Daily* reports (unverifiable among principals) that United Paramount Theaters is negotiating to buy ABC, interested mainly in acquiring its 5 TV outlets.

Arvin Industries reports net profit of \$932,564 (\$1.05 per share) for quarter ended Sept. 30, compared with \$734,653 (82¢) for same 1949 period . . . Wilcox-Gay Corp. reports net loss of \$444,720 on sales of \$1,953,947 during 8 months to Aug. 31 . . . Kaye-Halbert Corp. reports a net profit of \$99,500 for year ended Sept. 30, equal to 74¢ a share on 134,225 shares outstanding; this compares with \$14,454 profit (26¢ on 55,000 shares) during preceding fiscal year . . . Muntz TV reports net profit of \$446,445 (44¢ a share) for 6 months to Sept. 30, no comparison available.

Monarch Radio & Television Corp. (formerly National Polytronics Inc.), 2430 Atlantic Ave., Brooklyn, is offering 600,000 shares (5¢ par) at 50¢ through George J. Martin Co. President is Vincent S. Acunto, and J. C. Rivman, ex-general sales mgr., Video Corp. of America, is v.p. and secy. Prospectus says Monarch has line of TV receivers which includes color adapter outlet, and makes coin-operated TV, radio sets, microphones, etc.

Backlog of nearly \$5,000,000 orders, or about 5 months output at present accelerated production rate, is reported by International Resistance Co., largest maker of resistors. *Wall Street Journal* reports its sales for Jan. 1-Oct. 22 were about \$8,325,000 vs. \$4,953,202 for like 1949 period and \$6,589,706 for all 1949. Earnings for period aren't available yet, but it's estimated on basis of new tax rates that they will run approximately \$750,000 vs. \$238,788 for comparable 1949 period. Company declared 10¢ dividend Oct. 31, with extra of 10¢, both payable Dec. 1.

Sentinel Radio profits for first 6 months of fiscal year, April through September, were \$406,471, almost 9 times more than \$47,717 net income for entire previous year. Net earnings per share on 360,000 shares outstanding during 6-month period were \$1.13, compared with 13¢ for full 1949 fiscal year. Six-month sales equalled \$8,119,965.35, previous fiscal year's sales \$9,076,337.09. October sales were reported largest for any one month since Sentinel began specializing in TV.

DuMont Class A common, recently listed on New York Curb, has been approved for listing on the Los Angeles Stock Exchange . . . Trav-Ler stock, from Nov. 14, will be listed on Midwest Stock Exchange, Chicago.

Dividends: Television Electronic Fund Inc., approximately 17½¢ per share from investment income, 46½¢ from capital gains, both payable Nov. 30 to stock of record Nov. 16.

RTMA report on TV set shipments for first 8 months of 1950, issued this week, estimates actual deliveries to distributors in 36 states, broken down by counties. It shows 3,952,000 total, with August's 845,000 nearly doubling July's 495,000.

RTMA has issued its new 1950-51 membership list and trade directory, 103-pp., indicating officers, executives and products of all member companies and listing division members (sets, tubes, parts, etc.) as well as committees.



**SET SALES DIP IN MARKET REACTION:** Many "soft spots" are rearing their unwelcome heads on TV sales maps -- some of them very soft, indeed. Reaction has set in, apparently, in wake of lush pre-excise tax trade.

Sales are dropping. There's no mistaking dip since Nov. 1 -- but it was more or less expected. It was almost too much to expect receivers to continue to move at such swift pace indefinitely.

Consensus seems to be that Thanksgiving-to-Christmas will see boom trade again. After that -- the effects of shortages, induced by govt. restrictions and war orders, may serve to put a brake on boom TV production anyhow, some say.

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Regulation W, higher prices and color are the prime retarding factors. The first is being countered in various ways, chiefly "layaway" plans; second has been forced by higher costs and new tax. Color is said to be keeping some people from buying -- but leading more to "buying down."

"Buying down" means customer is inclining toward low-end items, telling clerks: "Why spend \$500 and \$600 for a set when I'll probably buy a color set soon. No, I think I'll keep this purchase as low as possible."

Biggest single factor is credit controls, though there's still plenty of purchasing power and upper-class trade that can pay cash or fork out the higher down payment. Gaining in popularity is the "layaway" idea (Vol. 6:42) by which customer puts down as little as \$1 to \$5 and store holds set until, through weekly payments, required 25% down is paid; then he gets set, keeps up required 15-month payments.

Rash of "Buy Now Before Excise Tax" ads pre-Nov. 1 has been followed up by ads offering "No Tax on Inventory, We Sell at Pre-Tax Prices." How long this can continue, is questionable. Also, there's fear public will react unfavorably.

Home furnishings trade reports dollar volume for first 5 selling days in November ran 20-25% behind same time last year, TV sales for all October 2-3% behind last year. "With the excise tax buying spur no longer a factor," reported Nov. 8 New York Times, quoting head of one important store, "retail TV sales are again at a standstill."

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Color impact is deemed secondary. In Los Angeles' big Barker Bros. store, Tele-tone showed its "slave" unit for color conversion and got this reaction, according to Nov. 7 Retailing Daily: Set-on-top-of-set unattractive, picture too small (7½-in. magnified), promised price of "under \$200" not too bad.

Observed Hoffman Radio's Leslie Hoffman, visiting in East a few days later: "It sold a lot of black-and-white sets." It's his belief black-and-white sets, placed and priced alongside converted and/or color sets, will gain by the comparison and that the industry is doing too much "talking down" color, not enough "talking up" present product.

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Meanwhile, nobody is talking cutbacks in production -- except as these may be forced, involuntarily, by raw materials restrictions and components shortages. As matter of fact, every TV-radio factory is still turning out every set it can, while anticipating the worst. To meet components shortages, imports from Canada are increasing, and several companies have sent emissaries to Europe to seek out components. Said to be in plentiful supply at moment are cabinets and CR tubes.

First November week's output, reported by RTMA for entire industry, went to 218,378 TVs, exceeded as record by only one October week (Vol. 6:44) and bringing 1950 production thus far to just about 6,000,000. Radios totaled 365,751, also exceeded as record by only one October week.



**Topics & Trends of TV Trade:** List of manufacturers supporting all-industry \$2,000,000 ad campaign, designed to sell TVs as an educational medium and thus combat possible trade slump (Vol. 6:44), is growing fast—and up to this writing these companies were pitching in: Admiral, Arvin, DuMont, Emerson, Fada, GE, Hallicrafters, Hoffman, Magnavox, Motorola, Olympic, Philco, Pilot, Raytheon (Belmont), RCA, Sentinel, Sylvania, Stromberg-Carlson, Westinghouse, Zenith.

All manufacturers and various distributor-dealer groups have been invited to join campaign, being handled by Ruthrauff & Ryan (Cal McCarthy Jr., account executive) for newly-formed American Television Dealers & Manufacturers, 601 Chrysler Bldg., New York (Travis Wells, adv. mgr.). It's expected others will join shortly.

Ads break Nov. 13, and weekly thereafter, in "upwards of 1100 newspapers" in all TV areas, and featuring educators' testimonials about benefits of TV for children. Spot radio began this week on 250 stations, and one-minute TV films are planned. Spot campaign elicited from *New York Times* critic Jack Gould (Nov. 10) charge that manufacturers are "responsible for a serious abuse of the normal concern of parents for the well-being of their children."

Gould objects to testimonials that "state unequivocally that TV is as important to today's child as fresh air, sunshine or bread and butter" and quotes from radio announcements that use the names of Angelo Patri, child behaviorist; Ogden Miller, headmaster of Gunnery School, Washington, Conn.; Judge George W. Smith, of Westchester County Children's Court.

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Wells-Gardner, making private-label TVs only, has turned out 60,000 TV sets thus far this year, is producing at rate of 300 a day for these companies, representing "some" of its customers: Montgomery Ward, Western Auto, Firestone, Gamble-Skogmo, Schuster Store (Milwaukee), Fair Store (Chicago), Hudson Co. (Detroit), Halle Bros. (Cleveland). Information was contained in request to intervene in RCA Chicago suit.

Sightmaster Corp., New Rochelle, N. Y., formally announced to trade this week that it was discontinuing manufacture of TV receivers, continuing exclusively in business of "TV glass." Harold Wilchonok, chief engineer, has transferred to Transvision Inc. to head its TV research but will continue as consultant for Sightmaster.

Add to list of companies including 10% factory excise in new list prices (Vol. 6:44): Pilot, Raytheon (Belmont), Setchell-Carlson. Westinghouse has revised list to include both tax and warranty. Starrett includes tax with warranty.

Plant expansions: Sprague Electric Co., North Adams, Mass., has leased 130,000 sq. ft. additional space in Nashua, N. H. plant where it already has 30,000 sq. ft. devoted to production of capacitors . . . John Meck Industries has leased 4500 sq. ft. of space in 1020 Rush St. Bldg., Chicago, for use as sales and purchasing offices for both Meck and Scott Radio. . . Sarkes Tarzian Inc. has begun production of tubes in new plant at Batavia, Ill.

Stromberg-Carlson has priced new 24-in. receiver—first to use new GE round metal-coned tube (Vol. 6:44)—at \$975, including tax. It's console with AM-FM-phono, and will be in limited production for rest of year.

National Production Authority has set up electronics communication division, headed by Donald Parris, ex-chief of Commerce Dept. consumer durables div., which formerly handled TV-radio.

Transcript of industry-military round-table discussion on mica and mica substitutes earlier this year, is available at Office of Technical Services, Commerce Dept., 50¢ a copy.

Philco proxy statement, asking stockholders to vote on proposed 2-for-1 stock split and new incentive stock ownership plan for selected executives, sets meeting for Nov. 28 in Room 320 Land Title Bldg., Philadelphia. If split is authorized, common will be 5,000,000 shares, of which 3,357,556 will be outstanding. Proxy statement lists following officers and directors whose compensation exceeded \$25,000 during 1949: Wm. Balderston, president, \$75,000 & \$33,000 incentive compensation; John Ballantyne, chairman (until death in June 1949), \$35,750; Raymond A. Boyce, asst. to president, \$18,000 & \$7,000; James T. Buckley, chairman, \$25,000 & \$16,500; Harold W. Butler, v.p., \$30,000 & \$19,500; James H. Carmine, executive v.p., \$60,000 & \$27,000; Joseph H. Gillies, v.p., \$30,000 & \$21,000; Larry E. Gubb, director, \$33,125; Larry F. Hardy, v.p., \$30,000 & \$25,000; Robert F. Herr, v.p., \$20,000 & \$15,000; Thomas A. Kennally, v.p., \$30,000 & \$22,500; Courtney Pitt, v.p., \$25,000 & \$12,500; David B. Smith, v.p., \$42,708 & \$5,000; Wm. R. Wilson, treas., \$20,000 & \$7,500; Leslie J. Woods, v.p., \$33,750 & \$24,000.

Among larger "unclassified" military contracts for electronics equipment announced by Commerce Dept. for 2 weeks ending Nov. 8: Let through Signal Corps Procurement Agency, Philadelphia: Federal Telephone and Radio Corp., \$5,000,000, radio sets; Hallicrafters, \$3,491,530, radio sets (461 units); Raytheon, \$400,000, radio sets (10,803 units); and \$216,045, magnetron tubes (500 units); Chatham Electronics Corp., Newark, N.J., \$251,400, tubes (60,000 units); Espey Mfg. Co., \$166,539, radio kits. Let through Air Materiel Command, Dayton: Bendix Radio, \$500,354, radio compass components; McColphin-Christie Corp. Ltd., Los Angeles, \$103,300, rectifiers; Collins Radio, \$102,622, communication receiver transmitter. Let through Navy Bureau of Ships, Washington: National Co., \$450,000, frequency shift keyer (405 units); Times Facsimile Corp., \$300,000, facsimile recorders (200 units). Let through Navy Aviation Supply Office, Philadelphia: Permotlux Corp., \$103,190, headsets.

New 2-tube tuner, claimed to have high sensitivity and greater resistance to man-made interference, is now being incorporated in Magnavox TV receivers. Company says development utilizes full triode tube capabilities, permitting deletion of extra tube. It also uses balanced input transformer to reduce ignition, refrigerator, washing machine, other man-made interference. Claimed is equal sensitivity on Channels 2-6 and 7-13. Fine tuning has been made easier, as has channel switching.

IRE's new 1950-51 president is Ivan S. Coggeshall, gen. traffic mgr., Western Union, elected by membership mail ballot. He succeeds NBC's Raymond F. Guy. Vice-president is Jorgen C. F. Rybner, professor of telecommunications of Royal Technical U, Copenhagen. Newly elected directors: Wm. H. Doherty, Bell Labs; George R. Town, Iowa State College; Harry F. Dart, Westinghouse; Paul L. Hoover, Case Institute of Technology; Wm. M. Rust, Jr., Humble Oil; Allan B. Oxley, RCA Victor, Canada.

Trade Personals: Herbert N. Riband promoted from sales mgr. to gen. mgr. of Philco Accessory Div., succeeding Jack Cherry (Vol. 6:44); Clare Courtney new sales mgr. . . Isidor Goldberg, president of Pilot, and Hugo Gernsback, veteran trade editor, were honored this week with scrolls presented by engineering students of New York U, commemorating their 1928 experiments with TV transmissions via Mr. Gernsback's WRNY . . . Don G. Mitchell, Sylvania president, elected to board of American Arbitration Assn. . . Walter R. Seibert promoted to controller of Sylvania . . . Leo G. Sands, ex-Philco, joins Bendix Radio ad-promotion staff . . . Fred T. Page named controller, Robert L. Russell merchandise controller, Hallicrafters.



**Telecasting Notes:** TV is called the "greatest doorbell-ringer of them all" in Nov. 8 *Variety*, reporting that TV and radio not only emerged from recent election campaigns as "the most important media for the candidates' slugging, but they also cornered a large portion of the politicians' ad budgets" . . . Combined take of broadcasters-telecasters in New York State alone is estimated at \$500,000, in New York City upwards of \$235,000, and Democratic National Committee, in report filed Nov. 6, stated it had spent \$55,391 on TV broadcasting . . . President Truman's political hookup for Nov. 4 simulcast cost \$132,609, of which about \$79,000 went for 1140 radio stations, \$53,000 for 72 TV stations . . . Biggest "rave" of current TV programming is Jimmy Durante, who made debut Nov. 1 on Motorola's *4 Star Revue* on NBC-TV; everyone agrees he's the most refreshing new star of the day, who wisely won't overwork his welcome, appearing only once every 4 weeks . . . New network affiliation (probably DuMont, since ABC and NBC have own local outlets) is due when and if *Los Angeles Times*-controlled KTTV, 49% owned by CBS, severs affiliation with that network. It's now learned CBS bid for TV part of \$12,320,000 "package" sale of Don Lee properties (Vol. 6:42) will run better than \$3,000,000 for KTSL; transfer subject to FCC approval . . . Cleveland Indians' 77 home games will again be telecast via WXEL next season (Leisy's Brewing Co., sponsor), club's management being convinced TV did not cut into attendance this year . . . Fan magazine *Radio & Television Best* will appear on newsstands in February as *TV Screen Magazine* . . . Baseball is hottest thing on TV in Havana currently, reports Union Radio TV, with police handling crowds of people before store windows exhibiting receivers . . . Mrs. D. Leigh Colvin, president of Women's Christian Temperance Union, broke into headlines Nov. 9-10 with criticism of Schlitz sponsorship of *Pulitzer Prize Playhouse* on ABC-TV, charging Columbia U with "behind the scenes cooperation" in "a scheme of education for alcoholism." Schlitz paid Columbia U \$100,000 for rights . . . WDTV, Pittsburgh, raised base rate Nov. 1 from \$450 to \$600, and 1-min. from \$75 to \$100 . . . KDYL-TV, Salt Lake City, has raised rates from \$200 to \$250, and from \$30 to \$40 . . . KTLA, Los Angeles, Nov. 15 raises base rate from \$750 to \$1000; 1-min., from \$125 to \$175. . . ABC-TV network rate Jan. 1, 1951, goes up from present \$24,800 to \$25,975. NBC-TV is also revising rates, but they aren't available yet.

Application for experimental TV on vhf channels 3, 6 & 10 in Portland, Ore. has been made by Northwest Television & Broadcasting Co.—of which electronics engineer Lloyd E. Parsons is one of principals. Parsons last year asked FCC to okay setup whereby he meant to pick up Seattle's KING-TV, feed programs to his Astoria, Ore. neighbors. FCC turned him down early this year (Vol. 6:8). Reasons for picking vhf channels, application states, is to test propagation in mountainous Pacific Northwest. [For details about application, see *TV Addenda 11-R.*]

First theatre-TV arrangement with network took place this week, when NBC-TV and sponsor agreed to permit *Camel Newsreel Caravan* (Mon. thru Fri., 7:45-8) to be picked up off air, projected on screens of Century Circuit's Marine Theatre in Brooklyn and Queens Theatre in Long Island. Two-week experiment starts Nov. 13. Commercials will be carried. TV newsreel will be run in both theatres in lieu of regular newsreel.

More Nov. 1 sets-in-use, reported since NBC Research's "census" of Oct. 1 (Vol. 6:42): Cleveland 349,319, up 34,319; St. Louis 206,500, up 21,500; Washington 188,585, up 14,100; Pittsburgh 160,000, up 15,000; Kansas City 73,565, up 11,965; Omaha 44,566 (Nov. 6), up 9,266; Louisville 60,250, up 7,850.

First comment on FCC's proposal to limit hours stations in markets with less than 4 outlets can take from single network (Vol. 6:42) came from Norfolk's WTAR-TV. Manager Campbell Arnoux claimed proposal was against FCC policy that programs were sole responsibility of management. Storer stations asked for postponement of comments deadline from Nov. 13 to Nov. 24. Although rumors were rife networks were getting together to compromise AT&T intercity circuit allocation, and thus eliminate need for Nov. 20 FCC hearing, check with responsible network officials failed to confirm report. To the list of those appearing at Nov. 20 hearing (Vol. 6:44) can be added ABC.

TV's rapid gobbling up of New York theatre space has become so impressive it prompted editorial in *New York Times* gently decrying passage of legitimate theatres from stage shows to telecasts. Theatre real estate activity was compared by Gordon Allison in Oct. 7 *New York Times* to the 1930s when movie houses were crowding out theatres in Broadway sector. NBC now has Hudson, International, Center theatres. CBS has Mansfield, Maxine Elliott, Hammerstein, New Yorker, Town, Lincoln Square (latter 2 were film houses), Liederkrantz Hall (former music hall), Peace House (as arena). ABC has Ritz, Vanderbilt and 58th Street. DuMont has Adelphi and Ambassador theatres (latter was film house). WOR-TV has New Amsterdam Roof.

