

MARTIN CODEL'S

AUTHORITATIVE NEWS SERVICE  
OF THE  
VISUAL BROADCASTING  
ARTS AND INDUSTRY

# Television Digest

WITH AM FM REPORTS

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**FCC AIMS TO 'EQUALIZE' NETWORK HOURS:** FCC steps into business side of telecasting once again by proposing to "equalize unbalanced competitive conditions" among the 4 TV networks -- direct outgrowth of its own freeze-created scarcity of stations. This week, it proposed amending network rules to limit number of hours any TV station may take from a single network.

Notice of proposed new rule, on which comments are invited by Nov. 13 and hearing may be held, was released to a surprised industry Friday, and text is published herewith as Supplement No. 71.

Hardest hit are NBC and CBS, particularly former, because they have by far largest number of commercials sold and the most station time committed.

Immediate reaction of station and network officials was that FCC was muddying up TV waters further (obvious reference to unpopular color issue) -- some claiming proposal was infringement on right of broadcaster to free choice of programs. Yet it was agreed that freeze-imposed "monopolies" in markets with less than 4 stations need adjusting. FCC has scant doubt of its power to do it via its chain regulations, once bitterly fought by the AM broadcasters but upheld by the courts.

Nevertheless, even those standing to benefit from proposed rule -- notably, ABC, DuMont and to lesser extent CBS -- aren't too happy about FCC getting into program regulation, albeit on "quantitative" rather than "qualitative" basis.

Proposal suggests that in one-station markets, of which there are now 39, the TV outlet be limited to 2 hours from one network per afternoon (1-6 p.m.), 2 hours per evening (6-11 p.m.); in 2-station markets (11) limited to 3 hours in each of those "time segments"; in 3-station markets (8) 4 hours. Only exception would be that any station could have one 5-hour segment per week from any single network to accommodate football, opera, or other "single" public event.

Rule would apply not only to interconnected stations, but also to those fed by kine-recordings or films. It would apply to sustainers as well as commercials.

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Although station time wasn't in much demand then, has enjoyed enormous surge in last few months, FCC used week of May 14-20, 1950 as example of inequities -- to prove that monopolies exist and public isn't getting free choice of network shows. Current figures on commercials sold (NBC about 39 hours, CBS 34, ABC 23, DuMont 15) plus uncounted sustainers would probably tend to aggravate "inequities," bolster FCC argument. It's common knowledge CBS has narrowed gulf between it and NBC considerably in recent months, program-wise at least, but NBC has had better fortune lining up affiliates.

NBC's dominance in TV, despite CBS's nearly equivalent current sales of sponsor hours at about same rates, is further attested by fact that its gross network TV time sales for first 8 months of this year were \$3,030,556 vs. \$1,337,780 for CBS, \$585,315 for ABC, \$552,642 for DuMont (Vol. 6:38). Moreover, NBC owns 5 stations in as many major cities, as does ABC, DuMont owns 3, whereas CBS owns only the one in New York and minority interest in 2 others in Washington and Los Angeles.

FCC calculations show that NBC programs were 68.8% of aggregate 119.41 network station-hours taken 1-6 p.m. in one-station markets during week under survey. CBS got 20.7%, ABC 10.5%. During 6-11 p.m. same week, NBC got 64.8% of 433.5 net-

work station-hours, CBS 19.3%, ABC 11%, DuMont 4.8%. Similar breakdowns are made for 2 & 3-station markets.

Proposal stems from DuMont complaint at beginning of year against NBC's 2½-hour Saturday Night Revue (Vol. 6:1,4-8), and from ABC-DuMont requests that FCC step in and equalize AT&T cable allocation (Vol. 6:38-39). In a sense, telecasters "invited" more network regulation, of which this may be only the beginning.

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Initial reactions from about dozen network and station executives reached Friday were mainly antagonistic, ran somewhat along these lines -- though it was obvious none really had had chance to study proposal:

It imposes quantitative measure, disregards quality of programs; makes networks common carriers; forces stations to promote competitors' networks; foists second-rate programs on public; penalizes NBC, which went all-out for TV long before others. Station could decide to take allowable maximum from only one or 2 networks, use other time for local and spot (which is exactly what many are doing now). What about AM? one asked; many radio markets don't have 4 stations to give choice of programs from 4 networks.

Some were even suspicious that move was retaliation against RCA-NBC for their color stand (though start of this FCC study long antedated color report); also that this rule somehow might be employed to force stations to carry CBS color if and when it's authorized and made available via networks.

**COLOR DECISION DUE—FUTURE PONDERED:** FCC hasn't adopted CBS color system yet, though it's expected to do so soon -- despite attitude of uncertainty manifest in its ranks as more manufacturers this week reaffirmed impossibility of meeting its proposed early-November deadline on bracket standards.

[All 36 replies to FCC are summarized in Special Digest herewith.]

With brackets out for present, FCC deadline termed impossible by unanimous industry, here are speculations and predictions currently given greatest weight:

(1) CBS will be adopted, probably next week. It will be "permissive" at the outset, with FCC waiting to see how telecasters take to it voluntarily.

(2) RCA, DuMont, Philco and/or others, judging from tenor of their replies, may try to take decision to court. Their chances are considered slim unless they can prove they're hurt. But people aren't likely to stop buying black-and-white sets, regardless of color edict, so proof of injury may be hard to show.

(3) Color sets won't be forthcoming in any meaningful numbers for many months, possibly years, because of long conversion time, higher cost, lack of components, paucity of programs, lack of telecaster enthusiasm for any incompatible system. Same sort of professionals, tinkerers and wealthy persons who built own or bought scant 8000 TVs pre-war, mere 6500 in 1946 and only 180,000 in 1947 may be inclined to go in for new wrinkle at first.

(4) RCA and/or others may perfect compatible system -- which FCC as well as industry will welcome. Then, incompatible CBS system will be abandoned as impractical. But FCC will take due credit for having spurred compatible color.

Wishful industry thinking may be apparent in such speculation. Nevertheless, it's reasonable and gained adherents after FCC meetings this week failed to bring forth a decision. And particularly after word got around that Comr. Jones had said he thought some of his colleagues were becoming "unglued."

Presumably, he was referring to what seems to be the issue now -- whether to try to force telecasters, directly or via networks, to carry colorcasts as a condition of license. Such a move, too, has implications of court actions, broadly hinted in replies of manufacturers owning TV stations, and in ill-concealed aversion of most telecasters to any incompatible system -- also being discussed freely by Washington legal representatives of TV stations.

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Tenor of manufacturers' replies on bracket standards (13 more plus Hazeltine filed this week) was same as those of last week, when there were 22 replies. We've

digested the new ones, amplified a few of the longer ones arriving at deadline last week, and printed them in the special 8-page digest herewith. Of 36 replies in all (30 manufacturers, 6 others), none said mid-November deadline could be met, some were willing to cooperate to make brackets when proved feasible, some frankly thought little of brackets, less of color decision itself.

Responding this week: Capehart-Farnsworth, Emerson, Hazeltine, Magnavox, Motorola, Muntz, Philco, Sentinel, Stewart-Warner, Sylvania, Tele King, Tele-Tone, Transvision, Zenith. Only Air King and Olympic among the larger producers didn't reply. Nor did ABC, only network which continues strict "hands off" policy on color.

Some people at Commission took heart from Emerson's closing paragraph to effect it would build color sets for any standards FCC adopts. When queried, however, president Ben Abrams said he would make sets for whatever demand there is, but it would take at least year to get a color receiver into production, and "I don't see much market for it anyhow, even in New York."