Did TV elect Dewey? *New York Herald Tribune* comments editorially that thousands believe Dewey was re-elected "because he is a good television man," speculates that Dewey's TV technique may strongly influence future political campaigns. Newspaper sees video influence bringing back old-style "cracker-barrel" campaigning, with candidates discussing issues face-to-face with opponents and voters. Critic John Crosby calls Dewey first man to exploit TV's political potential properly, applauds N.Y. governor's relaxed, informal attitude during 18-hour Nov. 6 video stint via WOR-TV.

NBC is studying Hollywood facilities in preparation for early 1952 transcontinental link, hasn't made up mind whether to buy or build new plant, according to president Joseph H. McConnell at Los Angeles press conference where he introduced new western div. v.p. John K. West. Among plans is one for production of motion picture films for TV, as well as facilities for live productions, he said.

There are more sponsors in network TV than in radio—142 vs. 129, according to latest edition of *Factuary*, published by Executives Radio-TV Service, Larchmont, N. Y. It lists 162 TV programs on networks, compared with 78 last fall. Radio sponsors have 207 programs on networks vs. 226 this time last year.

Sharper telecasting of films is possible with its new mercury vapor lamp, claims Westinghouse. Use of new lamp in station projectors is said to produce better contrast and gray shadings. It consumes 800 watts, gives light 1/4th as bright as the sun with an arc 1/2-in. long, has life expectancy of 500 hours.

TBA's annual TV Clinic will be held Dec. 8 in New York's Waldorf-Astoria with WOR-TV's Eugene S. Thomas as chairman. Subjects on agenda: programming, research, sales, proposed excess profits tax, color TV, ASCAP, etc.

**Extra Newsletters**

Extra copies of the Newsletter-only portion of the services of *Television Digest* (excluding TV-AM-FM Directories, Addenda, Supplements etc.) may be procured by subscribers, mailed to any address, at \$75 per year.



MARTIN CODEL'S

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OF THE  
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(For other Trade Reports, see pages 10-11. For Report on Color, see pages 5-9)

**THE SHORTAGE BLOW FALLS—BUT HARD:** TV-radio industry will be lucky indeed if it's merely obliged, by defense demands, to cut back only the 20-25% predicted for 1951. Civilian cutbacks may run to 100% for some! There could even be a "freeze" on civilian production, forced by materials limitations -- but just as limiting, for all practical purposes, as the one enforced by fiat during World War II.

That dismal picture emerges from the cobalt shutdown (see story below) -- rendering problems of prices, credit controls, FCC freeze, color, uhf quite trivial in face of a possible struggle for simple survival.

"This is a war economy," is the Washington production officials' refrain. At moment, the industry's best efforts are being exerted to obtain assurances of "mere trickle" of the precious cobalt, to say nothing of other restricted or soon-to-be-restricted materials. Main effort is to keep production and manpower going until defense orders can catch up.

The honeymoon's over, apparently, and the lush 200,000-per-week TV and 350,000-per-week radio pace simply can't be maintained. Talk-talk about defense needs must give way soon to cold tough facts of raw materials and components shortages and/or restrictions, possible clampdowns on "non-essential" industries, even perhaps direct price and wage controls later.

From now until end of year, TV-radio output will to great extent represent "living off inventory." At least, that was the lugubrious prospect at week's end.

**COBALT CRISIS COULD STOP TV-RADIO:** A sudden cobalt famine threatens to strangle TV-radio production before 1951 is a month old.

Vital ingredient in alnico, predominantly used for TV-radio magnets, all available cobalt is being snapped up by Govt. to harden steel for jet engines and tools. Entire November supply -- and most of December's -- is reserved under backlogged "DO" (defense priority) orders, even before it arrives on docks from Africa.

Some small relief is in sight next month, but next year's outlook is bleak.

Component makers will feel bite in matter of days, set manufacturers in weeks, with sharp cutbacks and even stoppages likely next month. RTMA general manager James Secrest calls present outlook for set production most critical since reconversion period after last war.

Production of speakers and picture-tube focusing units may be snuffed out, on basis of glum predictions by fabricators of alnico (aluminum-nickel-cobalt) magnets. Of the 4 leading magnet firms, one is shut down completely; the others have sharply curtailed production, foresee complete stoppage by early December.

Dominated by cobalt crisis, RTMA board meeting in New York Nov. 16 set up emergency Electronics Parts Mobilization Committee to seek Govt. release of sufficient quantities of cobalt and other scarce materials to prevent complete shutdown of electronics industry. Committee is headed by alnico-producing Indiana Steel Products' A. D. Plamondon Jr. and General Instrument Corp.'s R. E. Laux.

\* \* \* \*

On basis of cobalt crisis alone, hopes of sustaining even major fraction of this year's receiver production in 1951 are now apparently out the window. TV-radio industry is appealing to National Production Authority on this note:



Give us a trickle of cobalt -- even if it's only 10% of our requirements -- to keep our plants open until we're producing for defense.

Manpower is biggest problem. If plants close, they lose skilled employes, will be completely unprepared to turn out electronic sinews for Uncle Sam.

NPA shut off cobalt deliveries Nov. 14, even to priority users, in attempt to cope with emergency. Now it is checking and rechecking "DO" orders to see if it can divert dribble to civilian uses.

"Somehow, some way, we'll get you a little cobalt next month," a govt. official then promised the industry. A few hours later, African Metals Co., sole U.S. supplier, reported indications that one "DO" order was being eased.

NPA Administrator Harrison told us this week "much of the available cobalt supply is needed directly for defense," but "we are seeking an orderly transition period" to allow the industry to develop substitutes.

But there are no substitutes at present, in unanimous opinion of magnet and component makers. A less satisfactory permanent magnet could be made of aluminum and nickel -- without the cobalt -- but it would be at least 3 times heavier than alnico, and would require 5 times as much nickel.

\* \* \* \*

Nickel is No. 2 on the shortage lists. Although the Govt. hasn't limited use of nickel yet, International Nickel, biggest manufacturer, is limiting customers to 60% of normal requirements. This rules out nickel as extensive cobalt substitute. Aside from nickel, only known practical substitute for alnico would be copper-wound electromagnet.

Copper is third in order of industry's scarcity headaches. Used extensively in power and output transformers, coils, etc., it was production bottleneck even before the cobalt crisis. Many TV makers recently jumped from frying pan into the fire by switching from copper-wound focusing magnets to alnico units.

\* \* \* \*

Hope is that electronics industry, with its amply demonstrated ingenuity, will come up with new substitute magnet to help maintain civilian set production at some reasonable level in 1951.

"If they want to hold this industry together, we've got to get magnets," we were told by Muter Co.'s Leslie Muter, RTMA treasurer. Terming magnets the "No. 1 stoppage point in the industry," Muter said a shutdown now could "cripple" the electronics industry, leaving it completely unprepared for defense orders.

Magnet inventories are dangerously low, according to Crescent Industries' W. A. Ellmore, chairman of RTMA engineering committee on speakers. He says no speaker maker has more than 3 weeks' supply on hand, many are measuring inventories in days. One speaker and focus unit manufacturer said he is dependent on day-to-day magnet shipments, still trickling in.

Four U.S. producers supply more than 90% of alnico magnets for electronics. Indiana Steel Products, Arnold Engineering, Crucible Steel each makes about 27%; Carboloy Corp. (GE subsidiary) produces 10%. Cobalt comes principally from Belgian Congo. Small amount mined in Canada is snapped up by United Kingdom.

TV will be hit harder than radio when and if cobalt comes in at small trickle. Average picture-tube focus unit uses 4.5 to 4.7 oz. of alnico (about 25% cobalt), small speaker uses only .7 to 1.5 oz., larger speaker up to 7 oz. Alnico is also vital ingredient in generators, test equipment and magnetos. Cobalt's other principal uses are as pigment in enamel and as base for porcelain enamel over steel.

\* \* \* \*

Cobalt, nickel, copper shortages eclipsed Nov. 13 NPA order limiting aluminum supply after Jan. 1 to 65% of that used in first half of 1950. Generally overlooked is fact that aluminum order is also fraught with danger to some component makers. January-June base period, considered fairly good one by set makers because of high 1950 production, is poor period for some small manufacturers of capacitors who sank much money into plant expansion during that period, are now operating on margin, and may be wiped out because of inability to obtain aluminum foil.



Sidelight on aluminum order is that use of aluminum for maintenance, repair and operating supplies (for example, in equipment to manufacture picture tubes) will be allowed at same rate as first 6 months of 1950. Same base period will be used in copper limitation order; most qualified sources predicting a 25-30% cut.

Percentage-wise limitation orders are considered stop-gap only, with return to World War II "Controlled Materials Plan" seen inevitable by informed govt. people. NPA is now making studies to determine (1) which raw material uses are "essential", i.e., have no satisfactory substitutes, such as use of copper in wire, and (2) which industries or products are essential to national defense or civilian economy. NPA general counsel Manly Fleischmann predicted complete govt. allocation of all "basic materials" by July.

\* \* \* \*

Communications industry representatives, meeting Nov. 17 with Gen. Harrison, complained of unavailability of electronic components necessary for maintenance, asked priorities equal to or just below military orders. Gen. Harrison assured them NPA will see that they get essential supplies, even if it means cutting into "DO's." Communications men protested some TV and radio firms are hoarding large quantities of resistors, tubes and other parts bought on black market.

**OPPOSE EXCESS PROFITS TAX ON TV:** Like most industries appearing at House Ways & Means Committee hearing on excess profits tax (Vol. 6:45), TV has special problems -- and they were spelled out Nov. 17 by TBA's John A. Kennedy (WSAZ-TV, Huntington, W.Va.). Kennedy's plea was to defer TV operators from any excess profits tax until such time as real normal base could be ascertained. Base would be decided by Congress on basis of returns to FCC and Bureau of Internal Revenue. Committee heard plea sympathetically, hardly questioned TV spokesman.

Day before, NAB appeared on behalf of broadcasters, asked that any tax take into account large development costs spent by station operators on FM, TV, etc. Next to be heard are RTMA and Dr. Allen DuMont, Nov. 20; Mrs. Dorothy Scott Bullitt, KING-TV, Seattle, Nov. 21. Philco and Theatre Owners of America have withdrawn.

Chance for excess profits tax this session looks very slim. Administration and labor organizations are only ones in favor. Consensus is that if House does pass tax, it would not get past the Senate.

**PAYING PLENTY FOR TV PROPERTIES:** High value of TV stations -- rather ironical, since now-frozen channels could have been had for the asking only a few years ago -- is attested by 2 sales deals disclosed this week. Filed with FCC were details of proposed purchase of Don Lee's KTSB by CBS from Yankee Network, which was high bidder for "Don Lee package" (Vol. 6:42-43). Announced in San Diego was sale of Jack O. Gross' KFMB & KFMB-TV to John A. Kennedy, former Charleston (W.Va.) broadcaster, former publisher of old San Diego Journal, present 48% owner of WSAZ and WSAZ-TV, Huntington, W.Va.

CBS is paying \$3,448,765 for KTSB, if FCC approves -- price including \$333,765 for equipment and embracing 10-year lease of Vine St. studios, 20-year lease of Mt. Lee and Mt. Wilson properties. Possible hitch in transfer of KTSB may develop if unsuccessful "package" bidder Hoffman Radio applies for KTSB channel, as indicated in reports from Los Angeles. San Diego purchase price was not disclosed, but asking price was previously reported at \$1,200,000.

Another portion of \$12,320,000 "Don Lee package" announced as sold this week, subject to FCC approval, is KDB, Santa Barbara. Buyer is Lincoln Dellar, owner of 3 other AM stations in California. Price is \$25,000.

Other TV station sales this year, all approved by FCC, were WOIC (now WTOP-TV) to Washington Post 51%, CBS 49%, price \$1,400,000 (Vol. 6:25); KBTB (now WFAA-TV) to Dallas News for \$575,000 (Vol. 6:4,11); KLEE-TV (now KPRC-TV) to Houston Post for \$740,000 (Vol. 6:13,21).

Note: Reports that Paramount Theatres is negotiating for ABC (with 5 TV outlets) meet complete disavowal by network officials. Also in wind but unverifiable is report that Mary Pickford Rogers, long interested in TV and a pre-freeze applicant for stations in Asheville, Durham & Winston-Salem, N.C., is dickering for ABC.



**MOST BALK AT NETWORK TV TIME RULE:** Overwhelming opposition to FCC's proposal to limit number of hours stations in markets with less than 4 outlets can take from a single network (Vol. 6:40) makes it clear hearing must be held -- unless Commission calls whole thing off, which is a possibility.

So impressive are the arguments, it's apparent some Commission people now have little stomach for the project which, like the color issue, would inevitably lead to long-drawn-out litigation outlasting freeze itself.

Only 5 of the 45 comments filed up to Nov. 13 deadline agreed with FCC idea -- the 45 representing more than 60 of the 107 operating stations. Any hope that arguments on subject might be made at Nov. 30 hearing on how and why AT&T allocated intercity circuits as it did (Vol. 6:42-44) were dashed when strike-bound AT&T asked and got postponement to Dec. 11.

ABC and DuMont, which instituted FCC's action, approved in principle. CBS said it neither approved nor disapproved. All others opposed, save Richmond's WTVR and San Francisco's KRON-TV, who said they'd go along if FCC thought it was right thing to do.

ABC wants FCC to issue policy statement urging stations in 1, 2 & 3-station markets to take shows from more than one network; failing that, it wants limit on maximum hours from any one network, makes point particularly that many TV outlets are AM-affiliated with NBC so feel obligated to that network.

Though indicating obvious distaste for FCC incursion into program end of business, CBS asked only that color telecast time be exempted from time counted for minimum hours; also that segment from 8 a.m. to 1 p.m. and 11-midnight be included.

DuMont asked that difference between simultaneous and delayed network programs be clarified, and that FCC also investigate affiliation contracts.

National Assn. of Radio Station Representatives wants FCC to include ban on network option time; also seeks rule against networking kine-recordings and films.

Not even those favoring limitation idea approved proposal that stations be required to take minimum number of hours from each network. Nor does anyone like single 5-hour-period-per-week exempted from limitation rule, for it might mean that 2 long shows (such as world series games or football or opera) would be barred.

Arguments against run like this, generally: (1) Proposed rule interferes with responsibility of licensee to pick and choose his programs. (2) Conflicts with Communications Act and court decisions. (3) Takes away stations' bargaining position vis-a-vis networks. (4) Makes telecaster a common carrier. (5) Overlooks key positions of stations in one or 2-station markets when they're on single or double-circuit loops. (6) Doesn't take into account inability of ABC and DuMont to deliver programs even when requested. (7) Ignores fact programs from all networks can be had on kine or film if not "live".

\* \* \* \*

Importance that attaches to FCC's proposed order (for text, see Supp. 71) is evidenced by flood of comments that came at deadline. Besides aforementioned, the 45 filing included NBC, Westinghouse, Crosley, Fort Industry, KHQ, Spokane (AM only). Following individual stations filed (network affiliations of AM sister stations, if any, in parentheses):

- |                                |                                |                            |
|--------------------------------|--------------------------------|----------------------------|
| KOB-TV, Albuquerque (NBC)      | WGAL-TV, Lancaster (NBC & MBS) | WPTZ, Philadelphia         |
| WNBF-TV, Binghamton (CBS)      | KFI-TV, Los Angeles (NBC)      | WTVR, Richmond (NBC)       |
| WAFM-TV, Birmingham (CBS)      | WHAS-TV, Louisville (CBS)      | WHAM-TV, Rochester (NBC)   |
| WBEN-TV, Buffalo (NBC)         | WMCT, Memphis (NBC)            | WOAI-TV, San Antonio (NBC) |
| WBT, Charlotte (CBS)           | WTMJ-TV, Milwaukee (NBC)       | KRON-TV, San Francisco     |
| KRLD-TV, Dallas (CBS)          | WSM-TV, Nashville (NBC)        | KSD-TV, St. Louis (NBC)    |
| WWJ-TV, Detroit (NBC)          | WNHC-TV, New Haven             | KSTP-TV, St. Paul (NBC)    |
| WBAP-TV, Ft. Worth (NBC & ABC) | WDSU-TV, New Orleans (ABC)     | WRGB, Schenectady (NBC)    |
| KPRC-TV, Houston (NBC)         | WKY-TV, Oklahoma City (NBC)    | KING-TV, Seattle           |
| WSAZ-TV, Huntington (ABC)      | WTAR-TV, Norfolk (NBC)         | KOTV, Tulsa                |
| WMBR-TV, Jacksonville (CBS)    | KMTV, Omaha (ABC)              | WKTU, Utica (MBS)          |
| WDAF-TV, Kansas City (NBC)     | WCAU-TV, Philadelphia (CBS)    | WDEL-TV, Wilmington (NBC)  |



**COURT ENDANGERS SUCCESS OF CBS COLOR:** Even as CBS was pulling all stops to win New York favor for its FCC-approved system of color TV, a 3-judge Federal court in Chicago this week stayed FCC's decision and caught CBS off-balance with a ruling staggering in its implication -- indefinite delay in commercialization.

With drastic defense cuts threatening TV-radio production -- color, black-and-white, or what-have-you (see p. 1) -- and with compatible systems reported making progress -- delay forced by the court could even prove fatal to CBS color.

"We're not impressed with the argument of haste," said the court, in ordering an unappealable delay in form of a "temporary restraining order." Judges simply decreed that FCC's decision (allowing commercial color Nov. 20) must remain suspended until they have time to study merits of the case and determine whether an injunction should be issued.

This frustration went beyond worst fears of CBS advocates. Had court quickly granted injunction RCA sought, ruling could have been rushed to U.S. Supreme Court where it would have received high priority. Now, everything stands still while Chicago court studies. And the senior judge, J. Earl Major, made it clear this will take time, when he said:

"We've got to have time and we're going to have time -- not just a few days, either. There's nothing magic about Nov. 20 or even Dec. 20." But what really left CBS proponents pale and shocked was this comment by Judge Major:

"If I were a manufacturer, I know I wouldn't make any color sets until the Supreme Court ruled the FCC's decision valid." He went on to observe that, if color adapters, converters and receivers were sold pending appeal and if Supreme Court reversed FCC decision, public would be stuck with just that much expenditure -- drawing admission to that effect from CBS counsel.

\* \* \* \*

Just how much time will elapse for final adjudication is impossible to say -- but here's usual modus operandi, as explained by Emerson counsel Simon Rifkind, himself a recent Federal district judge:

Either side may now ask actual trial before court, but this seldom happens. Court usually accepts affidavits and briefs, may hear further arguments if it wishes, then make decision. In this case, 30-60 days may well elapse before decision. Then appeal to Supreme Court usually gets 30-60 days allowed for preparation.

Supreme Court generally seeks to hear such cases during same term heard by special 3-judge court. However, it would take considerable expediting to get final adjudication before customary June adjournment.

Thus, net of legal maneuvering is that CBS's commercial color is clearly stopped for several months, perhaps until next spring; that one side or other could in meantime drop case (scarcely conceivable); that RCA and/or others may be able to bring forth acceptable compatible systems and demand reopening of FCC hearing or grant of "dual standards".

\* \* \* \*

FCC doesn't believe delay will be long. In fact, it issued public statement Thursday "to keep the public advised concerning the exact status of color television". It read, in part:

"The Commission is confident that once the judicial process is completed -- and the process should not be too long delayed since cases of this sort are given priority of handling in the court by operation of law -- the order of the Commission will be fully sustained." Then, it offered its first advice to public, somewhat cautiously and indirectly, about buying sets now:

"(1) Television receivers of the type heretofore manufactured will continue to receive black and white programs transmitted in accordance with the present standards.

"(2) They will not be able to receive programs from the color transmissions under the CBS field sequential system when they are on the air.

"(3) Such receivers can be adapted to receive the new color transmissions under the CBS field sequential system in black and white by adding an adapter and



for somewhat more expense a converter can be added to receive the color transmissions in color.

"(4) Receivers which have adapters or converters added after they are manufactured and sold are likely to be more expensive when so adapted or converted and are not likely to operate as satisfactorily as a receiver which has the adapter or color equipment built in at the factory."

Chairman Coy's intention to fight hasn't lessened. Even before court decision, he was reported to have gathered rest of commissioners together, informing them of resolve to battle unceasingly, even to fight for renomination and reappointment upon expiration of his term in June, if necessary. He also dined with NAB board Wednesday, and in long question-and-answer session reportedly told members he isn't disposed to back down.

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Both Govt. and CBS lawyers got off to wrong start by insisting on haste at very outset. In fact, court asked parties to agree on some delay before arguments even started. But defendants obviously irritated court with adamant, "No, sir."

Court was packed with counsel for FCC, CBS, Govt., RCA and its 7 intervenors (Vol. 6:45), plus lawyers and executives of non-participating companies. It soon became apparent that this was a cause celebre, and judges were quick to perceive it.

Star performer was undoubtedly Judge Rifkind, who spoke for all intervenors save IBEW Local 1031 and Pilot -- though 2-day argument sparkled with legal brilliance on both sides. Judge Rifkind began by expressing utter astonishment and exasperation over FCC's decision, bracket standards, and defendants' demands that court decide immediately.

"Color is fine," he said, "but it's not that important." He told of 60% drop in Emerson's order backlog, of employe layoffs, of defense-manpower-materials problems, of FCC's worries about inadequacies in CBS system in First Report which "disappeared" in Second Report. Judge Major seems concerned about latter factor.

Judge Rifkind described bracket standards as something "like asking a tailor to make an overcoat that will fit you and your small daughter at the same time," evoking burst of laughter. Not only had no one made such sets, or suggested them during FCC hearing, he said, but FCC didn't even consider field-testing them.

"My client has to maintain a decent reputation," he said, "and it doesn't want to charge the public for something it may never use and which may become obsolete." To CBS argument that there's no compatibility problem in new TV areas to come, he answered:

"My good friend Judge Rosenman is no salesman. He wants us to sell color sets in areas where there is no television. That's a very remarkable feat...The FCC has acted against the unwritten provision of the Communications Act -- common sense."

Judge Rifkind gave short shrift to govt. claim that public interest aspects of case are not subject to judicial review. Admitted were many affidavits -- largely from dealers -- attesting to "irreparable injury."

\* \* \* \*

RCA's big pitches were for multiple standards -- its own system to compete with CBS's -- and against incompatibility and the mechanical, small-screen and other aspects of CBS system. Chief counsel John Cahill insisted FCC had no right to exclude RCA system, and quoted CBS's Dr. Goldmark to effect that "nobody would be hurt" if a compatible system were adopted. To prove "monopoly" aspect of CBS system, he quoted from its ads in that day's New York newspapers referring to fact its system was one approved by FCC for "all" commercial color.

Cahill warned of a \$1.5 billion "tax" on public for "degraded" adaptation to CBS and for conversion. Some of his other arguments:

FCC ignored experts, including Condon Committee; leaned on prejudiced engineer (Chapin) who invented adapter switch; is not permitted "to deprive public of continuity of service"; and "turned a deaf ear to improvements in the RCA system."

RCA will lose customer goodwill if it makes CBS sets, Cahill told court. As for "permissive" nature of colorcasting, he said, NBC would have to transmit CBS



system or risk losing licenses. "We take it the FCC is not joking, your honors."

He concluded by pointing to "softening market," attributing it to FCC decision and warning that whole FCC affair will turn into "expensive fiasco."

\* \* \* \*

FCC-Govt.-CBS case was simple -- FCC found RCA color system no good. After exhaustive hearings, lawyers told court, it was evident to unanimous Commission that RCA system had basic defects, whereas CBS had produced a workable system.

RCA-NBC are required to do nothing, said FCC's Max Goldman and CBS's Samuel Rosenman, while CBS is "incurring economic disadvantage" in colorcasting. And, if RCA's sales are off, company can do as Muntz and others have -- promise to make sets adaptable and convertible and thereby increase sales.

Goldman explained color is only part of larger proceedings designed to bring TV to entire country. That's one big reason for haste, he explained. RCA doesn't want multiple standards, he argued: "It's an afterthought, raised here for the first time." There's no injury to RCA, he insisted, pointing to 1,000,000 sets sold since decision. Judge Rosenman also scoffed at "irreparable injury" claims, attributed any letdown in demand for receivers to higher prices, credit controls, excise tax.

Dept. of Justice's John Baecher made these arguments: Public interest determination of FCC is not subject to judicial review; color is supplemental, doesn't replace black-and-white; court doesn't have power to permit "dual color standards" since that would be assumption of licensing power; Sen. Johnson was perfectly within his rights in assuming "dynamic leadership" in his prodding of FCC; attacks on Johnson and Chapin are "shocking, irregular and irresponsible."

\* \* \* \*

CBS has good color, RCA doesn't -- that was Judge Rosenman's main argument, presented smoothly and clearly. "RCA can do nothing with its system in the foreseeable future," he said. He defended bracket standards as "statesmanlike way to keep incompatibility from killing color."

Judges didn't want to get technical, but asked a few technical questions anyway. They wondered why CBS picture size is limited. Judge Major said he thought color wheel "seems something like a circular saw." Judge Rosenman hastened to assure him there's nothing dangerous about disc.

Twice, court was treated to "real" reasons behind decision, pro and con. Judge Rosenman shook his finger at RCA and allied counsel, and said:

"The fight here is between the set makers and the people of the United States. They're determined not to give the public color until everyone has a black-and-white set."

And -- decision was predetermined by pressure from Sen. Johnson, shouted Pilot counsel Harry K. Smith, relating how Johnson had demanded adoption of color after seeing CBS demonstration in Washington Armory. He told of "threatening" telegram received from Johnson this week, saying "it is likely that those believed to be the conspirators will be called before this committee..."

Court seemed more amused than excited by Smith's dramatic charges, asked him "how does all this concern this court?"

\* \* \* \*

Meanwhile, CBS was wowing them in New York with demonstrations which will continue unaffected by court ruling -- although commercialization and networking are off indefinitely.

Terrific response from press and public encouraged CBS president Frank Stanton to express confidence courts will give its system final go-ahead. Full-page ads heralded start of demonstrations same day as court case opened. Life Magazine currently devotes color page and several columns of comments on New York demonstrations, and Time is preparing "cover story" featuring Stanton and CBS color.

Typical quotes from New York radio editors:

"Striking in its appeal. By comparison, the black-and-white pictures of today seem flat and unexciting." -- Jack Gould, Times. "Lush and opulent and dripped with sheer beauty." -- Sid Shalit, News. "Warm, vivid and wonderfully alive." --



Harriet Van Horne, World-Telegram & Sun. "Excellent. In fact, it's almost as good as the network's press agents claim it is." -- Joseph Guilfoyle, Wall St. Journal.

Man-in-the-street and VIPs alike agreed, with minor dissents. There were a few complaints about small screen, and magnifiers. Some sharp-eyed observers noted that details tend to blur on long shots, thus recognizing system's low resolution. Brightness must have been turned up on some sets greater than during Washington demonstrations, since we noticed occasional slight flicker. But over-all effect was breath-taking to those seeing pictures for first time.

\* \* \* \*

Ten sets were demonstrated, including Tele-tone converter and 5 Remington-Rand industrial units. Former was 7-in. "companion" unit, blown up to 10-in. Colors on it were pretty good except for tendency towards green tinge -- apparently due to slightly inaccurate choice of filter hues. Anti-CBS camp is mightily worked up over calling companion units "converters," since they're really almost complete new sets lacking only RF and audio. Tele-tone unit has 12-13 tubes. "Any color system is equally convertible that way," they grumble.

CBS officials were gleeful during press showing Nov. 13, president Stanton telling us "no affiliate has said it won't take any color and most have said they will." He reported that Jacksonville's WMBR-TV and Birmingham's WAFM-TV had each ordered 2 camera chains from Remington-Rand, that color networking would expand rapidly. V.p. Adrian Murphy predicted that big manufacturers would soon capitulate. Inventor Dr. Peter Goldmark happily reported work on color "drum" to permit larger picture is in "good stage of development."

Gimbel's captured headlines by getting 2 sets from CBS, displaying them to enthusiastic thousands. Various TV dealers were busily announcing "firsts," showing home-made converters.

But court's order slowed band-wagon considerably as week progressed -- though not to complete stop by any means. Off-the-air and closed-circuit demonstrations will continue under "experimental" license in New York. Other cities will be added later, CBS says. However, commercialization is out; CBS had several sponsors, including General Mills, lined up to sponsor Nov. 20 initial commercial telecasts.

Presumably, on-air colorcasts are also verboten during regular operating hours, same as with RCA's system (Vol. 6:42). Whether court order will postpone CBS's proposed manufacturing, advertising "clinics", etc. isn't known yet.

\* \* \* \*

CBS's manufacturing allies are in a swivet, naturally. Tele-tone's S. W. Gross says his plans depend primarily on timing. "If the final decision by the Supreme Court isn't too far off, that's one thing," he said, "if it's a year, that's another." And he surveyed raw materials situation gloomily: "Who knows? In another year, we may not be making any sets. Yesterday, dealers were cutting set prices, tomorrow sets may turn into gold. Typical of our business, I guess."

Webster-Chicago's C. P. Cushway says it's much too early to tell what to do. Timing is the problem, he also says.

\* \* \* \*

Congressional investigation by Sen. Johnson's committee or any other (Vol. 6:45) is considered unlikely in immediate future, since Congress almost never touches cases pending in courts. But if anyone thinks he can predict Johnson, he doesn't know the man. Yet, if Johnson does want investigation now, he may have difficulty talking colleagues into it, for many Senators are known to deplore color decision. Sen. Taft, for example, is known to have talked to Comr. Jones for an hour, in vain, in effort to show him Commission's lack of wisdom.

Sen. Johnson's correspondence with FCC and CBS, released this week following subpoena by Pilot (Vol. 6:45), reveals few novel factors. Almost all of it has been released before. Sen. Johnson also released correspondence with RCA.

Abundantly clear throughout is Sen. Johnson's intention and hope of cutting down RCA by getting CBS color adopted, thus giving value to non-RCA patents. It's apparent his prodding got patent issue into color hearing. At one point, early in



game, he quotes FCC staff memo to effect that RCA is probably holding back uhf because CBS color is a practical color system that could be inaugurated on uhf.

Irony is that no one besides CBS seems to think he needs CBS patents to make field-sequential sets. To date, no one besides Remington-Rand has taken out license from CBS since 1947. CBS's Stanton says: "We're currently concerned with getting sets made, not with patents."

**UHF PREDICTIONS—BULLISH AND BEARISH:** Brighter uhf prospects emerged from end-of-freeze hearing this week -- even as industry begins ruefully to wonder how long it will be building vhf receivers, let alone uhf stations (see p. 1).

DuMont's T. T. Goldsmith, apparently worried by pessimistic uhf testimony of NBC's Raymond Guy (Vol. 6:43), told how he'd just revisited Bridgeport Nov. 6 to see why he and Guy differed so much.

NBC now has 250-watt experimental Channel 4 signals on air there, to compare with uhf coverage. Dr. Goldsmith said he believes that 13.9-kw uhf and 250-watt vhf give virtually same service -- with uhf even better in some locations. He concluded that Guy erred and that FCC's proposed standards aren't far off in predicting satisfactory service for areas such as Bridgeport.

Question of greater power on uhf (200 kw is assumed by FCC curves) got optimistic answer from consultant A. Earl Cullum. He believes that remarkable transmitting antenna gains of 40 times are quite practical and that phase-to-amplitude 25-kw transmitters (Vol. 6:21,27), using couple of resonators, await little more than cash on the barrel-head to bring them forth in not too distant future.

Cross-examination should conclude next week. Next question, to be taken up Nov. 27, is educational channels; it shouldn't take long. After that, it's up to FCC to decide whether to issue decision on general issues or to start hearing on specific city allocations, reserving entire decision until whole record is closed.

**Station Accounts:** Unnamed business man, revealed only as a Baltimore contractor, turned up as sponsor of WAAM's telecast Nov. 18 of DuMont co-op Yale-Princeton game, all "commercials" being contributed to worthy causes like Red Cross, Xmas Seals, Cerebral Palsy Assn., etc. . . . Unique sponsorship on Philadelphia's WPTZ, by big men's clothing store, Ward & Ward, uses Ethel Foster, veteran local TV personality, appealing to women in show titled *For Men Only*, Tue. & Thu. 3:45-4, selling men's wear and accessories usually purchased by women for the man of the family . . . New accounts on WABD, New York, include Gem Packing Co. (Gem Oil), thru Emil Mogul; Douglas Aircraft Co., thru J. Walter Thompson; Hudnut Sales Co. (Richard Hudnut salon), thru G. Lynn Sumner . . . Among other advertisers reported currently using or planning to use TV (agencies New York unless otherwise specified): Citation Hat Co., thru Jones Frankel, Chicago; Hoben Candy Corp., Ashley, Ill. (Hoben's chocolate malted), thru Grant Adv., Dallas; John H. Swisher & Sons (King Edward cigars), thru Newman, Lynde & Associates, Jacksonville; A. C. Weber & Co. (Pfaff sewing machines), thru Lazarus & Co., Chicago; Milford Farms Inc., Milford,

Pa. (Saladier French dressing mix) thru Bass & Co.; Rabbit Packers of California, thru Newton A. Free, Los Angeles; Ball Brothers Co. (fruit jars, jelly glasses, etc.), thru Applegate Adv. Agency, Muncie, Ind.

**Network Accounts:** Swift & Co. in December starts 2 participations in *Saturday Night Revue* on NBC-TV, Sat. 8-10:30, picking up spots vacated by Johnson's Wax and Whitman's Chocolates . . . Allis-Chalmers Mfg. Co. Nov. 28 sponsors International Livestock Exposition on 44 NBC-TV stations, Tue. 3-4 . . . Standard Brands Inc. Nov. 16 began sponsoring Thu. 5-5:15 edition of *The NBC Comics* . . . Glidden Co., Durkee Famous Foods Div. (margarine, dressings, shortening), has bought Wed. 4:30-4:45 segment of NBC-TV's *Kate Smith Hour* . . . Magnavox Co. Dec. 8 cancels *Magnavox Theatre* on CBS-TV, alternate Fri. 9-10; Goodyear reported probably taking period . . . Bigelow-Sanford Carpet Co. Dec. 8 starts filmed dramatic show on CBS-TV, Sun. 6-6:30 . . . Carter Products Inc. (Rise shave lather) has purchased 10-10:15, Eversharp Inc. (Schiek razors) 10:15-10:30 portions of DuMont's *Saturday Night at the Garden*, 8:30-11; show is now out.

Federated NAB idea (Vol. 5:29) was revived by its board this week when it approved setting up an autonomous TV board and separate memberships for TV stations. Present NAB board would become responsible solely for AM-FM, new board for TV. Latter begins with present nucleus of 42 TV stations and will invite all others to join. Unspoken, but definitely in mind, is an invitation once again to TBA to come under NAB's "one big tent". TBA president Jack Poppele is not standing for reelection, but TBA this week said it plans expansion, including enlargement of board from 9 to 12 members.

First move in NAB plan is TV convention in Chicago, probably early in 1951, to elect board, set up dues structure, decide on allocations of dues for NAB services such

as research, govt. & employe relations, engineering, etc. Plan is for NAB's TV director, Charles Batson, to remain as head of TV activities.

Plan has been approved by several NAB district meetings, was sponsored by board members Robert Swezey, WDSU & WDSU-TV, New Orleans, and Eugene Thomas, WOR-TV, New York. Adding weight to idea was fact many TV stations are now grossing more than their AM parents, that TV needs would tax NAB facilities and personnel, that some AM members are grouching about association money spent on TV matters regarded of no value to them--in some cases, even benefiting a competing medium.

Note: NAB board set 1951 "workshop level" annual convention April 15-18 in Chicago's Stevens Hotel.



**PLENTY OF SETS NOW, NOT MANY LATER:** Scrounging and scrimping and "digging deep into the barrel" for materials may keep TV-radio lines running at fair speed until end of year -- but after Thanksgiving-to-Christmas trade will come the letdown. There simply isn't going to be enough material to make enough sets next year, according to present indications.

So it may turn out that today's retarding factors, such as price, credit controls, color, etc., will serve as brakes on demand that can't be met anyhow.

Reports from various parts of the country, particularly New York, are that demand for TVs has slackened considerably. Bruno-New York says it's 70-90% below pre-Nov. 1 retail level. Its major dealers place public confusion growing out of big play color is getting locally as prime reason.

Dealer inventories are heavy, due to current large factory output and reduced demand, but prospect of shortages next year "that will make TV sets worth their weight in gold" aren't conducive to happiness among retailers whose credits are limited and who must depend on rapid turnover.

Holiday trade should take up most existing stocks, however, and then merchandise for 1951 may be hard to come by. Usual new January models will be exception rather than rule; it isn't new models but materials to make any models at all that will be 1951's great headache for both manufacturers and sellers (see stories, p.1).

As for FCC's forays into freeze, color and now uhf, it looks at this writing like they'll soon become academic -- for the duration, at least. Even if FCC should lift freeze, only dribblets of materials could be delivered for transmitters, towers, etc., to say nothing of receivers. Steel is on allocation already, and building construction ban is due to get tighter. Nobody would venture into uhf, it's reasonable to assume, while vhf production is down, maybe even out.

"Would you settle for 3,500,000 TVs in 1951?" we asked one of largest manufacturers, noting this would be just half 1950's anticipated output.

"I'd settle for half of that," was plaintive reply.