Zenith, it turns out, had same qualms as everyone else, despite president E. F. McDonald's petulant complaint to FCC that we were guilty of "mis-statement" when we reported Zenith's lack of enthusiasm for brackets (Vol. 6:38). Its statement was one of strongest filed, is particularly well worth reading. Zenith's H. C. Bonfig, known throughout the industry for his bon mots, was quoted as remarking to colleagues: "I read it [FCC Color Report] with mixed emotions. By mixed emotions I mean it's like watching one's mother-in-law drive over a cliff in one's shiny new Cadillac." He was obviously referring to turndown of RCA, yet fearful of effect on current TV business.

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That FCC was taken aback by responses is obvious. Some members have indicated pique because number of manufacturers used FCC's invitation on brackets as vehicle for lambasting color report as well as brackets, plumping again for compatibility. FCC folk seem touchy about whole subject, inclined to bristle at criticism.

Despite set makers' negative replies on brackets, chances are that certain FCC elements will still try to get idea accepted by industry eventually, even if CBS system is adopted soon. They see "future promise".

Manufacturers are trying -- by personal contact, by petition, by wire, by speeches -- to get Commission to reexamine brackets, hold off adoption of CBS system, take another look at compatible systems.

RTMA president Robert Sprague waited on Chairman Coy Oct. 3, and it's learned Philco executives talked with him last week to urge him not to put any road-blocks in present TV business. Visits were private, elicited no "reports".

Motorola's Paul Galvin wired each commissioner, asking hearing be held on brackets. RCA petitioned FCC to hold off final decision, observe improvements in its system during Dec. 5-Jan. 5 period, then reexamine all systems until June 30, by which time it promises its system will have been "brought to fruition in a commercial, fully-compatible, all-electronic, high-definition system of color television available for immediate adoption of final standards."

RCA research v.p. Elmer W. Engstrom, in speech Oct. 5 at alma mater U of Minnesota after award for "pioneering in television research," referred to FCC's procedure as an "extremely short range consideration." He added: "It looks principally at 'today' giving little thought for 'tomorrow'...What appears to be the choice of the FCC confronts the American people with a serious problem, and somehow your views should be heard in this matter...I personally feel confident that the best system will emerge as the one which will be preferred by the American people."

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Meanwhile, CBS is standing by, quietly, presumably could start color telecasts in New York immediately upon word of decision and begin fulfilling commitment to put on 20 hours of color weekly within 30 days thereafter (Vol. 6:35). There's evidence that CBS fears, as does everyone else, that an abrupt plunge into incompatible telecasts could bring black-and-white sales to a standstill, shake whole structure of TV. Even CBS-TV affiliates are bitterly opposed to "forced draft"

telecasting of CBS standards -- fearful of impact on audience, if they must color-cast during prime periods.

CBS could transmit color during specific hours promised by president Frank Stanton during hearing (Vol. 6:12) without touching sponsored time. He promised: 3 hours daily, 5 days weekly, before 6; ½-hour daily, 5 days weekly, between 6-8; ½-hour daily, 5 days weekly, after regular monochrome hours "or at such earlier time after 8 p.m. as we may elect."

Remington Rand, CBS licensee for industrial color equipment (Vol. 6:33), foresees no difficulty in producing station equipment. Its industrial TV sales chief Col. William Norvell says only electronic view-finder need be added to camera to make industrial equipment good for stations. Remington Rand doesn't have license for station equipment but has "privilege" of getting one.

If a station ordered equipment now, Norvell said, it could get delivery by first of year. Thereafter, manufacture of 10 sets of equipment per month "wouldn't be any trouble at all, since we're set up for rapid expansion." Only question mark is availability of components. He reports a number of station inquiries, but says he's holding them until final FCC action.

Eight industrial orders for CBS color equipment have been received by Remington Rand. But company has no plans for receiver manufacture -- "too competitive, too many people in it." DuMont, meanwhile, is beating drums for its own wide-band (18 mc) CBS-type industrial color equipment, taking full-page color ad in October Electronics Magazine. DuMont will show off new equipment at New York Academy of Medicine, with surgical operations, on Mondays, Wednesdays and Fridays Oct. 9-20.

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Impact of color whoop-de-do on public is still nil, if set purchases are any criterion -- and they certainly are. Absolutely no reports of "cold-feetism" are reported among public. Matter of fact, one FCC engineer just bought a set.

Newspaper reports of manufacturers' replies tended to discourage idea color sets would be available any day now. Examples of headlines: "TV Color Unit Hit As Possibly Useless" -- Washington Post. "7 More Makers Reject FCC Color TV Plan" -- N.Y. Herald Tribune. "Television Industry Lines Up Against CBS Color. Zenith, Philco Join List" -- Wall Street Journal. "Video Trade Boos FCC's Color Fiat" -- Chicago Journal of Commerce.

Editorially, comment hasn't been heavy. Said Oct. 2 Chicago Sun-Times: "Color television? Don't lose any sleep over it. Don't let the color bugaboo stop you from buying a TV set. Don't worry about it making your present set obsolete. In short, color TV still is quite a long way off. And 'long way' can mean anywhere from a year to 2 or 3 years."

Said Oct. 1 Washington Star, which owns WMAL-TV: "Although RCA, DuMont and other producers have declined to cooperate in this plan [bracket standards], it is hard to believe that the FCC will carry out its threat to go ahead with adoption of the CBS method without further consideration of competing systems. Although it has been the consensus of those who have viewed the rival demonstrations that electronically produced color is not as bright and stable as that produced by the whirling color wheel, continued research is likely to improve the quality of the electronic pictures. This research will go on regardless of the FCC attitude, and the Commission ought to keep an open mind toward these developments, with a view to giving the public the benefit promptly of any major improvement."

"The TV color question becomes menacing," Oct. 3 Buffalo News (WBEN-TV) warned, "as it appears the FCC may go through with its expressed intention to approve a noncompatible system...There is not, at the present time, a fully developed compatible system, but on the other hand, neither is there a fully developed non-compatible system...The manner in which the commission seeks to simplify the matter of forcing a noncompatible color system upon the present TV viewers and the country at large just will not stand up in practice...We speak not as one opposed to color but as one welcoming it, and hoping to be among the first to be authorized...We'd like to iterate that we care not whose system ultimately is used, if it is a good system...But we would like from the public standpoint to counsel caution..."

**CAN PHONEVISION GET THE FILMS?** There's talk of "crack" in motion picture industry's solid front against releasing first-run films for Zenith's Phonevision tests -- but it's unverifiable. This talk follows month's postponement of tests from Oct. 1 start because of lack of "sufficient number of good films representing a fair cross-section of Hollywood productions". Zenith letter to FCC also refers to "possible change of thinking" on part of producers, pointedly referring to final paragraph of letter from United Paramount Theatres' president Leonard Goldenson to 20th Century-Fox's Spyros Skouras (Vol. 6:39).

Talk goes something like this: Fearful of another anti-trust prosecution, enhanced by Zenith-inspired Justice Dept. "investigation", producers are said to have turned around for another good look at Zenith's project. But answer is in hands of exhibitors, who have been adamant against giving Zenith pictures. Goldenson's exact words, in letter that otherwise strongly criticized Zenith's scheme and methods: "It is my hope that enough motion pictures will be made available for this test so that all who are interested in the matter will have the results for proper appraisal and evaluation."

Words were obviously chosen advisedly, and Variety Oct. 4 intimated same thinking when it reported several big producers were making study of exhibitor objections. Variety concluded: "They might go ahead with Goldenson's suggestion if only to prove 'pay-as-you-see' system will not work."

Zenith held off postponement announcement until eve of Sat., Sept. 30, so that it was obscured in Sunday newspapers. The 300 homes with Phonevision sets were given one more month of free use; receivers are also good for regular TV. In Sept. 29 letter to FCC asking for extension of test permit from Oct. 1-Dec. 29 to Nov. 1-Jan. 29, Zenith's chief engineer J. E. Brown stated: "There is evidence that the policy of the major film producers may be changing."