Highlighting RTMA board meeting Nov. 14-16 was approval of these proposals: (1) To ask Federal Trade Commission for trade practice conference for TV industry. (2) To call proxy meeting of members within few weeks to vote on Reorganization Committee proposal to make new dues schedule effective Feb. 1. (3) That President Robert C. Sprague appoint special committee to review FM problems. Sylvania's president Max F. Balcom, chairman of RTMA tube division, reported adequate production of receiving tubes both for civilian and military needs in early 1951, in report on division's Nov. 9 meeting. Service committee approved 8-ad series to be published over RTMA's name in *Philadelphia Bulletin*, giving TV owners advice on operating their sets. Service committee also discussed plan to encourage teaching of TV-radio servicing in public vocational schools to help relieve shortage of trained servicemen.

Almost 6 out of every 10 families in cities with 100,000 or more population own TV sets, according to September study by Industrial Surveys Co., Chicago—based on survey of its 4500-family National Consumer Panel. Study showed total of 7,123,700 families out of 40,300,000 in U. S. (17.9%) had TV sets, with geographical distribution as follows: Northeast 55.3%, North Central 26.5%, Pacific 11.5%, South 4.9%, Mountain and Southwest 1.8%. Craftsmen and skilled laborers, with 24.5 out of every 100, own higher percentage of sets than other occupational groups.

Excess profits tax won't result in heavier advertising, if law includes prohibition against spending more on advertising in relation to gross than firms do now, according to recommendation by CIO research director Stanley Ruttenberg to House Ways & Means Committee Nov. 17. Inefficient operation, more expenses for advertising, travel, entertainment, etc., have been offered as arguments against excess profits tax by its opponents.

Trade Personalities: Howard E. Riordan, ex-Colonial, appointed general manufacturing mgr., Sylvania Radio & TV Div.; Bernard O. Holsinger named asst. gen. sales mgr. . . . Sidney A. Joffe elected president, Harley R. Wall treasurer of Pathe Radio (Air King subsidiary) . . . George F. Wunderlich named v.p. & gen. mgr., Harold E. Sorg research v.p. of Eitel-McCullough Inc. . . . Joseph B. Elliott, RCA Victor consumer products v.p., elected to board of Schick Inc. (electric razors) . . . Richard Mahler, ex-Sears Roebuck, joins CBS to serve as liaison with manufacturers on color TV . . . Francis H. Uriell, ex-partner in Chicago law firm of Pope & Ballard, now v.p. & general counsel of Admiral . . . Joseph J. Ptacin, ex-advertising auditor, named asst. to Admiral ad mgr. Seymour Mintz, taking charge of newspaper-magazine space buying.

IRE's Morris Liebmann Memorial Prize goes to GE's Robert B. Dome for inter-carrier sound system for TV, and wide-band, phase shift networks, other developments in FM receiver circuits.



Addenda to

TELEVISION RATES & FACTBOOK NO. 11

Nov. 11 to Nov. 18

Basic directory listing all commercial TV stations, CPs and applications to July 15, 1950, (TV Directory No. 11: Television Rates & Factbook) can be kept up-to-date by making the following additions and changes on the pages indicated. See also current Newsletter.

Stations Operating Commercially

None authorized this week. Total to date: 107

(For full data on all Stations and Networks, see TV Directory No. 11)

Construction Permits

None granted this week. Total outstanding: 1

Applications Filed for New Stations

None filed this week. Total to date: 360

Changes in Experimental TV Stations

Chicago, Ill......KS2XBS (formerly W9XZV), Zenith Radio Corp. Granted deferment of start of Phonevision tests to Dec. 1, 1950 (page 72).

Construction Permit Outstanding

(Watch Newsletters for latest information on tests and commercial starting date.)

Atlanta, Ga......WCON-TV, Atlanta Newspapers Inc. (WSB & WSB-TV). Granted extension of completion date to Feb. 15, 1950; FCC granted STA for 90 days to conduct propagation experiments with 50 kw power on condition that a tone signal and test pattern only are transmitted. Company desires to use facilities of WCON-TV; change call letters to WSB-TV; relinquish facilities of present WSB-TV at end of test period.

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Addenda to

AM SECTIONS OF AM-FM DIRECTORY

Nov. 11 to Nov. 18

Basic directory listing all AM-FM stations, CPs and applications to Jan. 1 1950 (AM-FM Directory) can be kept up-to-date by making these additions and changes. For meaning of symbols, see AM-FM Directory. Facilities applied for, newly granted, licensed, or changed are underlined. Docket numbers included when hearings involved.

CPs Granted for New Stations

(Add to Parts I & II; delete from Parts IV & V)

(Total to date: 159)

Scottsboro, Ala.....New † BP-7535	Scottsboro Bcstg. Co. <u>Scott St.</u>	<u>1330</u>	<u>1,000-D</u>
Bowling Green, Ky.....New † BP-7697	J. Granville Clark Russellville, Ky.	<u>1340</u>	<u>250-U</u>
Memphis, Tex.....New † BP-7648	Blake Bcstg. Co. Box 868, Hereford, Tex.	<u>1370</u>	<u>1,000-D</u>

CPs Granted for Changes in Facilities

(Add to Parts I & II; delete from Parts IV & V)

Flagstaff, Ariz.....KGFH BMP-5287	Flagstaff Bcstg. Co. Granted change to-----	1450 <u>1230</u>	250-U -----250-U
Picayune, Miss.....WRJW BP-7695	Moseley Brothers Granted change to-----	1320 <u>1320</u>	1,000-D ----- <u>5,000-D</u>
Scottsbluff, Neb.....KNEB BP-7035	Platte Valley Bcstg. Corp. Granted change to-----	970 <u>960</u>	1,000-D ----- <u>1,000-LS (DA-2)</u> <u>500-N (DA-2)</u>
Defiance, O.....WONW BP-7672	Defiance Bryan Paulding Bcstg. Co. Granted change to-----	1280 <u>1280</u>	500-D ----- <u>500-U (DA-N)</u>

Final Decisions

(Add grants to Parts I & II; delete from Parts IV & V)

Aberdeen, Miss.....New † BP-7568; Doc. 9657 (granted)	Prairie Bcstg. Co., c/o Grady Imes, Starkville, Miss.	<u>1240</u>	<u>250-U</u>
Jamestown, N. Y.....WJOC BP-6822; Doc. 9105	Air Waves Inc. Granted change to-----	1470 <u>1340</u>	1,000-D ----- <u>250-U</u>
Tulsa, Okla.....KRMG BP-7420; Doc. 9627	All-Oklahoma Bcstg. Co. Granted change to-----	740 <u>740</u>	50,000-LS (DA-2) 10,000-N (DA-2) ----- <u>50,000-LS (DA-2)</u> <u>25,000-N (DA-2)</u>

(over)



Initial Decisions  
(Indicate changed status in Parts IV & V)

Mobile, Ala.....WKRG BML-1350; Doc. 9347	Giddens & Rester	710	1,000-LS 250-N(DA)
	Proposed grant of change to-----	710	<u>1,000-LS</u> <u>500-N(DA)</u>
Edinburg, Tex.....KURV BP-6473; Doc. 9345	James Cullen Looney	710	250-D
	Proposed denial of change to-----	710	<u>1,000-U(DA-N)</u>

Licenses Granted for New Stations  
(Remove dagger symbols in Parts I & II)  
(Total to date: 2186)

Oak Park, Ill.....WOPA BL-4249	Village Bcstg. Co. Oak Park Ave. & Washington Blvd.	<u>1490</u>	<u>250-U</u>
Holyoke, Mass.....WREB BL-4200	Valley Bcstg. Corp. <u>323 High St.</u>	<u>930</u>	<u>500-D</u>
Pleasantville, N. J.....WOND BL-4116	Pioneer Bcstrs. Inc. <u>Old Turnpike</u>	<u>1400</u>	<u>250-U</u>
Reidsville, N. C.....WREV BL-4259	Reidsville Bcstg. Co., Inc. <u>114½ N. Scales St.</u>	<u>1220</u>	<u>250-D</u>
Minot, N. D.....KCJB BL-4184	North Dakota Bcstg. Co. Inc. <u>U. S. Highway 83</u>	<u>910</u>	<u>1,000-U(DA-N)</u>
Cleveland, O.....WDOK BL-4038	Civic Bcstrs. Inc. <u>1515 Euclid Ave.</u>	<u>1260</u>	<u>5,000-U(DA-2)</u>
Paris, Tex.....KFTV BL-4199	Lamar Bcstg. Co. <u>N. W. Plaza</u>	<u>1250</u>	<u>500-D</u>
Raymond, Wash.....KAPA BL-4204	Pacific Bcstg. Corp. <u>Willapa Hotel</u>	<u>1340</u>	<u>250-U</u>

Licenses Granted for Changes in Facilities  
(Indicate newly licensed facilities in Parts I & II)

Annapolis, Md.....WNAV BML-1378	Capital Bcstg. Co. Granted license for-----	1430 <del>1430</del>	500-U(DA-N) <u>1,000-U(DA-N)</u>
Crookston, Minn.....KROX BL-4212	Crookston Bcstg. Co. Granted license for-----	1050 <u>1260</u>	1,000-D <u>1,000-LS</u> <u>500-N(DA)</u>
Brownsville, Tex.....KBOR BL-4173	Brownsville Bcstg. Co. Granted license for-----	1600 <u>1600</u>	1,000-D(DA) <u>1,000-U(DA-2)</u>
Harrisonburg, Va.....WSVA BL-4215	Shenandoah Valley Bcstg. Corp. Granted license for-----	550 <u>550</u>	1,000-D <u>1,000-U(DA-N)</u>
Everett, Wash.....KRKO BL-4240	Everett Bcstg. Co. Inc. Granted license for-----	1400 <u>1380</u>	250-U <u>1,000-U(DA-N)</u>

Miscellaneous Actions

Stockton, Cal.....KXOB 1 L-1458	Valley Bcstg. Co. Change studio location to <u>Beyer Lane</u> (modification of license).	1280	1,000-U(DA-N)
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(more)



Miscellaneous Actions (cont'd)

Gallop, N. M.....	KGAK	Thunderbird Bcstg. Co.	1230	250-U
BML-1455		Change studio location to <u>U. S. Highway 66</u> (modification of license).		
Clarksburg, W. Va.....	WBLK	News Publishing Co.	1400	250-U
BAL-1095		Change name to <u>Ohio Valley Bcstg. Corp.</u> (assignment of license).		

Applications Amended  
(Change in Parts IV & V)

Galion, O.....	New	Central Ohio Bcstg. Co.	560	1,000-D(DA)
BP-7031		Change facilities requested to-----	<u>1250</u>	<u>1,000-U(DA-2)</u>
Crystal City, Tex.....	New	Winter Garden Bcstg. Co.	1400	250-U
BP-7255; Doc. 9566		Change facilities requested to-----	<u>1240</u>	<u>250-U</u>

Applications Accepted for Filing

(Add file nos. to Part IV)

(Total to date for new stations: 252; for changes in facilities: 186)

Tampa, Fla.....	WEBK	Hillsboro Bcstg. Co.	1590	1,000-D
(BP-7892)		Requests change to-----	<u>1590</u>	<u>1,000-LS</u>
				<u>500-N(DA)</u>
Iuka, Miss.....	New (BP-7893)	R. W. Towery	<u>580</u>	<u>1,000-D</u>
Marshall, Mo.....	KMMO	William Courtney Evans	1300	500-D
(BP-7889)		Requests change to-----	<u>1300</u>	<u>1,000-D</u>
Pawtucket, R. I.....	WPAW	Roger Williams Bcstg. Co. Inc.	1380	500-D
(BP-7894)		Requests change to-----	<u>550</u>	<u>1,000-D</u>
Norfolk, Va.....	New (BP-7895)	Rollins Bcstg. Inc.	<u>1050</u>	<u>500-D</u>

Applications Tendered for Filing

(Add to Parts IV & V)

Montgomery, Ala.....	New	Deep South Bcstg. Co.	<u>740</u>	<u>250-D</u>
		RFD 3, La Grange, Ga. (Mrs. J. F. Richardson)		
Wasco, Cal.....	KWSO	Maple Leaf Bcstg. Co.	1050	250-D
		Requests change to-----	<u>1050</u>	<u>1,000-D</u>
Prestonsburg, Ky.....	New	Kentucky Mountain Bcstg. Co.	<u>960</u>	<u>1,000-D</u>
		First Ave. (D. C. Stephens).		
Oak Ridge, Tenn.....	New	Air Mart Corp.	<u>1450</u>	<u>250-U</u>
		198 Outer Drive (Harry C. Weaver).		

Applications Dismissed  
(Delete from Parts IV & V)

Birmingham, Ala.....	New	Harold Ritchie McBride	1320	1,000-D
Seaford, Del.....	New	Elizabeth Evans	900	1,000-D
Jacksonville, Fla.....	WOBS	Southern Radio & Equipment Co.	1360	1,000-D
		Had been requesting change to-----	<u>1360</u>	<u>1,000-U(DA-2)</u>
Shreveport, La.....	KRMD	Radio Station KRMD	1340	250-U
		Had been requesting change to-----	<u>1480</u>	<u>1,000-LS</u>
				<u>500-N</u>



New Call Letters Assigned

Ukiah, Cal.....	KUCA	Mendocino Bestg. Co.	1340 kc.
New Smyrna Beach, Fla.....	WNSA	Beach Bestg. Co.	1230 kc.
Walton, N. Y.....	WDLA	Delaware County Bestg. Corp.	1270 kc.
Easley, S. C.....	WELP	Pickens County Bestg. Co.	1360 kc.
Sturgeon Bay, Wis.....	WSTB	Door County Radio Co.	1050 kc.

Addenda to  
 FM SECTIONS OF AM-FM DIRECTORY  
 Channel numbers are included in parentheses with each item.

CPs Granted for New Stations

(None granted this week ; total to date: 211)

STA Authorized

(Total to date: 163)

(Indicate status by adding star symbols in Parts I & III)

Mesa, Ariz.....KTYL-FM Sun Valley Bestg. Co. Inc. (No. 284)

License Cancelled

(Delete from Parts I & III)

(Total remaining: 512)

Vernon, Tex.....KVWC-FM Northwestern Bestg. Co. (No. 254).

Applications Filed

(None filed this week; total to date: 10)

Modifications of CPs Granted

Tampa, Fla.....WDAE-FM Tampa Times Co. Channel 264 (100.7 mc).  
 BMPH-4356 Power, 65 kw. Antenna, 390 ft.

Clayton, Mo.....KFUO-FM Lutheran Church-Missouri Synod  
 BMPH-4170 Change power to 5.8 kw, antenna to 260 ft. (No. 256).

Modification of License Granted

Canton, O.....WHBC-FM Ohio Bestg. Co. Change power to 15 kw (No. 231).

New Call Letters Assigned

Lebanon, Ind.....WLIL Lebanon Bestg. Co. (No. 296).

Non-Commercial Educational CP Granted

Lawrence, Kan.....New-(NC)† University of Kansas. Channel 218 (91.5 mc).  
 BPED-173 Power, 35 kw. Antenna, 620 ft.

Non-Commercial Educational Application Filed

Eugene, Ore.....New State of Oregon, Board of Education. Channel 201 (88.1 mc)  
 (BPED-176) Power, .01 kw. U. of Oregon (Charles D. Byrne).



**Topics & Trends of TV Trade:** If servicing materials and replacement parts are also going to be scarce during 1951, due to raw materials shortages, what should the dealer do about warranties? Shall he continue to offer them, obligating himself far into next year and laying himself open to possible inability to fulfill his servicing obligations?

That's one of toughest questions facing TV industry when shortages really become acute. It's one for the Washington authorities to consider carefully, too, if and when they really clamp down. Servicemen's shortages are not unknown already, but they could become much more rugged later.

Efforts to elicit some answers—from industry sources, since subject hasn't come to attention of Washington yet—get equivocal responses: "We simply don't know." But it was recalled that during World War II, when freeze on radios was ordered for duration, enough materials were allowed to dribble into trade for normal repairs and replacements. And one manufacturing executive observed that the prudent retailer will seriously consider, when the trend becomes clearer, hedging his bank account with sufficient cash from warranties to make good via rebates, if necessary.

\* \* \* \*

FCC color decision slashed sales, presidents of 5 large New York and Chicago retail TV outlets charged in affidavits filed in Chicago court supporting suit against FCC. Frank Perloff, Friendly Frost Stores (6 stores, N. Y.) attributed 55% drop in TV sales from Oct. 12 to 25, 80% drop after Nov. 1, to FCC choice of CBS color. Milton Chasin, Bedford Radio Sales & Service (7 stores, N. Y.) said his chain's TV business dipped 50% since announcement of FCC order. Harry Lefkowitz, Cortlandt Dept. Store, New York, reported 70% decrease from Oct. 12 to 25, post-Nov. 1 business off 80%. William Blanc, Baim & Blank Inc., Brooklyn, said TV sales fell off 60% from October to November, forcing him to lay off 4 employees, with at least 12 more due to be dropped if slump continues. Richard Hirsch, of Chicago's Hudson-Ross Inc., which has sold 20,000 TVs to date, cited increasing consumer resistance, blamed much of it on wait-for-color statements by CBS president Frank Stanton and Arthur Godfrey.

Dr. DuMont continues ridiculing and castigating CBS color system and FCC decision. Over his network Nov. 15, at annual dinner of Men of Science & Industry, he showed 8-ft. disc and 7½-hp motor needed to give color with 30-in. sets. He also showed viewers what would appear on their screens when CBS color is on air, as graphic illustration of incompatibility.

\* \* \* \*

Admiral has transferred its TV shows—*Lights Out* on NBC-TV and *Stop the Music* on ABC-TV—from Kudner to Erwin, Wasey & Co. . . . Sylvania TV-radio account was recently switched from Kenyon & Eckhardt to Roy S. Durstine Inc., and its *Beat the Clock* on CBS-TV is reported not renewing because of inability to clear enough stations . . . Packard-Bell to sponsor Pasadena Rose Parade on TV Jan. 1, also has signed for AM broadcasts of *Information Please* in Los Angeles, San Francisco, San Diego, Seattle.

Biggest RCA distributor, Bruno-New York, has organized separate company called Bruno-New York Industries Corp. to engage in war work—similar to operation during last war. Company is equipped to design, engineer and manufacture electronic equipment, spokesman states, and is now seeking prime contracts from Govt. as well as subcontracts.

Avco stockholders Nov. 14 approved increase of \$3 par common shares from 10,000,000 to 15,000,000 shares to complete acquisition of Bendix Home Appliances (Vol. 6:34).

**Financial & Trade Notes:** Allen B. DuMont Laboratories reports net profit of \$5,018,000 (\$2.08 per share on 2,360,576 common shares) for 40 weeks ending Oct. 8—increase of nearly 200% over earnings in same 1949 period of \$1,677,000 (75¢ on 2,101,597 shares). Sales totaled \$52,273,000, contrasted with \$29,507,000 in first 40 weeks last year. Dr. DuMont told stockholders company has cash balance of more than \$13,000,000 and additional credit resources of \$5,000,000.

Philco's 1950 earnings will run approximately \$335,000,000, president Wm. Balderston told 200 members of financial analyst societies during visit to Philadelphia plant this week. This revises upward previously estimated \$300,000,000, would compare with \$214,884,000 for 1949. Net profit for this year will exceed \$9 per share, without allowance for excess profits tax, said Mr. Balderston, compared with \$3.17 in 1949.

Dividends: Motorola declares 10% stock dividend payable Jan. 29 to stock of record Dec. 28, plus special \$2 dividend, payable Dec. 18 to stock of record Nov. 30. Last Oct. 16, quarterly rate was raised from 37½¢ to 50¢, with extra of 50¢. Total cash dividend for 1950 thus is \$3.75 vs. \$1.50 for 1949 . . . Webster-Chicago, 20% stock dividend, plus extra of 50¢, plus regular quarterly of 25¢, payable Dec. 20 to stock of record Dec. 6, making cash payments this year \$1.50 vs. 80¢ last year . . . DuMont, 75¢ on A & B common, payable Dec. 20 to holders of record Dec. 5 . . . Hazeltine, \$1 on common, payable Dec. 15 to holders of record Dec. 1 . . . P. R. Mallory & Co., 30¢ plus year-end extra of 25¢, both payable Dec. 11 to holders Nov. 20.

Scott Radio, owned since last April by John Meck Industries, reports June-September sales of \$928,276, more than 8 times the \$110,221 figure for same period last year. Net earnings were \$84,903 for 4-month period, compared with loss of \$60,653 in same 1949 period.

—————■—————

Sale of WOIC (now WTOP-TV) to *Washington Post-CBS* (Vol. 6:25) gave Macy's a \$500,000 profit, president Jack I. Straus told stockholders at annual meeting Nov. 14. Earnings of R. H. Macy & Co. for fiscal year ended July 29 were \$6,471,000—\$350,000 less than earnings same period last year. Loss was mainly due to WOR-TV operations, said Straus, adding that TV sales were still doing well in November and running ahead of year ago, that extension of intercity connections with Kansas City and Atlanta (where Macy's owns D. G. Taylor Co. and Davison Paxon Co. respectively) should make for more TV sales there.

Last of pre-freeze CP holders, Atlanta's WCON-TV got extension of completion date to Feb. 15, 1951, FCC agreeing to permit 50-kw transmission for propagation studies on Channel 2—provided only tone and test pattern is used. Station is owned by *Atlanta Journal-Constitution* group, also operators of WSB-TV, and plan is to use WCON-TV facilities (changing call letters to WSB-TV) and drop WSB-TV's present Channel 8 when Channel 2 station proves out (Vol. 6:32, 36).

\* \* \* \*

Among larger unclassified military contracts for electronics equipment announced by Commerce Dept. for week ending Nov. 15: Let through Air Materiel Command, Dayton—Gilfillan Bros., \$5,795,180, radar sets; Hallicrafters, \$1,492,046, radio receivers; Sheroid Crystal Corp., Lawrence, Kan., \$231,000, crystal unit. Let through Navy Electronic Supply Office, Great Lakes, Ill.—GE, \$590,920, tubes (120,000 units); Amperex, \$412,500, tubes (1500 units); Sylvania, \$364,200, tubes (22,000 units); Bomac Laboratories Inc., Beverly, Mass., \$243,500, tubes (31,000 units). Raytheon received \$1,282,669 in contracts for 29,520 tubes, 30 sonar transducers, through Electronic Supply Office and Air Materiel Command.



**Telecasting Notes:** Detroit News' WWJ-TV lost \$1,250,000 from June 1947 (when it started operations) through 1949, according to comments filed by manager Harry Bannister on FCC proposal to limit number of network hours stations may take. Station is understood to be in the black now . . . WSAZ-TV, Huntington, W. Va., would lose \$2469 per month revenue from NBC-TV if FCC rule limiting hours from any one network went into effect, according to its brief; some of this would be made up from kines and local sales, but not much, brief added . . . WSAZ-TV went into the black in October, according to 48% owner John A. Kennedy at Congressional excess profits hearing Nov. 17. Station cost \$400,000 and operating losses first year totaled \$110,222 . . . Two stations heretofore operating without live and remote shows—DuMont's WDTV, Pittsburgh, and Iowa State College's WOI-TV, Ames—are expanding their network-film-slide services to include live programs. WDTV starts live programming Nov. 19 from new studios, and WOI-TV is about to get delivery of 2 DuMont camera chains, RCA studio-transmitter link, truck for mobile unit . . . Favored by topographical conditions and absence of skyscrapers, Havana's new Union Radio TV is getting out exceptional signal on Channel 4, looks like it will operate in the black from start, has signed U. S. sponsors RCA, Crosley, Borden, Procter & Gamble, Dodge, DeSoto, Goodrich; Cuban sponsors La Competidora Gaditana (cigarettes), La Tropical (beer), La Estrella (candies), La Nueva Isla (dept. store) . . . TV in Detroit is sending people to movies rather than keeping them home. Cooperative film quiz contest promotion by 122 independent theatres got such good results from \$5000 worth of advertising on TV that video budget was tripled to \$15,000 for 8-week contest, handled by W. B. Doner agency . . . Stanton Osgood, in NBC film dept., assigned to handle business of dealing with theatres on large-screen TV . . . First hour-long feature film made in Hollywood for TV exclusively, titled *Three Musketeers*, will be shown on CBS-TV *Magnavox Theatre* Nov. 24, 9-10; Hal Roach Jr. production used crew of 25, took 4½ days to shoot 23,000 ft., edited to 4710.

Phonevision tests must start Dec. 1, FCC plainly told Zenith Nov. 13 in granting request for third extension of start of proposed 90-day tests of its "pay-as-you-look" TV system (Vol. 6:40, 44). Commission's authorization included following sentence: "Since you now state that you believe that you will procure the necessary films 'in the near future', the Commission expects the 'Phonevision' tests to begin on Dec. 1, 1950, and that requests for further deferments will not be filed." Comr. Webster dissented from the grant.

\* \* \* \*

Best answer yet to Phonevision exponents on economics of TV (Vol. 6:6,35) comes from NBC v.p. Edward Madden, addressing Philadelphia Television Assn. Nov. 15. Zenith consultant Millard (Tex) Faught's major premise is that huge cost of TV programming will be too heavy for advertisers. Madden, whose network is reported \$2,500,000 in red this year, replied to this effect:

Yes, TV is expensive. Half-hour on network now costs \$19,000. By 1955, it will cost \$50,000 (assuming 27,000,000 sets). Only 77 advertisers spent that kind of money for 39 weeks of advertising in all media in 1949.

TV money will come, Madden said, from competing media. Idea that TV draws new money is false; new money is only used for initial, experimental foot-wetting. Also, as national sales go up, more money is appropriated for advertising (and TV will play part in boosting sales). Madden figures national ad budget next 5 years will be increased by \$585,000,000. To get those who can't afford huge sums, NBC holds out multiple sponsorship idea (*Saturday Night Revue*, *Kate Smith Hour*, etc.).

## Count of TV Sets-in-Use by Cities

As of November 1, 1950

For third consecutive month, TV sales hit highest peak ever—899,900 going into homes during October to reach total of 9,169,300 sets-in-use as of Nov. 1, according to NBC's monthly "census" report estimating TV receivers within 40-mi. service areas (.5 Mv). October sales compare with 739,700 during September (Vol. 6:42) and 587,700 in August (Vol. 6:38). NBC no longer publishes family figures, but those here listed are best available (1948) estimates of families within 40-mi. radius of city; note, however, that there are overlaps, so that family figures are sometimes higher than number actually served.

### Interconnected Cities

Area	No. Stations	No. Families	No. Sets
Ames (Des Moines)	1	126,000	24,500
Atlanta	2	233,000	66,700
Baltimore	3	732,000*	240,000
Birmingham	2	196,000	28,700
Bloomington, Ind.	1	104,000*	11,000
Boston	2	1,175,000*	580,000
Buffalo	1	323,000*	149,000
Charlotte	1	171,000	36,200
Chicago	4	1,438,000	710,000
Cincinnati	3	384,000*	196,000
Cleveland	3	695,000	349,000
Columbus	3	225,000*	104,000
Davenport-Rock Island	2	133,000	28,000
Dayton	2	291,000*	98,000
Detroit	3	839,000*	356,000
Erle	1	112,000*	35,000
Grand Rapids	1	182,000*	65,400
Greensboro	1	165,000	30,500
Huntington	1	132,000	27,500
Indianapolis	1	281,000*	84,000
Jacksonville	1	94,000	21,000
Johnstown	1	250,000*	45,000
Kalamazoo	1	143,000*	27,500
Kansas City	1	275,000	73,600
Lancaster	1	85,000*	68,500
Lansing	1	168,000*	30,000
Louisville	2	188,000	60,300
Memphis	1	177,000	60,200
Milwaukee	1	327,000	177,000
Minneapolis-St. Paul	2	333,000	163,000
Nashville	1	151,000	12,600
New Haven	1	557,000	110,000
New York	7	3,597,000*	1,825,000
Norfolk	1	196,000	38,700
Omaha	2	132,000	42,000
Philadelphia	3	1,184,000*	695,000
Pittsburgh	1	742,000*	180,000
Providence	1	1,011,000*	95,600
Richmond	1	130,000*	47,400
Rochester	1	208,000*	56,200
Schenectady	1	258,000*	116,000
St. Louis	1	474,000	207,000
Syracuse	2	199,000*	80,900
Toledo	1	241,000*	57,000
Utica	1	127,000*	27,900
Washington	4	691,000*	189,000
Wilmington	1	183,000*	48,900
Total Interconnected	80		7,774,800

### Non-Interconnected Cities

Albuquerque	1	22,000	5,400
Binghamton	1	131,000*	26,100
Dallas	2	277,000*	46,600
Fort Worth	1	269,000*	36,000
Houston	1	217,000	49,700
Los Angeles	7	1,372,000	735,000
Miami	1	117,000	40,000
New Orleans	1	225,000	41,100
Oklahoma City	1	138,000	54,600
Phoenix	1	49,000	21,000
Salt Lake City	2	93,000	31,500
San Antonio	2	130,000	32,200
San Diego	1	113,000	62,000
San Francisco	3	825,000	115,000
Seattle	1	307,000	50,100
Tulsa	1	125,000	48,200
Total Non-Interconnected	27		1,394,500
Total Interconnected and Non-Interconnected	107		9,169,300

\* Family figures are based on estimates of 1948 population. Note that following coverages (hence total families) overlap: Bloomington-Indianapolis; Grand Rapids-Lansing-Kalamazoo; Detroit-Lansing; Detroit-Toledo; Syracuse-Rochester-Utica-Binghamton; Binghamton-Utica; Philadelphia-Wilmington; Rochester-Syracuse-Schenectady-Utica; Pittsburgh-Johnstown; New York-Philadelphia; Boston-Providence; Buffalo-Rochester; Cincinnati-Columbus-Dayton; Washington-Baltimore; Lancaster-Baltimore; Dallas-Fort Worth.



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# Television Digest

WITH AM FM REPORTS

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November 25, 1950

(For Trade Reports, see pages 9-11; Report on Color, pages 6-7; Report on Uhf-Vhf, pages 4-5)

**I—PRODUCTION OUTLOOK ISN'T GOOD:** Sharp cutbacks in TV-radio production are in the offing -- but no large-scale plant shutdowns.

That's about only thing reasonably certain in confused shortage situation.

Shutdowns were averted when National Production Authority ended freeze on cobalt shipments (Vol. 6:45-46), allowed each purchaser in November 30% of average used first 6 months of 1950, hinted "somewhat increased amount" for December.

As for 1951, NPA director Wm. Henry Harrison said a "long-term method for conservation and allocation of this material" will be developed -- but gave no hint as to what it would be.

Best sources see strict selective controls on end-use as certain. Many fear absolute cobalt famine of early November will resume first quarter of next year, with possibly none of that vital material being released for civilian use.

\* \* \* \*

Gen. Harrison and aides stress that NPA's main task is converting America from peace-time to emergency rearmament economy. Defense planners' interest in TV-radio industry isn't civilian merchandise, however. It is: (1) to hold the industry together until it is fully engaged in defense contracts; (2) to prevent severe dislocations in the economy -- the danger in widespread stoppages in any industry.

RTMA general manager James Secrest predicts 30-40% cut in TV-radio output for first quarter 1951. Other estimates vary, usually on downward side. A. D. Plamondon Jr., president of Indiana Steel Products Co., chairman of RTMA Electronics Parts Mobilization Committee, estimated first quarter may be cut about 50% from present levels, with sizeable drop in employment.

Production of 4,000,000 TVs, 7,000,000 radios (as against this year's probable 6,500,000 TVs and 12,500,000 radios) was forecast for next year by Harry Ehle, sales v.p., International Resistance Co. Addressing Philadelphia Town Meeting, he told 500 retailers:

"I doubt if any industry has ever had to face, during its infancy, the problem TV is having to face right now. It took a right cross from the FCC on the freeze; another on a subject which shall go unnamed but makes some people see red, blue and yellow.

"Kicked in the shins by Regulation W, tripped over the excise tax and harried from all directions by shortages and threats of strikes, it now faces govt. allocations which appear to have knockout drops in each regulation.

"So, instead of installing sets at the rate of 10,000,000 a year, we now find ourselves bleeding because we are back to the rate of 6,000,000 which is 2,000,000 higher than anybody dreamed we'd do -- and don't forget radio sales are 50% higher than our wildest fantasies..."

\* \* \* \*

As manufacturers saw things this week, rest of year's production won't be very greatly affected. Lines are still running about as planned -- and likely to continue until usual Dec. 15 end-of-production-year. But some dislocations have



been felt already, and, as half dozen top executives we contacted this week generally agreed, "We're playing by ear."

Second November week's TV output fell to 184,133 from 218,378 preceding week, while radios went up slightly to 371,101 from 365,751. Third and fourth week figures are not yet available from RTMA -- but it's apparent the recent 200,000-plus-per-week rate isn't going to be maintained henceforth.

**II-COBALT & OTHER SUPPLY HEADACHES:** Cobalt outlook for 1951 is grim -- probably none for civilian use. Highly-placed Washington authorities make this comparison: Just as steel shortages will be stumbling-block for auto industry, so cobalt is all-important key to TV-radio production.

As guide to next year's cobalt possibilities, watch your newspaper. Any increase in jet plane production (in which cobalt is extensively used) will mean no cobalt at all for civilian use. Even at present rate, military (for jets, rockets, armor-piercing bullets) will probably require all available cobalt, govt. officials say privately.

Scoffing at set makers' estimates of 50-75% civilian production next year, one official said manufacturers don't appreciate seriousness of situation. He indicated civilian electronic production may grind to complete halt by mid-1951.

"People don't realize we're preparing for all-out war," he said, "and we're going to get prepared even if it means no more television sets."

Manufacturers of cobalt-rich alnico magnets (used in speakers, picture tube focus units) called first 6-month base period poor one for TV-radio industry, with 30% civilian cobalt ration allowing only 10% to 25% of second-half 1950's production rate. Some magnet makers doubted industry could hope to attain anything like 50% of 1950's production in 1951.

\* \* \* \*

Conservation and substitution measures are being investigated by design and production engineers. These are some possibilities:

(1) Smaller speakers, using smaller magnets, consequently less cobalt.

(2) Substitution of electromagnets for permanent magnets in speakers and CR tube focus units. This would require redesign of TV circuits, draw heavily on hard-to-get copper.

(3) Use of old-fashioned magnet alloys containing no cobalt. One fabricator said he is gearing his plant to produce non-cobalt magnets, but principal substitute materials -- aluminum and nickel -- are also on critical list. (Scrap nickel price has gone up from 48¢ to as much as \$3 a pound). Chrome-iron magnets may also be tried, but would be 15 to 20 times heavier -- and bulkier -- than alnico. Also, chrome is in short supply.

Even idea of "austerity model" doesn't have many defenders. In words of one production engineer: "Who puts more materials than necessary in a set?" Another, more interested in sales, pointed out that "utility" models have not been successful on U.S. markets because of lack of sales appeal. Aside from denuded cabinet, elimination of tone control, with reduction in number of resistors, etc., is one possibility cited.

Manufacturers don't seem to be disheartened at rocky road ahead for civilian TV-radio production. Answer presumably is that most will be busy with govt. contracts before too long (Vol. 6:45). Planning in some plants already is on 3-month basis; normally they plan on 6-12 month basis.

RTMA's emergency mobilization committee is gathering facts and figures so industry will know where it is. Data should be available in 3-4 weeks.

\* \* \* \*

On another shortage front; capacitor manufacturers are worried about aluminum, limited by Govt. to 65% of amount used first 6 months of 1950. Tin-lead alloy (with very little tin) will probably replace aluminum foil in paper capacitors. Other non-corrosive materials will substitute for aluminum cans around electrolytics. But there is no substitute for aluminum inside electrolytic capacitors.



Metal cones for picture tubes have not been materially affected yet by current shortage of stainless steel. Most critical shortage is in Type 347 (columbium-bearing) stainless and high-nickel steels. Type used in tube cones (430 Modified) contains no columbium, insignificant amount of nickel (Vol. 6:41).

\* \* \* \*

Effects of shortages on broadcast equipment, generally overlooked in anxiety over crisis in booming receiver industry, are already being felt.

Cobalt is essential in Kovar, alloy used for metal-to-glass seals in power tubes for industrial and broadcasting uses. There is no known substitute.

Copper, in form of oxygen-free high-conductivity copper (OFHC), is extremely difficult to obtain. OFHC is extensively used in broadcast power tubes, and to a lesser extent in receiving tubes.

High-quality mica in large sheets required for production of TV camera tubes is also critically short.

**WILL IT BE FCC vs. MANUFACTURERS?** FCC has entered a new era -- you'd better have no illusions about it -- and the theme is: "Get the manufacturers."

Atmosphere at Commission is acrid with bitterness toward TV-radio manufacturers for "failure to cooperate" -- most particularly against RCA and intervenors for their audacity in going to court to fight color decision.

Commissioners themselves may not all go along with obvious "reprisal" tactics, and they're likely to think twice if the now-very-Washington-conscious electronics manufacturing-distributing industry carries its case to Congress -- with plenty of support assured as result of reaction to color imbroglio.

But attitude was epitomized in remark of one staffman, referring to RCA: "It's them or us. One or the other is going to be broken."

Certain FCC personnel, having enjoyed long sway over the inarticulate and generally meek broadcasters, manifest a sense of frustration that's something new to them -- stemming from their inability to extend their control to the manufacturers and, of course, the distributors and dealers.