Meanwhile, stock of Teco Inc. formed to promote Phonevision (Vol. 6:15-16), dropped from 22 bid, 23½ asked on Fri., Sept. 29, to 17 & 20 when market opened following Monday. It was 20 & 22 at end of this week. Teco has advised rights holders that entire issue of 100,000 shares at \$10 has been subscribed to (Vol. 6:39).

**Network Accounts:** American Home Products Corp., for two of its divisions, Boyle Midway Inc. (Aerowax floor wax) and American Home Foods Inc. (Wizard Wick deodorizer), has bought Thu. 4:15-4:30 segment of *Kate Smith Hour* on NBC-TV . . . Roma Wines Oct. 7 starts *Party Time at Club Roma* on NBC-TV, Sat. 11-1:30 . . . Philip Morris & Co. (Bond Street Tobacco) Sept. 27 started *Great Moments in Sports*, 15-min. following Wed. night fights on CBS-TV . . . Cadbury-Fry, America Inc. (candy) Sept. 27 started 10-week sponsorship of co-op *Small Fry Club* on DuMont outlets in New York, Boston, Chicago, Wed. 6-6:30.

**Station Accounts:** As part of gas industry's campaign to push appliance sales, American Gas Assn. has launched plans to sell individual gas companies idea of series of 30-minute shows on home cooking; 13-week series would be made available if minimum of 20 gas companies sign up to sponsor program locally. At AGA Atlantic City convention, idea of TV campaign was broached—with Isabel A. McGovern (Minneapolis Gas Co.) and Louis Winslow (East Ohio Gas Co., Cleveland) telling of their experiences. AGA ad agency is McCann-Erickson . . . New Toni products reported due for TV as well as radio promotion, thru Tatham-Laird, Chicago . . . GE Receiver Division has sent all stations open-end films on its TV-radio models for local distributor-dealer sponsorships . . . WPTZ, Philadelphia, new participation sponsors include Hollywood Candy Co. (Payday, Butter-Nut, etc.), thru Ruthrauff & Ryan, Chicago; R. T. French Co. (Silvo Silver Polish), thru Richard A. Foley Adv., Philadelphia; Kasco Mills Inc. (Kasco Dog Ration), thru Clark & Rickerd, Detroit . . . Shulton Inc. (All Spice shaving cream and lotion)

and Wine Growers Guild (Guild Wines) Sept. 30 started 15-min. football chatter before and after Sat. games on WCBS-TV, New York. (Shulton erroneously reported as network account in Vol. 6:38) . . . Among spot accounts reported currently using or planning to use TV: Encyclopaedia Britannica (WNBQ); Rolfs Inc. (leather goods), thru Cramer-Krasselt, Milwaukee; Illinois Meat Co. (Broadcast Brand Corned Beef), thru Arthur Meyerhoff, Chicago (WXYZ-TV); International Milling Co. (Robin Hood Flour), thru H. W. Kastor, Chicago (WXYZ-TV); R. Gerber Co. (American Pop Corn), thru Newby & Peron Inc., Chicago (WPTZ); California Lima Bean Growers, thru Mogge-Privett, Los Angeles; Gale Hall Engineering Co. (auto gauges), thru Cory Shows Inc., Boston . . . Regina Cigar Co. (Hillcrest Cigars), thru Gresh & Kramer, Philadelphia (WFIL-TV).

Oct. 1 sets-in-use, reported since NBC Research's "census" of Sept. 1 (Vol. 6:38): Washington 174,485, up 13,485; Memphis 54,593, up 5293; Dallas 43,132, up 3532; Fort Worth 33,707, up 2307; Omaha 36,671, up 6871; Miami 36,400, up 2500; Greensboro 25,000, up 5500; Des Moines (Ames) 16,295, up 1995; Norfolk 34,939, up 7039; St. Louis 184,500, up 18,500.

Third "Videotown" survey by Cunningham & Walsh (Vol. 6:26) has been printed in neat 22-page booklet, is now available from agency, 40 E. 34th St., New York 16, N. Y. Survey is based on interviews with every set owner in unnamed city of 40,000, within 40 miles of New York, covers many facets of TV's impact on families.

AM first day, TV second day, affiliates' own sessions third day—that's program of NBC's own annual convention Oct. 18-20 in the Greenbrier, White Sulphur Springs.

**Telecasting Notes:** Unique simulcast is Atlantic Refining Co.'s sponsorship of U of Pennsylvania grid games on Philadelphia's NBC-TV affiliate WPTZ and CBS outlet WCAU-AM, Byrum Saam announcing via both media; WCAU-TV uses another announcer on same games . . . WPTZ, probably correctly, claims Atlantic's sponsorship of Penn games for 11th consecutive season is TV's "longest unbroken station-client relationship and the industry's oldest continuous presentation of a sports event" . . . Novel use of TV in politics was New York Gov. Dewey, in WNBT studio Sept. 30, answering man-in-the-street questions; queries of passers-by in downtown areas were fed by NBC camera crews to studio monitors, and Dewey was also telecast as he replied . . . Application for Channel 8 in Las Vegas, Nev., submitted to FCC last week by publisher Donald W. Reynolds of *Fort Smith* (Ark.) *Southwest American & Times Record*, was returned because of technical errors, may be filed again; he's also TV applicant for Little Rock, Oklahoma City, Tulsa . . . Operators of Cuba's first TV station, newly inaugurated Union Radio (Vol. 6:39), claim 3000 receivers in Havana homes and stores already, say demand by Dec. 1 will run to 15,000; sets retail at about twice prices in U. S. . . WBRC-TV, Birmingham, ex-Blair TV, appoints Raymer as new national rep; it's second station on Raymer list (other: KTLA, Los Angeles) . . . CBS-TV says it will cut production costs 10-15% by reason of 10-year lease of 5-story former garage at 403-15 E. 76th St., first 2 floors affording 60,000 ft. for scenery storage, third to provide rehearsal halls, other 2 storage of stage props . . . "No television coverage," is one of points made in full-page ad by WSWA, Harrisonburg, Va., in Oct. 2 *Broadcasting* . . . Third Naval District (New York area) will train reserve recruits via commercial TV starting Oct. 10, telecasting program titled *Drill Call* on WOR-TV, Tue. 8:30-9 for 42 weeks, originating from Navy Special Devices Center, Sands Point, L. I. . . Now getting network service (Vol. 6:31), Iowa State College's WOI-TV, Ames (near Des Moines) is starting its program day at 2 o'clock Sun. thru Fri., at noon Sat.; only educationally-owned station, it operates to 11 o'clock nightly . . . More Oct. 1 rate changes: WGN-TV, Chicago, ups base rate from \$750 to \$900, 1-min. announcements from \$105 to \$150; WFBM-TV, Indianapolis, from \$220 to \$320 & \$40 to \$60; WOR-TV, New York, from \$1200 to \$1500 (Vol. 6:32) & \$250 to \$300; Nov. 1, WTMJ-TV, Milwaukee, \$450 to \$500 & \$80 to \$100.

**Personal Notes:** Andrew Jaeger, film director of WABD, New York, elected president of National TV Film Council, succeeding Melvin Gold. Others elected: Paul White, v.p.; Connie Lazar, Film Equities Corp., secy.; Ed Evans, RKO Pathe, reelected treas. . . Ted Cott, gen. mgr. of WNBC & WNBT, New York, awarded French Legion of Honor for contributions to goodwill via international broadcasting . . . Don Feddersen, mgr. of KLAC-TV, elected president of TV Broadcasters of So. Calif. . . . Walter W. Gross, ex-J. Walter Thompson, named NBC-TV network sales mgr. in Detroit . . . Charlotte F. Stern rejoins DuMont Network as director of advertising & promotion . . . Maxwell A. Hage quits MBS night news desk to become TV newsreel editor for Radio-TV Dept., National Assn. of Manufacturers, headed by G. W. (Johnny) Johnstone . . . Earl R. Stanley reassigned to TV Branch, FCC Law Bureau, comes from AM Branch . . . Brig. Gen. Ken R. Dyke, ex-NBC v.p. now public relations v.p. for Young & Rubicam, has been recalled for 90-day tour of duty as liaison officer with Gen. MacArthur in Korea . . . John J. Keel, Washington consulting engineer, has relinquished his practice to join staff of President's Communications Policy Board . . . Richard M. Winslow, Harvard '43, science writer for *New York Herald Tribune*, joins RCA Information Dept., assigned to RCA Laboratories.

First Big Ten football telecasts close-circuited to United Paramount theatres in Chicago and Detroit Saturday, Sept. 30 (Vol. 6:32), resulted in disappointing attendance. For Illinois-Ohio State game, Chicago's State-Lake Theatre had 1500 in 2600-seat house; Tivoli, 1900 in 3400-seat house (admissions \$1.20). For Michigan-Michigan State game, Detroit's Michigan Theatre had 2000 in 4000-seat house (admission upped to \$2.50-\$1.80). But United Paramount officials say they aren't downhearted inasmuch as the first games were mere "breathers"; they look for true test as better games come along. Meanwhile, other theatres in Albany, Boston, Brooklyn, Queens Village, L. I. carried Chevrolet-sponsored Notre Dame-North Carolina game same day (Vol. 6:38), reported 50-60% capacity. Prices weren't changed inasmuch as game was also telecast publicly by DuMont. Large-screen pictures in Chicago and Detroit had some troubles, were, however, generally accepted as good. Color TV via closed circuit by end of football season had been planned by United Paramount, but it learned this week it couldn't get equipment in time.

Question of right to rebroadcast signals of another station, brought to FCC by Lansing's WJIM-TV (Vol. 6:29), has been made subject of proposed rule making (Docket No. 9808, Public Notice 50-1208). Using own microwave, WJIM-TV had been rebroadcasting programs of Detroit's WWJ-TV, with permission of NBC. But WWJ-TV claimed it was "originating station," under existing FCC rules, and was thus authorized to refuse rebroadcast rights. Commission noted that WJIM-TV petition "poses serious question whether [Communications Act] was intended to endow network affiliate with power to prevent the rebroadcasting of any network program in a substantially different area from that served by the affiliate." FCC is asking for comments by Nov. 13 and replies to comments by Nov. 24 on: (1) interpretation of "originating station"; (2) means of resolving conflict regarding "exclusivity"; (3) question of rebroadcasting foreign stations, something not mentioned in existing rules.

FCC adopted final rules on TV remote pickups, STLs and intercity relays this week, incorporated them in Parts 2 and 4 of rules and regulations. Order (Public Notice 50-1206, Docket 9363) assigns stations exclusive use of 7 channels in 2000-mc band, 7 in 7000-mc band, 7 in 13,000-mc band. Common carriers get exclusive use of 3 channels in 7000-mc band, 7 in 12,000-mc band. Six channels are to be shared by stations and carriers in 13,000-mc band. Report goes into details of sound channels, purpose of auxiliary stations, licensing requirements, remote control operation, operator rules, etc.

Broadcasters Advisory Council was formed Oct. 3 with NAB president Justin Miller as chairman. It will act as liaison with govt. agencies to further defense effort. Other members: Robert C. Sprague, RTMA; J. R. Poppele, TBA; Richard B. Hull, National Assn. of Educational Broadcasters; Robert E. Kintner, ABC; Frank Stanton, CBS; Mortimer W. Loewi, DuMont (C. J. Witting, alternate); Frank White, MBS; Joseph H. McConnell, NBC (Charles R. Denny Jr., alternate). Plan is to add 10 station operators from TV-radio ranks.

Singing cowboy Gene Autry told Allied States Assn. delegates at Pittsburgh convention Oct. 2-4 his TV chores were going to make his regular films more attractive than ever. He's making series of 26 half-hour westerns, sponsored by Wrigley on CBS-TV (Sun. 7-7:30). Seriousness with which theatremen take film stars' appearances on TV is indicated by *Motion Picture Herald*, which devoted full page to list of Hollywood stars on fall networks' feature programs—naming among others Gene Autry, Jimmy Durante, Groucho Marx, Eddie Cantor, Robert Montgomery, Don Ameche, Ken Murray.

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October 14, 1950

**In This Issue:**

- I—What FCC Color Decision Means.
- II—What the Manufacturers Say.
- III—What Distributors-Dealers Say.
- IV—What the Telecasters Say.
- V—What Press and Radio Say.

**I—WHAT THE FCC COLOR DECISION MEANS:** Hurly-burly following FCC's 5-2 authorization of CBS color -- announced Oct. 11 and effective Nov. 20 (for full text, with Hen-nock-Sterling dissents, see Special Color Report herewith) -- has tended to obscure these vital immediate and long-range considerations:

- (1) Colorcasting is "permissive", not mandatory -- with programs to be offered for long while via very few stations, and then mainly in "fringe" time.
- (2) FCC will wait and see how color catches on, voluntarily, before considering pressure on stations -- which would require drawn-out rule-making process.
- (3) Door is not closed to compatible systems. FCC goes out of its way, in decision, to emphasize that it will consider improvements in such systems whenever they come -- and RCA, CTI, GE and others promise them soon.
- (4) "Dual standard TV", with black-and-white dominant on all stations and with some color on a few, leaves market wide open for "buyer's choice" -- with free play of scientific, industrial and competitive forces settling issue eventually.

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Immediate effects of decision, briefly, were these:

- (1) It will be appealed to courts next week, with RCA, Pilot, perhaps others, filing suits -- despite claims of FCC lawyers that appeals have no chance.
- (2) Color converters will be made by a handful of companies -- Tele-tone, Webster-Chicago, Starrett, Celomat, plus number of tiny outfits, saying they'll turn them out. None expects to have more than samples before Jan. 1 at earliest.
- (3) Biggest set producers won't make color sets -- not in quantity, at least -- unless they have absolute proof public will permanently refuse to buy black-and-white. Even if they want to make such sets, they will be at loss until bracket standards issue is settled, inasmuch as FCC decision says hearing will be held on that subject at a later date. But eyes turned to Philco at week's end, when New York Times quoted president Wm. Balderston as stating company had conferred with CBS after decision and had decided to make sets for CBS system "if there is public demand." [See Part II.]
- (4) CBS will have to shoulder virtually all the colorcasting burden and the promotional effort, except for such assistance as the color set, adapter and converter makers may supply. New York will be key testing ground for some time, with relatively few stations joining tests at outset.
- (5) Most telecasters will wait out storm as long as possible, capitulating only if black-and-white sales are stopped cold -- regarded unlikely in view of color apparatus and servicing costs, limitation of color picture size in a field trending to larger and larger pictures, continuation of top-hole programs in monochrome.
- (6) Even those planning to transmit color will do so mainly on "off" hours, just as CBS's WCBS-TV in New York plans to do (Vol. 6:40), since they can ill-afford to disrupt revenue-bearing black-and-white schedules or ignore bulk of 10,000,000 black-and-white sets-in-use. [See Part IV.]

(7) Manufacturers will continue to concentrate on mass-production (and mass-priced) monochrome receivers, limited only by buying public's demand and availability of war-scarce materials. Distributors and dealers will soon indicate extent color has influenced demand, and war orders will soon govern TV industry's capacity for civilian output. [See Part II.]