Already in drafting stage, at staff level, we learn, are first major attacks since bracket standards fiasco -- proposed rule-making designed to:

(1) Force manufacturers to limit oscillator radiation of receivers to specific figures by specific dates -- an admittedly serious problem previously subject of amicable discussions and planning between industry and FCC. Rule may also stipulate specific intermediate frequency which all set-makers must adopt. (See p. 4.)

(2) Keep manufacturers out of broadcasting, telecasting and/or networking business -- which, in TV, would of course hit them as new-station applicants as well as strike at license renewals of RCA-NBC's 5 outlets, DuMont's 3, Crosley's 3, and one each owned by Empire Coil Co., GE, Sarkes Tarzian, Philco, Stromberg-Carlson, Westinghouse.

Precedent would be anti-newspaper ownership drive of decade ago, which came a cropper but which for several years stopped cold all newspaper applications, grants and purchases and cast doubt on status of stations already so owned.

\* \* \* \*

Related issue may be Chairman Coy's idea that all TV may eventually have to move to uhf (see p. 4) -- and this one, if really implemented, could arouse as much reaction from the 107 pioneer TV enterprisers as did proposed network time rule (Vol. 6:46). Not to forget "adaptation" by set owners to new uhf channels!

If bracket standards tactic is precedent, Commission might tie these proposals into expected redraft of proposals to end freeze. Thus, industry could be jockeyed into position of lengthening freeze by fighting proposed rules.

FCC master-minding is long range -- at least, among high staff people who do the planning and advising. If end-of-freeze and color pressure are taken off Commission's shoulders by defense production demands, they could very well harass at leisure -- by proposed new rules and in courts and Congress. That is, if present regime survives bi-partisan Congressional onslaught that seems inevitable soon.



**OPEN SEASON FOR VHF-UHF SPECULATION:** Though allocations hearing is making excellent time, it's more foolhardy than ever to predict end of freeze -- even by FCC Chairman Coy's July 1, 1951 date (Vol. 6:39). There are far too many imponderables. And, of course, there's mounting evidence that raw materials situation (see p. 1) is fast rendering whole question moot.

Currently, there's strong betting that new vhf-uhf allocation plan will be drawn up following close of general issues hearing (possibly around Dec. 8, according to Coy). What plan will look like is anyone's guess. Consider these factors:

(1) All TV will be uhf someday, perhaps in 5-10 years, in Coy's opinion. He was questioning witness about most efficient uhf allocation when he said:

"I have the theory that all the space in the spectrum that TV is going to come up with in the final analysis is probably going to be restricted to the uhf... There are so many other demands from the users of radio for spectrum space that you are going to have trouble, certainly, in getting anything more than we have, and you may have trouble holding on to what you have -- and I suspect there is going to be very real trouble there..."

If Commission goes along with Coy, it has to make some startling changes in forthcoming allocation. For example, it has to supply all vhf cities with uhf channels, give vhf licensees chance of acquiring uhf (paralleling AM-FM practice).

\* \* \* \*

(2) Govt. regulation of receiver manufacture -- in respect to oscillator radiation and standard intermediate frequency, at least -- is seriously on minds of some within FCC, notably Coy and counsel Harry Plotkin.

For months, both have harped on basic fact that customer doesn't know, from performance of his own set, that he may have a bad radiator. But both seem to discount industry's record in voluntarily cleaning up just such problems -- although RTMA president Robert Sprague had made fine impression on them (until color decision, at any rate). There are those in Commission who feel they have the authority, or can get it from Congress, to regulate such problems. There are also those who appreciate Pandora's Box of governmental evils such regulations would open.

\* \* \* \*

(3) This week, educators asked for one vhf channel in each metropolitan center and each major educational center, plus 20% of uhf channels. They also ask, where no vhf is left, that commercial stations be required to give specified portion of time to educators. Seven major educational associations formed Joint Committee on Educational Television, hired brilliant Gen. Telford Taylor as counsel. He's ex-FCC general counsel who prosecuted Nuremberg war criminals.

Educators will obviously play far stronger hand than was expected up to now. Comr. Hennock has served plenty of notice that this issue is her special project. It's not inconceivable that this angle might throw everyone's end-of-freeze calculations out of kilter, just as color did. What kind of opposition will develop is hard to say. Everyone is for education, just as everyone is against sin; question, as was case in AM-FM, is whether the educators can get funds needed to operate TV.

\* \* \* \*

Concern over poor uhf coverage predictions by NBC's Raymond Guy (Vol. 6:43) was lifted considerably this week. As result of Guy's cross-examination, engineers are pretty well satisfied that he simply erred 15 db in calculating Grade A service for Bridgeport station. That accounted for his finding Grade A radius only 1½-2 miles instead of FCC-predicted 8-10.

Coy went out of his way to give pat on the back to Bernard O'Brien, of Rochester's WHEC. O'Brien showed, pretty effectively, that FCC's 1948 proposed vhf allocation plan would actually fulfill Commission's present coverage objectives better than vhf portion of presently proposed plan. Catch, of course, is that he doesn't consider uhf at all; his theory is that Commission should make most efficient use of vhf whether it adds uhf or not.

FCC's apparent thinking is to utilize, to utmost, greater coverage capabilities of vhf, while relying on uhf to provide greater metropolitan competition. If



this view prevails, it means final allocation will feature high-powered, well-separated vhf stations and considerable vhf-uhf intermixing. Matter of fact, it wouldn't be too surprising to see all, or virtually all, of uhf allocated to TV now and some channels placed in cities like New York and Los Angeles.

\* \* \* \*

That public and industry will suffer from bitter color struggle is all too apparent in allocations hearing. For example, there's great to-do over which IF is best -- 41.25 mc (RTMA's vhf standard, also proposed for uhf), or 39.75 mc, 42.75 mc, 110 mc, etc. Obviously, FCC has some very capable engineers who've spent entire careers on allocation plans. On other hand, industry knows more about receiver design than FCC ever will. Yet exchange of information seems to be limited largely to hearing room where cross-examination frequently takes on cat-and-mouse character.

**OUTLOOK FOR UHF TRANSMITTERS & SETS:** Some facts and figures on uhf transmitting and receiving equipment came out of FCC allocations hearing this week.

Bridgeport type 1-kw transmitter and 17-gain antenna can be delivered in 9-12 months for about \$132,000, RCA's Dr. George Beers testified. A 5-kw transmitter, using single tube, will be available in 18-24 months. Together with 20-gain antenna, it will sell for around \$225,000. Stability of equipment is adequate to insure satisfactory offset carrier operation, said Dr. Beers.

Receivers planned by RCA include: vhf-uhf, vhf-only, uhf converters. It's expected vhf-uhf will cost about \$25 more than vhf. Vhf-only will have room for later addition of uhf at probable cost of \$50. Cost of uhf converter will run about \$50, excluding installation and antenna.

Zenith revealed a few details of its uhf strips, heart of famous "obsolescence" controversy (Vol. 5:11-21). Engineer John Bell described performance of some 50 strip-equipped Zeniths in Bridgeport area as "highly favorable" and leading to conclusion that uhf can provide satisfactory service.

Of 31 Bridgeport installations rated, said Bell, 55% gave excellent picture, 16% good, 13% fair, 3% poor, 13% unacceptable. Up to 2 miles from transmitter, all sets had excellent picture; up to 5 miles, 75% excellent, 20% good, 5% fair; up to 10 miles, 71.5% excellent, 23.8% good, 4.7% fair; up to 15 miles, 61.5% excellent, 19% good, 11.5% fair; up to 20 miles, 60.5% excellent, 18% good, 14% fair; up to 30 miles, 55% excellent, 16% good, 13% fair. Bell didn't indicate whether receiver locations were picked at random or represent true cross-section of receiving sites.

Current design of uhf strips has 2 germanium crystals which are very stable and reliable, Bell said. Company plans to build strips to fit any Zenith set.

**'OUR SUPREME PROBLEM'—SKOURAS:** They don't have own frequencies yet, they're nowhere near a national service, but top theatre folk are hot as the proverbial pistol about theatre TV -- judging from recent conventions of Theatre Owners of America in Houston, Society of Motion Picture & Television Engineers in Lake Placid, Theatre Equipment Supply Manufacturers Assn. in Chicago. Generally, main subjects at all 3 meetings were:

(1) Need for theatre TV: Spyros Skouras, 20th Century-Fox president, summed up motion picture industry's concern when he called TV "our supreme problem today," asserted theatre TV is the answer. TOA board officially backed National Exhibitors Theatre TV Committee (Vol. 6:26), in asking for \$25 from each of nation's 20,000 theatres for fund for theatre-TV development. Sixteen movie houses are using theatre TV, according to latest estimates.

(2) Theatre-TV equipment: Cost must come down, insisted Fabian TV consultant Nathan L. Halpern. At least, less expensive equipment must be made available for smaller houses, he said. Latest entry into theatre-TV equipment field is General Precision Laboratory, Pleasantville, N.Y., which showed newly developed film system that has 40-second lag between filming and projection. Equipment costs \$33,000, uses 16mm film (Paramount's uses 35mm), which GPL says makes it cheaper in long run. RCA's instantaneous system sells for \$25,000.

(3) Use of TV as advertising medium: "TV advertising pays" was substance of call to use telecast advertising to build boxoffice by both Skouras and TOA's Mit-



chell Wolfson, TV committee chairman and owner of WTVJ, Miami. Wolfson also urged exhibitors get into station ownership, said theatres and TV "complement" each other.

\* \* \* \*

Pressure to bring more exhibitors into theatre-TV fold is getting stronger. New York circuit owner Si Fabian is sparking campaign, started ball rolling with private meeting during Houston TOA convention, followed by New York confab Nov. 17.

Purpose is to prod enough theatre owners into installing big-screen TV to permit exclusive programming -- one means theatre-TV enthusiasts feel can help stem declining box office.

Top executives of Motion Picture Assn. membership are scheduled to meet Dec. 8 in New York on TV. It's possible first steps may be taken formally to begin producing feature films for TV, "unlock vaults," give TV stations modern features.

Facing Hollywood producers are actualities of features being made expressly for TV by independents -- e.g., Hal Roach Jr.'s "Three Musketeers," shown on CBS-TV's Magnavox Theatre Nov. 24 (Vol. 6:46). Another is scheduled for 2 weeks hence. Nor can they shut their eyes to such one-shots as Walt Disney's "One Hour in Wonderland" planned for Xmas on NBC-TV (Vol. 6:44).

**COURT TOLD 'DELAY MAY KILL COLOR':** Color legalities entered "battle of the briefs" stage in Chicago court (Vol. 6:46), as FCC-CBS-Govt. this week pleaded with judges to hurry up with decision before manufacturers "flood the market with black-and-white sets...and thus place huge obstacles before the new color system." RCA and 7 intervenors have until Nov. 28 to answer CBS 57-page and FCC-Govt. 12-page briefs.

CBS's brief contends that "delay" provides the "key to much of what plaintiffs and manufacturers have done..."

"They know if the order is suspended long enough, they have accomplished their objective and they need not be concerned about this Court's and the Supreme Court's decision of the ultimate issues on the merits."

FCC-Govt. brief asserts that:

(1) RCA doesn't challenge FCC's findings as to superiority of CBS system, inferiority of RCA system.

(2) RCA didn't ask for reopening of record when it reported post-hearing progress. Nor did it report progress on certain critical factors.

(3) Condon Report "does not support the heavy burden of argumentative inference which plaintiffs place upon it."

(4) FCC found CBS system is not only satisfactory now but has specific promise of improvement.

(5) RCA's claim that FCC has no right to refuse adoption of its system is "a startling argument, and one never before made, that standards for an unsatisfactory service should be adopted merely because the new service will be received on existing sets in the form of an old service."

(6) "There is no such thing as effectiveness of channel utilization in the abstract. The test is the resulting picture. RCA failed this test."

\* \* \* \*

Meanwhile, CBS continues New York showings, generally getting enthusiastic reaction. Much-heralded Nov. 20 appearance of Arthur Godfrey was big hit, except that most observers (including AP reporter) found his red hair appeared black. Columnist John Crosby blew hot and cold on CBS pictures. He found on-air pictures considerably below quality of closed-circuit demonstrations, but still bringing "depth and detail to TV that isn't possible in black-and-white."

Retailers continue to find angles. New York's Monarch-Saphin stores advertised "free" (\$15 installation) adapter with each set purchased. It's made by Polychrome Television Corp., 333 Sixth Ave., which also plans color companion set.

\* \* \* \*

RCA is gearing for Dec. 5 showing of its system in Washington. It will be first public demonstration of 600,000-dot tri-color tube, with greater brightness,



improved mixed highs, greater stability, etc. (Vol. 6:32), other refinements. Some 800 licensee representatives are due to see it first, as well as press. It's expected FCC will be invited, but we wouldn't attempt to guess whether it will accept. Showings may last week or two.

\* \* \* \*

Meanwhile, FCC burns at white heat over suit and first-round defeat wherein court granted temporary restraining order. Chairman Coy, particularly, has been lashing out -- showing tendency to fight color battle all over again with RCA-NBC witnesses during vhf-uhf allocations hearing.

At end of testimony by Raymond Guy and Dr. George Beers, Coy asked them if any of their statements were "facetious." Reason, he said, was that RCA's Dr. George Brown had testified during color hearing as to usefulness of Chapin-Roberts adapter with RCA system, yet termed testimony "facetious" in affidavit to Chicago court.

Coy also baited Dr. Beers for planning uhf converters but opposing CBS color converters. He also tried to get him to tell whether RCA is planning to produce field-sequential color sets.

Illustrating intensity of Coy's feeling are scathing letters he's written to people who've sent him some vituperative denunciations of color decision and continued freeze. Commission usually sends out rather polite form letter inviting writer to read color decision to gain "understanding" of FCC's action. Recently, however, Coy has exploded a few times, in language similar to that used in his letter to Hallicrafters (Vol. 6:44). Many letters wind up in FCC Color Docket (No. 8736), may be inspected in FCC reference room.

**Network Accounts:** Wildroot Co. (hair tonic) Dec. 22 starts *Charley Wild, Private Detective* on CBS-TV, alt. Fri. 9-9:30; General Mills has bought alt. Fri. 9:30-10 period. They are taking hour being vacated by Magnavox Dec. 8. In mid-April, Wildroot moves to Wed. 9-9:30 . . . Liggett & Myers Tobacco Co. (Fatima cigarettes) Jan. 2 starts sponsorship of CBS-TV's revamped *Stork Club*, Tue. & Thu. 7:45-8; it replaces 15-min. Pepsi-Cola *Faye Emerson*, moving in December to ABC-TV, 3 times weekly . . . Quaker Oats will sponsor Gabby Hayes introducing western films on NBC-TV, Mon.-Wed.-Fri. 5:15-5:30; starting date not yet set . . . Drug Store Television Productions in December moves its 1-hour *Cavalcade of Stars* from DuMont to ABC-TV, Fri., time undesignated . . . Ever-sharp Inc. (Schick Razors) Nov. 18-March 31 sponsoring 10:15-10:30 segment of *Saturday Night at Madison Square Garden* on DuMont Network.

**Station Accounts:** Some sort of record can be claimed by Philadelphia's WCAU-TV for signing up its fourth big dept. store account--Frank & Seder, buying Sun. 10:15-10:45 a.m. for *TV Spelling Bee*, spelldowns between children ages 8-15 from school and neighborhood groups. Also on WCAU-TV are John Wanamaker's *Meet Me at The Eagle*, 1½ hours daily Mon. thru Fri.; Lit Brothers' *Lit's Have Fun*, twice weekly homemakers' participation; N. Snellenberg & Co.'s *Snellenberg's TV Jamboree*, recently suspended but resuming after Jan. 1 . . . First Wisconsin National Bank again will sponsor 8 U of Wisconsin home basketball games from Madison, 2 Marquette U games, on WTMJ-TV, Milwaukee; bank also sponsors college football and Sun. *Telenews Weekly* . . . Big Interstate Bakeries Corp. expanding TV version of *Cisco Kid*, which it also sponsors on radio; present TV coverage of Los Angeles, San Diego, Kansas City will be extended to Chicago, Cincinnati, Omaha, Grand Rapids, placed in West by Dan B. Miner Co., Los Angeles, in Midwest by R. J. Potts-Calkins & Holden, Kansas City . . . American Steel Wool Mfg. Co. and Vita Food Products Inc. buy participations in *Josephine McCarthy Program* on WNBT, New York, thru Needham & Grohmann and Ben Sackheim Inc., respectively . . . Among other advertisers reported currently using or

planning to use TV: General Controls Co. (temperature, pressure, flow controls), thru Hixon & Jorgensen Inc., Los Angeles; Armour & Co. (Cloverbloom turkeys), thru Foote, Cone & Belding, Chicago; Northern California Kaiser-Frazer Dealers Association, thru Brisacher, Wheeler & Staff, San Francisco; Kitchen Arts Foods, thru LeVally Agency, Chicago; H. W. Lay & Co. (potato chips), thru Liller, Neal & Battle, Atlanta; Kee Zipper Co., thru Turner, Leach & Co., N. Y.; Atwood Coffee Co., thru Campbell-Mithun, Minneapolis; Serta Associates Inc. (mattresses), thru A. Martin Rothbardt, Chicago; Pure Frozen Lemon Juice Corp. of America, thru Kaufman & Associates, Chicago; Syncro Corp. (electric saws, hones, sanders), thru L. W. Ramsey Co., Chicago; National Fruit Products Inc. (White House apple products), thru Lewis Edwin Ryan Inc., Washington; John H. Dulany & Son (frozen & canned foods), thru Foote, Cone & Belding, N. Y.; Dormeyer Corp. (electric food mixer), thru John W. Shaw Adv., Chicago.

NBC-TV raises one-hour base rates Jan. 1 from \$27,050 to \$36,050 for 62-station network, half-hour cost going from \$16,000 to \$21,780. However, cost per thousand TV homes drops from \$8.13 last January to \$3.46 beginning of 1951, according to TV sales director George Frey, due to heavy increase in number of sets. Changes in NBC-owned stations are as follows: WNBT, New York, from \$2500 to \$3100; WNBW, Washington, \$575 to \$750; WNBK, Cleveland, \$775 to \$1050; WNBQ, Chicago, \$1200 to \$1650; KNBH, Los Angeles, \$1200 to \$1650. Non-NBC-owned affiliates go up accordingly; e.g., WLWT, Cincinnati, from \$550 to \$750; WTMJ-TV, Milwaukee, \$600 to \$750. ABC, CBS, DuMont also plan new Jan. 1 rate cards, but haven't nailed down all station changes yet.