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The burning question -- will people stop buying black-and-white? -- has no answer yet. Nor is anyone (including CBS, with its TV manufacturer-sponsors and its present and future stake in telecasting) likely to advise them not to. New York Times' Jack Gould asked CBS's Dr. Goldmark whether it would be wise to buy now:

"If I were enthusiastic about color, I'd wait," he answered. "If I were lukewarm, I'd buy."

We asked FCC Chairman Coy same question. "I'm not going to answer that question now," he replied. Had anyone else asked it? No, nobody.

Here are the reactions and information upon which foregoing projections of what-will-happen are based:

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PERMISSIVE TELECASTING: FCC chairman Coy tells us simply, "Hours of operation were not an issue in this hearing. The issue was standards. We never even discussed requirements for stations. Rule-making hearing would be required for that subject, just as it was in black-and-white. No one has asked for such rule-making in color." Obviously, Commission will "wait and see" before starting rule-making proceedings which could drag into months if not years.

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COMPATIBLE SYSTEMS: In paragraphs 16 & 17 of decision, FCC made it clear that new or improved color systems can be brought before it at any time but that proponents "will have to sustain the burden of showing that the improvement which results is substantial enough to be worth while when compared to the amount of dislocation involved to receivers then in the hands of the public."

Since it's FCC's legal obligation to consider developments of any kind, and in light of dissents by Hennock and Sterling, many industry people regard decision's elaboration of this point as indication Commission is not only willing but eager to see perfected compatible system come along if CBS system bogs down because of its incompatibility.

RCA won't stop work on its system, it made clear emphatically (see page 3). CTI's Arthur Matthews announced that his company "will continue full speed ahead with development of its new fully compatible color system, utilizing the 'Chromicon' camera, notwithstanding Wednesday's decision, in preparation for demonstration before the FCC." Of decision itself, Matthews said:

"It will impose a staggering financial burden on present TV set owners, and depreciate the value of black-and-white sets considerably....The American public will be unjustifiably saddled with an incompatible, inferior system which will impose an out-of-pocket penalty under this ruling....When this loss is fully realized by the public, CTI is confident the FCC will want to change its decision in the public interest."

Hazeltine's A. V. Loughren insisted: "I'm certain that a system employing mixed highs will eventually be used. The FCC is charged with conservation of a natural resource -- spectrum space. Mixed highs have proved their value for that purpose. To assist our licensees, we will of course supply them information on the CBS system."

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COURT TEST: RCA leaves no doubt that it will go to court, probably next week -- but venue isn't revealed. RCA contends FCC decision was "capricious" and its chairman David Sarnoff is convinced manufacturing and sales will be adversely affected and some companies forced to the wall. Pilot president Isidor Goldberg has publicly announced intention of asking injunction. His attorneys, Mnuchin & Smith, 33 W. 42nd St., New York, say they'll file next week, probably in Eastern District of New York.

RCA's Gen. Sarnoff called decision "scientifically unsound and against the public interest." He said: "No incompatible system is good enough for the American public. The hundreds of millions of dollars that present set owners would have to spend and that future set owners would have to pay to obtain a degraded picture with an incompatible system reduces today's order to an absurdity... Regardless of what anyone else may feel called upon to do, RCA will continue its efforts to advance the bedrock principles on which the sound future of color television can be built and will be built..."

\* \* \* \*

COLOR CONVERTERS, SETS, ADAPTERS: Tele-tone said it will make converters, up to 16-in. (magnified), that will work on any existing or future Tele-tone sets. Full-scale deliveries would begin "about the first of the year" at "surprisingly low" prices. Adapters aren't planned, since "we think people will want color, for just a little extra money, rather than merely continue to get black-and-white." Converters will be designed for Tele-tone sets only, at first. No difficulties are foreseen in converting sets, including consoles. Said sales manager Morton Schwartz: "We've been making our sets since March with idea of adding color if CBS system were adopted....We think we have a technique that's exclusive and we don't want to talk about it yet." No costs were mentioned.

Webster-Chicago anticipated "appreciable" production of 10-in. converters by first of year, larger sizes later. Cost of 10-in., reportedly, would be about \$100 plus installation. Company also said it would make adapters, but prime effort is obviously on converters.

Starrett said it would show samples of converters in 30 days, but would need 4-5 months to get into production; it has hired ex-CBS engineer Sidney Lidz to head color work.

Celomat reportedly will have 5 & 7-in. converters, selling for about \$15 & \$35, respectively, in a few weeks. But scanning adapter isn't included; company expects servicemen can accomplish adaptation for \$15-\$35 additional.

In Washington, McCarthy Bros., small servicing company, said it is ready to sell 12½-in. converters for \$70 installed.

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Worth noting is fact that adapters get little attention. Apparently thought is that people will go whole hog and buy converter, rather than stop with adapter.

Noteworthy, too, is fact that color sets, with disc and all enclosed, get little attention from the converter makers. Reason, of course, is that it will take many months to get any sort of production of built-for-the-purpose color sets.

Small size of CBS picture doesn't seem to worry those manufacturers promising converters quickly. Nearly everyone else is concerned about that factor. CBS is experimenting with "drum" instead of disc, to get bigger screen. Dr. DuMont has experimented with drum for months, laughs when asked about its use in home. Drum idea is simply this: Panels of drum are color filters. Picture tube is slipped into drum sideways, supported there while drum rotates.

As for projections, they have their problems. North American Philips, prime projection exponent, is sold on its 2½-in. tube, foresees registration problems if 3 patches of phosphors are placed on its face, which is way CBS achieves projection, but with larger tube. Philips is working on whirling disc with small tube but says there's severe problem of light loss.

Projections are always more costly, use more components, have not clicked with buying public. And, on top of that, lenses and mirrors will be harder to get as military steps up demand for that type of equipment, too.

Hanging over whole problem of trying to make color sets is issue of bracket standards (Vol. 6:40). Here's how Dr. DuMont looks at it:

"We regard this whole thing as a tentative decision for CBS. On one hand, they adopt the system; on the other hand, they say they'll hold a hearing on bracket standards. That means that if you tried to build color sets, they'd become obsolete when bracket standards are adopted. How crazy can you get?" Dr. DuMont reports that some dealers are scared, but he doesn't know whether fears are yet justified.

CBS's PLANS -- President Frank Stanton issued statement, also read on CBS newscasts: "Today's action...means that color broadcasting is a certainty.... Although there has been understandable controversy within the industry over the color television question, CBS is confident that all segments of the industry will now unite to bring to the public this great advance in the television art and that within a few months color receivers and converters will be on the market...

"CBS will shortly announce its specific plans in a number of different areas of color television activity. These will include its color broadcast schedule which within the next 2 months will reach the rate of 20 hours weekly. Many of these programs will be made available to stations in the 45 markets connected by coaxial cable and radio relay. In addition, arrangements will be announced for public demonstrations of color television, as well as for clinics on color television for manufacturers, broadcasters, television service organizations, and advertisers and advertising agencies."

These plans may be announced next week. CBS says some stations are willing to accept color over network if schedule can be arranged. There's question whether CBS can start before Nov. 20, when new standards become effective. WCBS-TV now has 10-11 a.m. color test pattern daily, but Coy says this can't be converted to programs, even sustaining, before Nov. 20.

All-out effort by CBS, at least for awhile, seems certain. Then it, too, will have to evaluate its expenditures and see whether it's getting anywhere. CBS has denied any intention of going into receiver manufacture on own, but has been quoted as stating it will assist in forming a new \$50,000,000 corporation to manufacture color sets if present industry doesn't.