October TV sponsorships increased 17.7% over September, 138.4% over October 1949, reports November *Rorabaugh Report on TV Advertising*. Total of 4509 sponsors (158 network, 902 national-regional spot, 3449 local retail) is tabulated on basis of reports from networks and 100 stations. NBC is shown with 68 accounts using average of 37 stations per schedule, CBS 71 using 26, ABC 39 using 25, DuMont 19 using 17. Report shows actual placements of network and national-regional spot by stations.



**Personal Notes:** James D. Shouse, Avco v.p. and chairman of Crosley Broadcasting Corp., off for Europe for 6-8 weeks, designated by State Dept. to study effectiveness of Voice of America and other American information services . . . James T. O'Shea, ex-president of Vanguard Films and executive director of Selznick Studio, named CBS v.p. and general executive handling business side of program operations in Hollywood . . . Kenneth L. Carter promoted to gen. mgr., Armand Grant to asst. gen. mgr. in charge of sales, WAAM, Baltimore. Samuel Carliner has withdrawn, selling his stock interest to present controlling stockholders. Washington ad agency executive Norman C. Kal assumes title of executive v.p. . . . Richard H. Gordon Jr. quits as president of World Video to become partner and production v.p., Foley & Brockway, TV production; new World Video gen. mgr. is Louis M. Stumer, ex-MCA . . . Donald M. McClure Dec. 1 leaves N. W. Ayer to join McCann-Erickson as TV-radio production mgr. . . . Berenice E. Connor, ex-Geare-Marston Inc., named TV-radio director of the Buckley Organization, Philadelphia . . . Robert J. Wade, mgr. of NBC-TV staging services, author of chapter on "Television Backgrounds" in new book titled *Theater Arts Anthology* . . . George Wallach, producer, promoted to director of news and special events of WNBT & WNBC, New York . . . Walter I. Duncan has resigned as sales mgr. of WPIX, New York . . . Pierson Mapes, TV-radio v.p. of Hutchins Agency (Philco) has exhibit of his paintings at Barzansky Galleries, New York; other radio folk whose hobby is painting, water colors mainly, are Earl Minderman, asst. to FCC Chairman Coy, and John Koepf, asst. to RTMA gen. mgr. James Secrest.

Formation of \$1,000,000 TV film-producing syndicate was announced after Nov. 20 meeting of dozen TV station operators in Chicago, mainly newspaper-owned. Appointed to organize corporation were Robert D. Swezey, WDSU-TV, New Orleans; G. Bennett Larson, WPIX, New York; P. A. Sugg, WKY-TV, Oklahoma City. Idea is to use Nassour Studios in Hollywood, owned by *Los Angeles Times* (KTTV) which sponsored Chicago meeting. Some \$250,000 would be raised upon organization, with expectation corporation would be owned by 30-40 TV stations. Costs of \$5-10,000 productions would be pro-rated among syndicate members, who would have first refusal rights.

Permission to test Skiatron Corp.'s "Subscriber-Vision" system of pay-as-you-look TV was given by FCC Nov. 24 following request by WOR-TV, New York (Vol. 6:41). Similar to Zenith's Phonevision, but not using telephone lines, Skiatron system will be tested for technical feasibility only for 30-day period, with only 2 receivers. Tests will be run midnight to 10 a.m. Grant permits only test patterns and pictures of engineers at work; motion picture films are forbidden. Meanwhile, reports indicate Zenith has gotten features for its Dec. 1-Feb. 28 Phonevision tests (Vol. 6:46) from Warner Bros., 20th Century-Fox, Paramount, RKO, MGM, Columbia through "informal" efforts of Justice Dept.

Correction: Lest anyone misunderstand, position of KRON-TV, San Francisco, is opposed in principle to FCC proposal to limit number of hours station may take from single network, but is ready to accept limitation in its own 3-station-city situation if Commission decides it's in public interest and provided it can choose own network. We didn't qualify *San Francisco Chronicle* station's comments when we reported it in favor of limitation idea (Vol. 6:46).

Special TV eyeglasses will be marketed in 1951 by Bausch & Lomb Optical Co., which claims they will reduce glare, make pictures sharper, minimize fatigue.

Rudolph J. Teichner, 51, on leave as treasurer of NBC, died Nov. 21 of heart attack suffered while playing golf.

TV's effect on children came under closer scrutiny this week following American Television Dealers & Manufacturers' controversial first newspaper ad (see page 10). Louisville educators blamed parents, not TV, for lower grades, drowsiness of some children from video-equipped homes. More than half of school principals queried by *Courier-Journal* (owner of WHAS-TV) saw no ill effects from TV. Others said problem was essentially one of discipline, some parents failing to supervise program selection. Dr. M. F. Nimkoff, head of Sociology Dept. at Florida State U, writes in special issue of *Annals of American Academy of Political and Social Science* that TV may give children somewhat more egotistic personalities—from watching video performers. *Washington Post* columnist Malvina Lindsay hits TV ad as based on "gadget snobbery" and asks: "Where will this thing end? Does Junior have to have every gadget his playmates have in their homes? How can he be disciplined for life if he never has to do without anything he wants?" In attempt to get to bottom of homework controversy, Crosley Broadcasting Co. granted \$2,500 to Xavier U to study TV's effect on children's homework.

Lee de Forest's autobiography, *Father of Radio*, gives a valuable first-person picture of almost entire history of radio—from a "first person" who had much to do with its making. Facts and impressions which stick after reading the inventor's book: He was no unlettered experimenter, having gone through Yale for a Ph.D.; inventions frequently aren't inventions until courts say so, often after patents expire; Dr. de Forest's alternating contempt and admiration for other inventors, apparently a natural by-product of the inventive genius; parade of radio's giants, yesterday and today (many of them the same, e. g., John V. L. Hogan, who came to de Forest in knee-pants); the inventor's love for poetry and classical music, hatred for radio's over-commercialism; his tremendous energy, e. g., mountain-climbing when he was 70. Publisher is Wileox & Follett, 1255 S. Wabash, Chicago; price \$5.

Objecting to FCC color decision, pushing for more St. Louis TV stations, are aims of TV Set Owners Assn., of that city, organized by George E. Himmeger and Gilbert Elschinger. Himmeger, whose address is 3514 Belaire, Normandy, Mo., is Emerson Electric employe. Organization consists of 20 active members so far, aims to get each of 205,000 TV set owners in St. Louis to write FCC and Congress. So far, group has gotten 6000 cards signed and mailed.

Worry over production costs is first reaction of TV broadcasters to newly signed TVA-network employment contract. Fear is that success of TVA, after threatened strike, will touch off demands by other unions, hike production fees sky high.

TVA contract runs 2 years from Dec. 1, was signed at virtually last minute before 25,000 performers were due to go out on strike Nov. 19. Pay scale ranges from \$50 to \$170, including rehearsal time.

Left in abeyance was question of re-use of kines. Networks agreed for time being to get TVA approval when done. Union wants ban on kine re-use. If successful, it might have implications in movie industry, too, where unions have long tried to prohibit revivals.

In radio field, AFRA Nov. 20 won 15-30% wage rise for 5000 member radio performers.

Restiveness is also evident among other unions—of which there are 50-80 with whom networks must deal. IATSE is on verge of negotiating new contracts. NABET has decreed its engineers can work no more than 50 hours a week, overtime or no overtime. AFM's contract runs out Jan. 31 and reports already are circulating that Petrillo is hatching stiff demands.



**HOW THE TAX PENALIZES TV-RADIO:** Excess profits tax, despite Administration sponsorship, looks more distant than ever -- and this week's testimony of Dr. Allen B. DuMont and RTMA president Robert C. Sprague can be credited with helping build up the strong opposition. Members of House Ways & Means Committee had little argument against ill-effects of such a tax on "growth companies," as exemplified by TV-radio (Vol. 6:45-46).

Sprague was forthright witness, who evoked praise from Republican committee-men for his exposition how excess profits tax would (1) discriminate against growth companies, (2) hurt small companies most, (3) hinder defense effort. He suggested formula to bring TV-radio companies in line with all other corporations -- if there must be such a tax. First, however, he offered these tables -- the TV-radio profit figures being based on confidential reports received Nov. 2-16 from 49 companies manufacturing more than 50% of estimated 1950 dollar volume of TV-radio receivers and 40% of parts, tubes & accessories:

	Profits of All Corporations	Profits of TV-Radio Industry	No. of TV Sets Made & Sold	Value at Mfr. Sales Price
1946.....	\$23,464,000,000	\$37,888,000	6,476	\$1,250,000
1947.....	30,489,000,000	71,541,000	178,571	50,000,000
1948.....	33,880,000,000	86,493,000	975,000	230,000,000
1949.....	27,625,000,000	100,107,000	3,000,000	580,000,000
1950 (Est.)..	37,000,000,000	217,253,000	6,500,000	1,100,000,000

"This shows the amazing growth of our industry," said Mr. Sprague. "While earnings of all corporations increased only about 62% between 1946 and 1950, earnings of our industry expanded almost 6 times or 600%. The increase in earnings of all corporations in 1950 over 1949 is 40%, but in our industry is almost 120%.

"Secretary Snyder's proposal for a base consisting of the 3 highest years during the period 1946 through 1949 results in a base of some \$31 billions for all corporations. His formula, which limits the credit to 75% of this amount, leaves approximately \$14 billions subject to excess profits taxes in 1950. In other words, 38% of all 1950 corporation earnings would be subject to an excess profits tax.

"Now let me apply the same formula to our industry. 75% of our industry's 1950 earnings would be subject to excess profits taxes compared to 38% for corporations generally." The law, he said, should give growth companies the benefit of an adjustment to their excess profits credit so as to accord them treatment generally consistent with that of other corporations. A growth company, he said, should be one whose 1950 earnings are at least 50% greater than its 1949 earnings, and --

"The statute should provide that 1950 earnings for this purpose should be either actual earnings or annualized earnings for the first 6 months of 1950, whichever is the lesser. This would exclude companies which have particularly benefited since the start of the Korean war."

Discrimination against TV-radio companies could be corrected, Sprague said, by permitting them to use the 75% credit on average of highest 3 years during base period, provided that it be not less than 62% of 1950 earnings.

Dr. DuMont was outspoken against any excess profits tax at all, called it mere "masquerade" and declared that if it goes through, "I should feel that it would be my duty to myself, my company and its stockholders to see to it that there would be no quote excess profits unquote on which such a tax might be levied." Like Mr. Sprague, he preferred flat tax but if there must be an excess profits levy he insisted on a "moving base" to reflect forward movement of earnings.



**TEMPEST OVER AN ADVERTISEMENT:** "Too clever is dumb" -- an Ogden Nash aphorism -- could just as well be applied to some of our industry brethren as to the bureaucracy that conceives an ectoplasmic "bracket standards." Case in point is first ad in the weekly industry cooperative series designed to hypo lagging TV receiver sales as an offset to the retarding influences of higher prices, credit controls and color publicity (Vol. 6:44-45).

Storm of protest that did the industry's prestige no good broke over page ad of Nov. 13 captioned "There are some things a son or daughter won't tell you!" and going on to tell how children without TV sets in their homes feel inferior to other children. Adverse editorials and a deluge of letters to editors resulted (some of latter obviously inspired, judging from their common refrain) -- as well as plenty of self-criticism from the advertising fraternity itself.

Federal Trade Commission was reported investigating "numerous complaints".

Advertising Age said ad probably will "do a good job of making sales [but] is going to leave a bitter taste in the mouths of a considerable number of citizens ...". Tide Magazine called it "the worst case of poor taste that advertising has had in years." Angelo Patri, whose testimonial was part of ad, was roundly criticized, even lost one client for his newspaper column (Providence Bulletin) and he apologized and returned his check. Washington Star stated it was sorry it carried ad.

Mrs. Eleanor Roosevelt was quoted as deploring the ad, but her own testimonial was contained in subsequent insertion of Nov. 20 captioned "You'd give them the world if you could...this Christmas you can." That ad drew high praise, was said to be fully as effective in its affirmative way as first was with its negative approach. Next week's ad, approved by Parents Magazine, will follow theme, "He's the happiest kid in the block..."

Newspaper campaign, plus radio spots on about 250 stations, will continue until Christmas, will cost about \$1,500,000. Industry committee will meet in few weeks to decide on future plans, nebulous now because of impending materials shortages. Campaign is placed by Ruthrauff & Ryan for American Television Dealers & Manufacturers, cooperative group set up for purpose, with offices in Chrysler Bldg., New York. Besides the 20 participating companies previously listed (Vol. 6:45), group reports Meck and Kaye-Halbert as joining, now claims support of all major brand-name producers except Crosley.

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Trade Personals: Frank A. D. Andrea, president of Andrea Radio and 30-year pioneer in the industry, chosen by Dun & Bradstreet as spokesman for TV-radio at Nov. 28 annual dinner discussion meeting in New York's Hotel Biltmore . . . Elected to board of Tele-tone are Paul Kimball, syndicate mgr. of Sills, Fairman & Harris, Chicago underwriters, and Frank Schmick, partner in Straus & Blosser, Chicago stockbrokers . . . Clifford M. Rigsbee, veteran dept. store executive recently with L. S. Ayres & Co., Indianapolis, named mgr. of radio-phono-TV group of RCA Service Co., responsible for liaison with technical experts in field and for technical publications; he succeeds Thomas Whitney, named operations mgr. for govt. services in newly formed Govt. Division.

New TV camera, allowing "smoother and more polished TV programming" is announced by General Precision Laboratory. Company says it's streamlined and simplified to allow easier following of changing lights and focus during programs. GPL has also developed new electronically-controlled kine recorder, which it claims eliminates double exposures, under exposures, fuzziness, poor sound and vibration by synchronizing 24-frame-per-second camera speed with TV's 30-frame image.

Latest serviceman's publications of Howard W. Sams Co., Indianapolis, are: 623-page *Red Book*, listing replacement parts for 20,000 radio and TV models built since 1938 (price \$3.95); 286-page *Automatic Record Changer Manual* for 1949-50 (price \$3).

To help keep public buying black-and-white sets, small CR tube manufacturer Sheldon Electric Co. (div. of Allied Electric Products) took full-page ad in Nov. 24 *New York Times* headed: "Never Before Has Man Obtained So Much for So Little as from a Television Set." Over signature of president Nathan Chirelstein, ad says: "If a TV set were selling for \$2500 today, you would be laying away your money to buy one . . . Leave it to the engineers, the experimenters, the industrial users and the 'firsters' to buy color TV now. They'll spend the necessary years to develop it to the same stage of perfection and size that black and white is today. When it is perfected to your satisfaction, you will buy a color set also. By that time you will have bought 2 or 3 black and white TV sets from your dealer—a 3-TV-set-home will be the normal thing." Bottom slogan in large-size block type reads: "Buy A Television Set Today."

Disturbed at loss of TV-radio servicemen to armed services and to factories, RTMA has instituted campaign to have vocational schools include courses in TV-radio maintenance. Program envisages setting up city committees to ensure placement of such graduates, and is under direction of RTMA's service committee (DuMont's E. W. Merriam, chairman).

Military services obligated \$368,000,000 for electronics-communications out of \$8.1 billion let for major materiel and supplies during July-October 1950, Defense Dept. reported Nov. 21.



**Topics & Trends of TV Trade:** First reported "casualties" of the materials shortages situation were: RCA cabinet plant in Pulaski, Va., shut down for 3 days last week; Meck's Peru, Ind., TV plant, which closed down production lines Nov. 16; Sylvania's Buffalo TV-radio subsidiary (Colonial), which this week laid off 200 employes. These are the only ones actually announced—but it's believed there have been many more partial layoffs.

Private-brand business will represent about 29% of Tele-tone's 1950 sales, says Nov. 13 report on company by Sills, Fairman & Harris, Chicago brokers. Its private-brand outlets are listed as Sears Roebuck, Gamble-Skogmo, B. F. Goodrich, Rexall, Walgreen, Western Auto . . . Prospectus on Meck, in connection with recent stock issue (Vol. 6:35,38), reports its distribution arrangement with Philharmonic for sale of private-brand TVs to retail outlets has been discontinued in favor of special arrangement with Edward C. Bonia, operating own New York office as exclusive sales representative in private-brand field. Among 1950 dept. store customers, Meck lists: Allied Stores; Jordan, Marsh, Boston; Wanamaker's, Philadelphia; Gimbel's, Pittsburgh; Polsky's, Akron; Shillito's, Cincinnati; Goldblatt's, Chicago; Schuster, Milwaukee; Joske's, San Antonio; Morehouse Martens, Columbus; People's Outfitting, Detroit.

**Plant Expansions:** Philco plans new TV tube plant in Frederick, Md., where it has acquired 50-acre tract on which it plans to build 110,000 sq. ft. building costing \$1,000,000 and employing about 1000 persons . . . GE will reopen former Utica, N. Y., radio tube plant for manufacture of radio communications equipment; full operation is scheduled next June . . . Westinghouse has asked city of Baltimore to negotiate for 60-100 acre tract near Friendship Airport to build new 400,000 sq. ft. plant for military production by its Electronics and X-ray Divisions . . . Aerovox Nov. 29 dedicates new plant and offices at Myrtle Beach, S. C.

Another national TV-radio servicemen's organization is in making, with meeting last weekend in New York of delegates from Boston, New York, Philadelphia, Rochester, Trenton, Washington. First national organization was cemented in Washington last month (Vol. 6:43). Temporary chairman of New York group is David Krantz, Philadelphia Radio Servicemen's Assn.; Max Liebowitz, vice-chairman; Norman Chalfin, secy. Both latter are with Assn. of New York Radio & TV Servicemen. Second meeting is scheduled Jan. 28 in Washington.

Description of facilities for military production is contained in 40-p. booklet describing Hoffman Radio's 6 Los Angeles plants, equipment available, biographies of management and engineering personnel. Primarily designed for govt. officials, copies can be obtained from Berkley Fuller, special apparatus div. sales mgr., 3761 S. Hill St., Los Angeles 7, Cal.

Receiving tube sales reached all-time high of 40,105,611 units in October, bringing 10-month total to 304,910,357—compared with 198,753,295 for all 1949. Previous high was September's 37,031,373 (Vol. 6:43). October RTMA breakdown shows 32,305,648 sold for new sets, 6,699,448 replacements, 918,338 export, 182,177 govt.

New industrial TV application is reported by General Motors' Fisher Body Div. Loading of scrap into railroad cars is supervised by operator of scrap baler located deep inside building. Operator looks at monitor to see when car is full, pushes button to pull it out of way.

RCA-IT&T and their Canadian subsidiaries have entered into patent-license agreements covering exchanges of licenses under their TV, radio, electronic inventions.

**Financial & Trade Notes:** American Broadcasting Co., though its 5 TV outlets are now reputed to be operating in the black, shows net loss of \$877,000 for 9 months ended Sept. 30, compared with loss of \$482,000 (after \$297,000 tax credit) for same 1949 period. First 6 months ABC earned \$180,000 (Vol. 6:38), first 3 months it earned \$93,000 (Vol. 6:19); for all 1949, it lost \$519,085 as against \$467,676 profit for all 1948 (Vol. 6:12).