Network's news coverage of Wednesday decision was quite complete that night and next morning, and was very restrained and circumspect. It has said nothing to affiliates as yet, aside from sending them (and all other TV stations) same statement by Stanton that went to press and that's excerpted above.

CBS stock rose from 36 Monday to high of 40½ day of decision, closed Saturday at 36%. Total A & B shares traded during week was estimated at 41,800.

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RTMA president Robert Sprague issued calm statement at week's end:

"As of Nov. 20, there will be two broadcasting standards -- black-and-white and color. Present black-and-white sets will be able to continue to receive present black-and-white broadcasting...

"There are approximately 8,000,000 TV sets in the hands of the public... [They] will be unable to receive color broadcasting, under presently approved standards, either in black-and-white or in color, unless and until the owners of these 8,000,000 TV sets can purchase [and install] either 'converters' or 'adapters'.

"Because of this situation, there will be a continuing and increasing audience of 25,000,000 or more people for present black-and-white broadcasting, and, initially, at least, practically no audience at all for color broadcasting.

"For this reason mainly, most informed persons in the industry believe that color, as presently selected by the FCC, will have a very slow growth indeed.

"However, if and when a color system is available which is 'compatible' with present black-and-white broadcasting, then all programs could be broadcast in color without any loss in audience whatsoever. And those who wanted to receive the many fine programs in color would be able to purchase color receivers [when] available.

"The vast majority of the engineers and scientists in the electronic field believe that there will be available within a reasonable length of time a satisfactory commercial color system which is 'compatible'...

"It is my considered opinion that this will be in the not too distant future, as enormous strides have already been made in this direction, and I have great confidence in the ability of our many great scientists and engineers to bring this highly desirable development to an early successful conclusion.

"The FCC in its present order encourages the development of such a color system and will certainly seriously consider its adoption if and when available..."

**II--WHAT THE MANUFACTURERS SAY:** Aside from handful who announced they would make CBS color sets, converters or adapters (see Part I), reaction of most manufacturers -- as gleaned from replies to our telegraphed inquiries and from statements to press -- ranged from bitter anger to can't-do-it, won't-do-it, depends-on-demand. More than score replies included most top producers, though some remained silent.

What RCA's Gen. Sarnoff, DuMont's Dr. DuMont, RTMA's president Sprague had to say is quoted in Part I. Here's what others said:

Admiral's Ross Siragusa: "We do not plan to manufacture CBS color receivers or color converters or black and white adapters." Submitted also was his statement telegraphed to all Admiral distributors for relay to 16,000 dealers in TV areas:

"Regarding recent FCC color decision we urge you acquaint your customers with fact that decision allows for continuation dual-standard of telecasting which means that present excellent programming will continue black and white on all 4 major networks. Impractical, unsightly whirling disc system which Commission approved will be pushed only by CBS network owning four stations out of the national total of 107. No sponsor will make any investment color telecast for audiences which will consist mainly of CBS executives.

"It is our prediction that CBS color will fumble along for a few months, after which time compatible electronic system which can be utilized by present receivers will be perfected. Then CBS receivers will be completely obsolete. In view of these facts, I urge you reassure public that Columbia color and FCC action mean little or nothing to harm growth of television as we know it.

"Admiral is proud of way you TV dealers...have steadily increased your business in spite of obstacles bureaucrats have constantly thrown in your way."

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Air King's David H. Cogan: Replying by phone stated there's real problem in getting components. He questioned acceptability of 7 and 10-in. color sets. Though at FCC hearing he estimated 10-in. color converter (blown up from 7-in.) would cost \$100-\$125, he now says "nearer \$200." To build a brand new color set, he said, would cost \$125-\$130 more than standard 10-in. He expressed concern over risk of tooling up for color and converters -- "tremendously expensive for smaller set makers." He said bigger companies might "roll the dice" with color as a side-line, but wasn't sure he can afford to do so. He confessed he's "now worried" but said: "No manufacturer was more enthusiastic about CBS color during the hearing, or has had more experience in designing sets for it." He added he thought Comr. Sterling was right in saying public doesn't want small-screen sets, even in color.

Andrea's F. A. D. Andrea: Quoted in New York Times as expressing hope Congress will intervene. He called CBS color a "Rube Goldberg system".

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Belmont Radio's W. L. Dunn (Raytheon): "Have no immediate plans for manufacture of CBS color receivers or color converters but are taking precautionary measures of finalizing engineering design of adapter which we will try to make available during [1951] first quarter to distributors requesting at price not yet determined. Impact of decision on dealers and distributors has resulted in isolated cases of color hysteria. However, these reactions are in no way indicative of the actual effect on the market."

Bendix's William A. Mara: In statement to press asserted that "because of the huge mobilization program, mass production of color TV receivers is at least 3 to 4 years away." Bendix made some of CBS's experimental color receivers, and Mr. Mara stated technical problems in making them involve (a) space -- "scanning disc will almost double width of current sets"; (b) screen size -- "CBS system is satisfactory on 12½-in. tubes" but "current demand is for 16-in. or larger"; (c) price -- inevitably much more expensive. "The immediate problem is meeting the demand for black and white. There is an enormous amount of research ahead before we can mass produce a marketable color TV package at an attractive price."

Crosley's John W. Craig: "Cannot advise whether we will manufacture color receivers as doubtful that public will pay higher prices for a degraded color TV

system. At this time much additional use of critical materials and critical development and production manpower would be required for production of color receivers. Have no plans to produce color converters or black-and-white adapters..."

Emerson's Benjamin Abrams: "We are in process of meeting to determine plans in light of FCC decision. No comment until plans are formulated. Decision had some effect on dealer sales but not sufficient to affect company's production plans until end of year." Earlier, Mr. Abrams stated (Vol. 6:40) it would take at least a year to get a color receiver into production, adding: "I don't see much market for it anyhow, even in New York."

Freed Radio's Joshua Sieger: Press release quotes him as stating: "The mechanical sequential color system approved [by FCC] was tested and rejected many years ago in British laboratories as unsuited for home use...never used for color motion pictures." He adds: "It is a mockery of the public welfare that this antiquated system of color reproduction, discredited and repudiated for use in as simple a medium as the motion picture, should be approved by an official govt. agency for the vastly more complicated art of TV...not one single TV manufacturer is willing to invest a single cent in the manufacture of color receivers based on this antiquated system. They will be obsolete before they even reach the blueprint stage."

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General Electric's W. R. G. Baker: "Much too early to give positive answer [to question about building color sets, etc.]. Distributors report considerable confusion and public questions but no definite reports on effect on sales." In press interview, Dr. Baker called FCC action "an attempt to force a technological change ahead of time." It would be comparable, he said, to a hypothetical govt. order that "on and after Jan. 1, 1951, all railroads should be equipped with jet-propelled locomotives."

Hallicrafters' William J. Halligan: "No clear plans now but may be able to manufacture double-standard black-and-white receiver ultimately. Flying disc color receiver cost unknown...Some jobbers report their dealers are restive, but others ask us to divert to them any receivers which may be cancelled by others." In earlier statement to press, Mr. Halligan said:

"It is a craven decision brought about by misguided Senatorial pressures rather than by a true concern for the public interest...The TV industry, into whose face this decision was flaunted, showed unanimously in their replies to the FCC a greater, more sincere concern for the public interest than the Commission which has been sworn to uphold it. I am reminded of Horace, 'The mountains have been in labor, and brought forth a ridiculous mouse'."

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Hoffman Radio's H. L. Hoffman: "FCC color decision pulled rug from under TV sales both at wholesale and retail level, and manner in which news release has been handled by CBS and FCC has augmented confusion in present set owners minds as well as potential buyers. We have no current plans to manufacture CBS color...This could very well be a dilemma passed on to consumers similar to 33 1/3 & 45rpm record changers that killed radio-phonograph business, because when consumer doesn't get intelligent answer he merely goes on buying strike. Certainly, information we have so far makes it difficult to tell intelligent story to consumers."

Kaye-Halbert's Myron Blackman: Replied by phone from Los Angeles to say his company has no intention of making such sets, has felt no impact on sales due to FCC decision.

Majestic's Louis Silver: "Our position has not changed in any manner, shape or form [from what it submitted to FCC in reply on bracket standards; see Special Digest of Oct. 7]. We still feel the decision, as announced by FCC, is not only premature but almost an impossibility."

John Meck Industries' John Meck: Press release flatly states company will not switch production to color, warns that "the CBS system might mean putting a 4 1/2-ft. disc whirling at the rate of 50 miles an hour into the TV family's living

room." Letter to dealer asserts "no manufacturer is going to do an all-out job on [CBS] color equipment." Mr. Meck added:

"The CBS system is not now and never will be practical for anything more than a 10-in. or 12-in. picture tube. Next spring, the most popular size will be 21-in. The whirling disc needed to produce color pictures from this tube would have to be about 54-in. long...would have to revolve at the rate of 50 miles an hour at its circumference. There is not enough equipment in the U.S. to perform the dynamic balancing required for such a wheel...The FCC has left the way open for a sound electronic system of color TV...This arbitrary decision has no practical effect on the situation, but only adds to the confusion."

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Motorola's Walter Stellner: Via telephone stated company has no color plans at moment, said dealers are still taking all sets turned out and merely joking about "sending us truckloads of color sets". Motorola's Paul Galvin expressed hope action would be taken to courts, and in New York Friday executive v.p. Robert Galvin lashed out against CBS color, called disc "flying saucer," predicted it "will die as soon as the public gets all the facts." Motorola has wired its distributors and dealers:

"We feel there is nothing alarming about this decision because it does not affect today's black-and-white TV...Keep in mind that the public is being increasingly well served by today's black-and-white TV standards and programs and will continue to be [for] a long time to come. Sets of today's designs and today's black-and-white TV programs will obviously remain the backbone of the TV business for an equally long time...Satisfactory color TV on the CBS standards is still a long way off...Whirling color disc [is] impractical and limits picture size to 12½-in. tube or less, which the public already regards as too small. The public has been hearing about color for almost 2 years but they have gone on buying present black-and-white sets in huge quantities. We are convinced they will continue to do so."

Olympic's Percy Schoenen: Replying by phone, stated company is working on plans for adapters, converters, color sets, but doesn't know when it can make them or how much they will cost. Company policy is to make sets for whatever system is adopted. Has had no adverse reaction from dealers yet.

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Philco's William Balderston: Stated to New York Times (Oct. 14) that company will make receivers for CBS system "if there is public demand" but added he thought FCC has made a "gross mistake"; that black-and-white will be useful indefinitely; that existing 8,000,000 sets do not face early obsolescence. Philco engineers conferring with CBS to "learn" about system. In not closing door entirely on CBS system, as have most other manufacturers, Mr. Balderston said Philco's plans necessarily were tentative and subject to change.

Sightmaster's Michael Kaplan: "Your Commission's decision favoring the CBS color system is received with deep concern by the Television Manufacturers Assn.," states message to FCC released Friday. "In the public interest, we would like to know whether CBS shares 1/100th the confidence in their incompatible system that your Commission does. We would like to see the color of CBS money invested in the chaotic manufacturing wilderness created by their system and your decision. As far as we know, CBS has not put up one dime. Why?"

Stromberg-Carlson's Sidney Curtis: "We don't know the answers. How can we figure designs and costs when we don't know whether Commission demands bracket standards, on which it says it will hold hearing later, or a simple switch, or compatibility later? How can we presume to sell a degraded picture to our customers? Maybe a plug-in for color is the answer. We just don't know -- and the Commission hasn't made things any clearer."

Sylvania's Max Balcom: "We don't know yet what we're going to do. We have made no decisions. There is no evidence yet of adverse impact on trade."

Tele King's Louis I. Pokrass: "Plans not yet made...Too early to feel results from distributors and dealers on sales."

Zenith's E. F. McDonald: Quoted in Oct. 13 New York Times as declaring he has no intention of "halting or slowing" the manufacture of black-and-white sets.

**III—WHAT DEALERS & DISTRIBUTORS SAY:** "Restive" is the word that pretty well describes attitude of distributors-dealers toward FCC color decision -- reflecting reactions of buying public. There are some 20,000 in TV areas, and their opinions are important, economically and politically -- the pocketbook pulse of the trade.

From replies of manufacturers to our queries about effect on trade [Part II] you could gain impression that tremendous publicity actually hasn't hurt sales of TV receivers very much -- yet. From first few days' reports on TV-boomtown Washington and other TV cities, that impression persists, though some industry leaders (notably RCA's Sarnoff) are extremely bearish about impact on trade.

Except for cancellations of small orders by some dealers, and to lesser extent by a few purchasers, there has been no great upset in today's flourishing market. Name brands are still moving; it's the smaller companies -- manufacturers, distributors and dealers -- who are worrying most because they have no backlogs of demand, no cushioning resources, as have the big companies.

A major eastern RCA distributor says dealers are "mildly upset" but haven't cancelled or refused deliveries; another big one told of 11 dealers cancelling small orders. Echoing public inquiries, dealers are asking, "What does it mean?" Manufacturers are attempting to answer, individually, and RTMA's TV committee meets Oct. 16 in New York's Hotel Roosevelt to consider FCC color report and what the industry should say to the public.

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Business reports in newspapers supported manufacturer-distributor accounts of no letup in buying. New York Herald Tribune's Oct. 13 "Buyers & Sellers" column reported crowds thronging TV departments and "buying heavily." Conclusion of that column: "No adverse effect on the sale of black-and-white sets."

Quick survey of key Washington distributors and dealers reveals there's not much public reaction, few cancellations. Two of city's largest chains sold more TVs Thursday (day after color report) than day before. Only negative reaction was from George Wasserman, owner of George's, one of country's biggest chains.

Wasserman is worried about inventory, said he was going to cancel all orders Nov. 1, won't re-order until manufacturers assure him he won't be left holding the bag if sales drop to nothing. He's "suspicious," he said, of the large number of delivery notices he's received recently -- "carload lots" -- whereas up to beginning of week he had to "sweat to get merchandise." He's afraid, he said, that in 2 or 3 weeks, when "manufacturers have cooled down" and their "labs begin working on color TV," they'll begin "jockeying for position" in color -- and the dealer take hindmost. But business is good, he admitted, and he thought it will be year before manufacturers have color sets at any reasonable price level.

Retailing Daily reported Oct. 13 that leading New York dealers have indicated they are going to cancel -- one chain store executive stating cancellations were primarily to force manufacturers to clarify confusion via big newspaper ads.

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Distributor-dealer reports indicate local newspapers, radio and TV stations leaned over backwards to get facts and present them clearly to public. For most part, first thinking that all set owner needed was \$30 gadget to get color has been dispelled; public now understands such an adapter will simply permit black-and-white reception from colorcasts, converter costing perhaps \$100 more -- plus servicing.

It's clearly understood now that converters will cost lot more than previously published prices. Trade is inclined to look on them as passing fancy (like Pilot's \$29.95 FM converter, which enjoyed short-lived vogue). Color receivers will cost considerably more than \$200 price attributed to CBS unless and until they go into mass production, seen unlikely in immediate future.

Grave doubts are raised whether servicemen are capable of adjusting present sets for either adapters or converters -- aside from the increasingly acute manpower and components problem. Consensus is that many sets will have to be taken to service shops for adapting, returned to factories for conversion. Only group publicly announcing readiness to undertake job is New York's Assn. of TV Service Companies.