Zenith's consolidated profits for first 6 months ended Oct. 31 of its current fiscal year amounted to \$3,790,990 (\$7.70 per common share) after taxes and all charges, which compares with \$1,066,526 (\$2.17) for comparable 1949 period and \$984,535 (\$2) for same 1948 period. For 3 months ended Oct. 31, profits were \$3,024,036 (\$6.14), compared with \$895,581 (\$1.82) for same 1949 period, \$879,566 (\$1.79) for same 1948 period. Sales figures are not released. Company goes on calendar year basis Jan. 1.

\* \* \* \*

Olympic reports all-time high in production and shipments of TVs during October—24,361 units made vs. 7669 during same 1949 month. October billings, including radio sales, were \$4,520,827 vs. \$1,129,801 in October 1949. Nov. 3 *Tide Magazine*, in article on how Olympic set up "fabricated" distributorships for TV, says its sales will reach \$24,000,000 this year, compared with \$9,500,000 in 1949. Article relates how it owns New York and Chicago distributorships (accounting for about third of sales) and underwrote 15 others that handle Olympic solely in as many cities.

Glass blanks for TV and radio tubes are big contributors to upsurge in Corning Glass business, which showed \$27,757,255 sales increase in first 9 months of 1950. Net sales for those 3 quarters amounted to \$80,334,313, compared with \$52,577,058 for same 1949 period. Net income rose to \$12,298,352 (\$5.58 per common share after preferred dividends) compared to \$4,033,137 (\$1.44).

With backlog of \$45,000,000 in orders as of July 31, mostly govt., Collins Radio's annual statement reports \$12,613,821 sales for fiscal year ending that date vs. \$9,675,573 for fiscal 1949. Net profits were \$543,877, or \$1.63 per share of common stock, as against \$190,767 (\$1.05) in preceding year.

Allied Electric Products Inc., for quarter ended Sept. 30, showed net income of \$241,502, or 42¢ per share, on sales of \$2,706,511. Profit for fiscal year ended June 30 was \$160,814 (31¢).

\* \* \* \*

**Dividends:** Philco declared quarterly of 80¢ on common, payable Dec. 15 to stock of record Dec. 1; has called board for Dec. 4 meeting to declare 5% stock dividend after Nov. 28 stockholders' meeting decides on 2-for-1 stock split; company paid 75¢ in Sept., prior to which 50¢ was disbursed quarterly . . . CBS, 40¢ payable Dec. 8 to holders of Nov. 11 . . . Magnavox, 35¢ payable Dec. 15 to holders Nov. 25 . . . Hytron, 10¢ plus 10¢ extra, payable Dec. 15 to holders Dec. 5 . . . Cornell-Dubilier, \$1.1325 payable Jan. 15 to holders Dec. 20, plus 20¢ Dec. 28 to holders Dec. 20 . . . Sprague Electric, 50¢ payable Dec. 15 to holders Nov. 30 . . . Wells-Gardner, 15¢ regular plus 15¢ extra payable Dec. 15 to holders Dec. 1 . . . Sylvania, quarterly 50¢ and special 45¢ payable Dec. 20 to holders Dec. 9, bringing total for year to \$2 vs. \$1.40 in 1949 . . . Stromberg-Carlson, 50¢ on 4% convertible preferred payable Jan. 1 to holders Dec. 9; action on common dividend deferred until results of year's operation are known, previous payment having been 10% stock dividend in January 1949 . . . Stewart-Warner, quarterly 35¢ payable Jan 6 plus extra of 50¢ payable Dec. 27, both to holders Dec. 8.



**Telecasting Notes:** Some pertinent notes from recent talk before Advertising Women of New York by Theodore C. Streibert, chairman of MBS board and president of WOR & WOR-TV: "Looks as though TV might be more profitable than radio ever was." He added TV competition is "good for radio," which in future will have to "work for its circulation, dig out new ideas and actually go out and look for new talent and writers" . . . DuMont key WABD, New York, Nov. 20 advanced opening of its telecast day to 9:15 a.m., starting with *Morning Chapel* and moving up *Your Television Shopper* to 9:30-10 a.m. . . . NBC-TV key WNBT, New York, Nov. 22 began morning schedule at 11 instead of 9:15 (moving *Kathi Norris Show* to noon) and will now sign off at 1:30 a.m. . . . Eight operas are on winter schedule of NBC-TV *Opera Theater*, first to be *Carmen*, Sun., Dec. 17, 3-4 . . . Raising rates Dec. 1 are Storer stations WJBK-TV, Detroit, from \$800 to \$1000 per base hour, from \$100 to \$190 for 1-min. spots; WSPD-TV, Toledo, from \$400 to \$500 & \$60 to \$80; WAGA-TV, Atlanta, from \$325 to \$500 & \$52 to \$80 . . . Raising rates Jan. 1 are KSD-TV, St. Louis, from \$500 to \$650 & \$100 to \$130; KPRC-TV, Houston, from \$300 to \$400 & \$48 to \$80; WTVJ, Miami, from \$300 to \$375 & \$50 to \$65; WJAC-TV, Johnstown, from \$225 to \$400 & \$40 to \$60; WHEN, Syracuse, from \$265 to \$400 & \$50 to \$80 . . . *Variety* discloses that CBS had 4 sponsors signed up for its New York colorcasts, stymied by court (Vol. 6:46); they were General Mills, Lever Bros., Toni, Jantzen bathing suits . . . New Orleans' WDSU-TV has moved up its telecast day from 4:30 to 2 p.m. Mon. thru Fri., signs on Sat. at 10 & Sun. at 11:45, runs daily until midnight.

Three new applications for TV this week brought total pending to 363. *El Paso Times'* KROD asked for Channel No. 4, third to apply from that city. WSFA, Montgomery, Ala., applied for Channel 6, a first. KCRA, Sacramento, Cal., applied for Channel 6, third from city. [For details about ownership, powers, etc., see *TV Addenda 11-T.*]

Public sentiment favoring request of WJAC-TV, Johnstown, for higher power (from 6.5 to 30 kw) has been made known to FCC in flock of Pittsburgh postal cards received last 10 days. Numbering almost 150, cards talk of "monopoly" enjoyed by DuMont's WDTV there, chide FCC for freezing improvement in TV station service.

Special committee to organize TV board of directors for NAB (Vol. 6:46) is headed by Harold Hough, WBAP-TV, Fort Worth, includes Robert D. Swezey, WDSU-TV, New Orleans; Eugene S. Thomas, WOR-TV, New York; William A. Fay, WHAM-TV, Rochester; George Burbach, KSD-TV, St. Louis. Committee will make plans for organization meeting in Chicago early in January.

Popping up with "answer" to color problem this week was none other than Charles Birch-Field, operating as Audicon Television Research Corp., New Haven, Conn. He's same man who claimed invention of single tube to convert AM sets to TV and got a lot of people excited (Vol. 4:44). Now, he says, he has \$40-\$50 filter for camera and receiver which produces compatible color. He "challenges" FCC to look at it.

Impact of TV is being felt by the dry cleaning industry. It keeps people at home, and since they don't go out as often as before they "don't wear their best clothes as often as they used to," Joseph Needleman, of Norwood, Pa., told recent convention of Pennsylvania Assn. of Dyers & Cleaners.

Another bill to bar newspaper ownership of radio stations will be introduced in "lame duck" Congress by Rep. Huber (D-Ohio), who was defeated in Nov. 7 election.

Surgical demonstrations in Latin America via TV, joint Squibb-RCA project, got underway Nov. 20 at Inter-American Congress of Surgery at Lima, Peru.

TV was relatively minor factor in attendance decline at pro baseball games in 1950, U of Pennsylvania graduate student Jerry Jordan (son of N. W. Ayer executive v.p. C. L. Jordan) reports in latest analysis of major and minor league boxoffice. Study is continuance of work done as Princeton student (Vol. 6:19, 23, 33).

Jordan sees 5 factors responsible for decline of more than \$10,500,000 in paid admissions in 1950: (1) Bad weather. (2) Shift in team performance. (3) Leveling out from postwar attendance peaks. (4) Novelty-happy new TV owners. (5) Excess of radio and TV sportscasts. Jordan's survey shows team performance still biggest factor governing attendance, regardless whether games are televised. He urges that TV be used "to promote, not compete with, attendance," in order to work out permanent, profitable TV-sports relationship.

Opposing view is presented in Nov. 25 *Billboard*, which reports on Associated Press survey of football attendance at 105 top colleges, showing that where TV football coverage is strongest—in East and Pacific Coast—college grid attendance is down 8% and 11%, respectively. In video-weak Southwest, however, attendance is up as much as 21% over last year.

Second Jordan report, like first, has been published by Radio-Television Manufacturers Assn., 1317 F St. NW, Washington 4, D. C., and is available on request.

Note: Joint major-minor league baseball executives will meet Dec. 13 in Hotel Pennsylvania, St. Petersburg, Fla., to discuss "TV, radio and baseball." NAB has been invited and will send spokesman.

TV owners are going to movies more than they did last year, according to fourth Woodbury College survey of some 3000 Los Angeles and San Francisco area set owners. Some 500 student canvassers found 68% go to theatres less often than they did before owning sets, whereas last year's survey found 77% went to films less often (Vol. 5:45)—indicating tide may be turning in trend away from movie palaces. Other survey results: (1) Movies were overwhelming preference as favorite video shows. (2) 80% said they'd pay to see first-run movies on their sets at home. (3) 68% would be unwilling to pay to attend large-screen theatre TV. (4) 80% said they want color, with 25% willing to spend as much as \$100 for converter, 58% unwilling to lay out any more money for color TV. (5) 64% said other members of their household listen to radio while TV sets are on. (6) 85% watch TV every day in week. (7) 42% have purchased items as direct result of TV commercials. (8) TV is favorite medium for war news, newspapers second, radio third.

New York or Hollywood? Top performers and lesser actors alike are deserting or commuting from the film capital, heading for New York to get into TV (Examples: Hope, Cantor, Durante, Murray, Wynn, Sinatra). Most comedians even bring their writers along. *Daily Variety* of Hollywood reports West Coast radio has lost 50 top gag writers to New York TV. But Hal Roach Jr., betting his multi-million fortune and \$6,500,000 studio on Hollywood as world TV capital, predicts that within 2 years 80% of TV programming will be on film. NBC president Joseph H. McConnell, on recent Hollywood visit, expressed disappointment at movie industry's hostility toward TV, said NBC would soon make films in own plant.

Beer ad "invasion" of American home via TV and radio, drew strong criticism Nov. 15 from United Council of Church Women, which called on its 1775 chapters to protest the "frequently lurid" beer commercials which "bombard" listeners and viewers of sports events.

La Voz de la Capitol, TGED, new AM station in Guatemala City, says it plans to install TV station soon.



With Gloves Off

## MR. COY WRITES MR. HALLIGAN

Full Text of Nov. 2 Letter from FCC Chairman to Wm. J. Halligan, president of The Hallicrafters Co.

(See opposite side for facsimile of advertisement prompting letter)

Dear Mr. Halligan:

The hidden ball trick is a fine piece of football strategy but when it is employed by a large radio manufacturer in an advertisement to deceive and frighten the public on such an important issue as color television, it becomes pretty contemptible.

I refer to your full-page advertisement of October 23 in The Chicago Daily News entitled: "The Color Television Blunder." I refer specifically to your statement that five members of the Commission who voted for the CBS color system "contradicted even themselves." You state:

As recently as September 1, 1950, the FCC stated that it "must of necessity rely to a great extent upon industry experts for data and expert opinion in arriving at decisions in the field of (color) standards".

And then, in the best tradition of out-of-context quoting, you come to a dead stop and ignore the rest of that paragraph of the decision. You refused to finish the paragraph because to do so would have demolished your entire argument.

Permit me to finish that paragraph:

However, the responsibility for decision is that of the Commission and we cannot feel bound to accept recommendations and expert opinions when we find from a study of the record that the record supports different conclusions. Moreover, the testimony of many of the parties was not based on field testing conducted by them or upon an analysis of field testing made by others but were simply recommendations and expert opinions of a general nature. *In weighing these recommendations and expert opinions we cannot overlook the fact that many of these same parties offered recommendations and expert opinion of the same kind as the basis of their advocacy in the 1946-1947 hearing of the simultaneous system—a system which never survived field testing.* [Italics are underlinings in FCC release.]

Which puts quite a different face upon the matter.

To continue the quote and give the people the WHOLE story would hardly have served your purpose of pulling the wool over their eyes.

Then you state:

It is unfortunate that five people can sit down around a desk in Washington and in this fashion impose their will on an entire industry and on the nation . . .

This again is fake vs. fact.

What the Commission really did, as you well know, was to invite every person or company who could contribute technical data bearing upon the color question to come to Washington to participate in a public hearing. The Commission heard 53 witnesses testify under oath and submit to lengthy cross-examination by Commission members and other parties. The hearings lasted 62 days. In all, the Commission heard 9,717 pages of testimony and received 265 exhibits. Moreover, it viewed eight demonstrations on the record by the three competing color systems. In addition, when the hearing was concluded, the proponents of color television system submitted comprehensive and detailed findings and conclusions for study by the Commission.

(Of course, you did not mention that the FCC was estab-

lished by the Congress of the United States for exactly this specific type of investigation and decision-making process.)

As to the ultimate wisdom of the Commission's decision, you are most certainly entitled to your opinion just as everyone else in this country is, whether it happens to agree with my opinion or not. But I firmly believe in Bernard Baruch's observation: "Every man has a right to be wrong in his opinion, but not in his facts."

Your opinion is that the Commission should wait for a "completely electronic color system, compatible with present black-and-white sets."

The Commission's opinion is that it is pointless to wait any longer for any other system to make good on oft-repeated promises of a satisfactory performance. We have selected a system that works now—today. We have preferred performance over promises.

Color is on the way and the American people are going to be given an opportunity to enjoy it—if they wish. As we pointed out in our First Report:

The testimony and demonstrations in these proceedings leave no room for doubt that color is an important improvement in television broadcasting. It adds both apparent definition and realism in pictures. It opens up whole new fields for effective broadcasting, rendering life-like and exciting scenes where color is of the essence—scenes which in black-and-white television are avoided or, if telecast, have little appeal.

I respectfully suggest to Hallicrafters that it follow the lead of some other progressive manufacturers and begin the manufacture of color sets, adapters and converters, and let the American people decide for themselves whether they like this new dimension in television broadcasting.

Hallicrafters' products are much better than its propaganda.

Finally, I take exception to your statements: "5 Men Against the American Way" and "This ill-advised action of the FCC is a threat to the American way of life."

The things that the phrase, "The American Way," stand for are sacred to me and I deeply resent attempts such as yours to debase the coinage of these words through such a malicious smear campaign. In my view, the American Way includes telling the people the truth, the whole truth, so that they can make up their minds on the basis of all the facts instead of misleading them with one-sided attacks such as yours. It means giving the people the advantage of new inventions as soon as they are developed instead of trying to shelve them so as not to interrupt the flow of profits from existing products.

It is unfortunate that the Commission does not have funds for full pages of advertising to correct the misrepresentations you have made. However, I am having this letter made public with the hopes that the facts it contains will reach at least some of the readers who may have been misled by your hit-and-run attack and that some of the mischief may be repaired.

Sincerely yours,  
Wayne Coy  
Chairman [FCC]



# Ad That Provoked Mr. Coy:

THIS IS FULL-PAGE advertisement by The Hallicrafters Co., which was placed in *Chicago Tribune* of Oct. 22 and *Chicago Daily News* of Oct. 23, and which prompted letter from FCC

Chairman Coy to Mr. Holligon. Letter bore Nov. 2 date, was released by FCC press room Nov. 3, when Mr. Holligon was in New York preparing to embark on flying trip to Europe.

## THE COLOR TELEVISION BLUNDER

### 5 Men Against the American Way

Five members of the Federal Communications Commission have disregarded the unanimous opinion of the engineers of every major television manufacturer in ruling that the television industry must adopt a mechanical color system.

In so doing these Commissioners contradicted even themselves. As recently as September 1, 1950, the FCC stated that it . . . "Must of necessity rely to a great extent upon industry experts for data and expert opinion in arriving at decisions in the field of (color) standards."

Exactly 40 days later the Commission turned its back to the television industry and adopted a color system fathered by a broadcasting company with no background whatsoever in the manufacture of television receivers.

The majority of engineers and manufacturers who have brought the television industry to its present greatness have condemned the FCC-approved system as being impractical and unwieldy. This mechanical color system is basically unsound because of its definite limitations in picture size, cumbersome cabinet design, and because it will not produce pictures on the present black and white sets without considerable expense to the set owner.

In their decision, the Commissioners could not even agree among themselves. The final vote was five to two. It is significant that one of the dissenting opinions was cast by George E. Sterling, the former chief engineer of the FCC and the one Commissioner with applicable technical background in radio broadcasting.

The five who voted for color were led by a man of nontechnical qualifications including relief administration and public office-holding, and three of the others have similar records far removed from the industry they are attempting to regulate. These five men have seen fit to dictate the solution to a problem that has baffled industry's greatest technicians. Far more is at stake than a color system or the television industry itself. It is unfortunate that five people can sit down around a desk in Washington and in this fashion impose their will on an entire industry and on the nation—that they can say to scientists whose skill has developed the fastest growing industry in history—"You are all wrong, and we are right."

The color system adopted by the FCC has been kicking around for more than a decade. The principle upon which it is based was long ago tested by industry engineers and discarded as impractical.

Hallicrafters could not be more solidly opposed to the decision of the FCC in adopting this color experiment as the nation's standard. We feel, along with the majority of television manufacturers, that a completely electronic color system, compatible with present black and white sets, will be developed in the future. When this happens, color telecasts will be received in black and white on present sets without any extra equipment or any receiver modifications.

All Hallicrafters television sets now being produced are equipped with a connector on the back making unnecessary any changes in the set in order to utilize any anticipated developments in either mechanical or electronic color systems.

Hallicrafters will leave the final decision to the public. For those who wish to experiment, Hallicrafters will make available a color attachment that will make color reception possible.

There is no reason to hesitate in buying a TV set now. The set you buy today will give you many years of television pleasure.

A poll of the 107 operating television stations shows that 88 per cent have no plans whatsoever for transmitting on mechanical color standards. If you find your local station does plan color telecasts, you will be able to simply adapt your Hallicrafters set to receive these telecasts.

The importance of this ruling of the FCC must not be underestimated. Five members of a Washington commission are attempting to force upon the nation a color system which the television industry regards as obsolete even before the first set is marketed.

This ill-advised action of the FCC is a threat to the American way of life.



President, The Hallicrafters Co.

*Published in the Public Interest by*

# the hallicrafters co.

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