Group plans to set up new training program as soon as technical information is released, according to president Joseph Laughinger Jr.

Our own early, quick survey, mainly Washington, New York & Philadelphia, is quite at variance with some reports -- such as Wall Street Journal's (Oct. 14) which headlines "Official Okay on Color Brings a Sales Tumble on Standard TV Sets" and goes on to quote dealer complaints that business is "slowing down" or "drying up." Even in Washington, a Pilot dealer is reported saying: "Everything just stopped dead yesterday. I sold exactly one receiver. Normally I'd get rid of 30-40 a day."

An eastern dealer is quoted as assailing set makers for "blurring" the color picture: "Instead of blasting the CBS color system, manufacturers ought to be telling the public the facts. Will they make color receivers? When will they reach retail stores? Exactly what will these sets do or not do? These are some of the things consumers want to know." Admiral is preparing question-and-answer flyer for point-of-sale distribution.

**IV--WHAT THE TELECASTERS SAY:** FCC has placed upon CBS the full, back-breaking job of "selling" its system of color TV to the telecasters. This results from Commission's failure to promulgate rules "forcing" stations into color operation.

Indirect pressures may be applied by Commission or individual commissioners, of course. Color question may be brought up at renewal time. New applicants may be asked whether their intentions towards color are honorable.

CBS is acknowledged, however, to be a past master in publicity and promotion -- in an industry where such skills are stock-in-trade. But except for a very few CBS affiliates, stations continue to show a conspicuous lack of enthusiasm for any kind of incompatible color.

Since telecasters aren't obligated to carry color under new FCC standards -- not yet, anyhow -- it's certainty that mere handful will do so at outset, and that there will be little or no colorcasts during prime hours. Only stations thus far indicating they will carry CBS color, besides CBS's own WCBS-TV in New York, are WTOP-TV, Washington (45% owned by CBS); WCAU-TV, Philadelphia; WBKB, Chicago (Paramount); maybe others, unconfirmable.

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Such is "fear complex" toward FCC, product of years of its sway and failures to break its power in court, that most telecasters (who also are AM operators of long standing) maintain discreet silence about their views -- publicly. But you can be pretty sure these have no intention of transmitting CBS color at outset: NBC's 5 stations, ABC's 5, DuMont's 3, Crosley's 3, Stromberg-Carlson's WHAM-TV, Scripps-Howard's WEWS (CBS affiliate), Milwaukee Journal's WTMJ-TV (partial affiliate), Buffalo News' WBEN-TV (partial affiliate), Washington Star's WMAL-TV, Chicago Tribune's WGN-TV. Some others didn't hesitate to talk to local newspapers:

To Louisville Courier-Journal, both WHAS-TV technical director O. W. Towner and WAVE-TV general manager Nathan Lord stated "color TV will not be seen in Louisville or in most areas in the near future." (Courier-Journal owns WHAS & WHAS-TV, CBS affiliates.) Minneapolis Tribune reported "officials of WTCN-TV and KSTP-TV predicted...that it would be several years before the public may see color TV."

Huntington (W.Va.) Herald-Dispatch (WSAZ-TV) quoted manager Lawrence Rogers: "The FCC decision will have absolutely no effect on our TV service for some unforeseeable period of time." Atlanta Constitution (WSB-TV) quoted manager John M. Outler: "Pending court action, plus the scarcity of critical material needed in the manufacture of color TV receivers, in our opinion [renders] the FCC's decision an academic one. In our best judgment sets in use today will be worn out before the necessity of converting or adapting for color TV arises."

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Another of CBS's basic affiliates said he wouldn't put out color "until it can be seen." But he thought half dozen sets in public places would warrant acceptance of some color off coaxial. He said he'd like midday show to catch people at lunch hour. Nevertheless, he still hopes for compatible system. Would he invest in studio equipment? He said he'd consider "such a \$50,000 investment, for 2 camera

chains" in light of another question, which he posed himself: "Would FCC guarantee that the equipment would be good for, say, term of my license?"

Stations could get color from CBS-New York, via network, could broadcast it without any change in own equipment -- with one catch: Suppose some stations en route want color, others don't, what then?

To originate local color, stations would have to buy equipment. NTSC Panel 8 (T. T. Goldsmith, DuMont, chairman) estimated existing camera chains could be converted in 3-4 months, at factory, for about 50% above original cost. Black-and-white chains run about \$16,000. New color chains, built from ground up, would come in about a year, cost around \$20,000. Camera chain can get color picture out on "emergency" basis. Color picture monitors would take 9-12 months; film pickup, 18 months; kinescope recordings, 2-3 years.

To all 107 telecasters, CBS president Frank Stanton extended welcoming hand, telegraphed them same statement issued to press. [See Part I.]

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Most TV stations were deluged with calls for explanations of FCC decision. WTOP-TV's Jack Hayes reported some 400 inquiries day after decision. He said set owners wanted to know when and where they could get adapters and converters. WTOP-TV will start CBS color off coaxial in about 60 days, Hayes said, and he's asked CBS for its "second camera," in order to make Washington originations. He reported that WCAU-TV's Don Thornburgh has also asked for the camera. Formal WTOP-TV statement said its officials were "highly pleased with the decision" and Washington Post carried laudatory front-page article and editorial on decision.

Television Broadcasters Assn., which like NAB has been silent throughout color imbroglio, broke that silence Friday with statement by president J. R. Poppele which had blessing of board (including CBS member) and which said that new standards "in no way interfere with the continued broadcasting of black-and-white TV programs by the nation's 107 TV stations." It reassured public that transmission of monochrome will continue "free and unhampered" and noted that production of sets and telecasting of color "will be gradual" and "the process may be slowed by the exigencies of the present national emergency."

**V—WHAT RADIO AND THE PRESS SAY:** Though somewhat confusing to the layman at first, press-radio reports of FCC's decision and its meaning were carefully handled, by and large, and were calculated to disturb trade as little as possible. It was front-page news in metropolitan papers everywhere, particularly in TV areas, and the radio networks also devoted considerable attention to it.

Even Edward Murrow and Arthur Godfrey on CBS took occasion to comment on color. The famed newscaster (also member of CBS board) worded his comment in quite restrained, objective fashion, as did other CBS newscasters. First CBS report broke at 6 p.m., Oct. 11, apace with bulletins in late afternoon newspapers. NBC carried news first time at 11 p.m., combining it with Gen. Sarnoff's denunciation.

First United Press story, printed in many cities, caused a ruckus. It had FCC saying it had to make decision now "to prevent public from getting stuck with any more sets that cannot receive colorcasts." This was revised later to say FCC had acted "to protect future buyers against sets that might become outdated."

Associated Press carried long reports, gave considerable space to Hennock-Sterling dissents. For several days it had separate stories on industry reactions, by its TV-radio specialist Wayne Oliver, with emphasis on fact present sets were not being obsoleted.

Among better special reports by newspapers' own correspondents, Jack Gould's in Oct. 12 New York Times stood out. In question-and-answer form, he answered obvious questions: That existing sets won't become obsolete overnight. That even CBS acknowledges programs will be offered in black-and-white "for perhaps several years". That 12½-in. size is "rapidly being outmoded." That most CBS colorcasts will be in "marginal time" -- after evening signoff, in daytime, etc.

On how good CBS color is, Gould (who has always indicated partiality to compatibility) related: "At their best, the color images are superior to the Techni-

color seen in the movies. The hues are softer and more restful. The added 'information' contained in the color images, such as identifying the jerseys of competing football players, is self-evident. The advantages of color are exemplified perhaps even more vividly in the costuming for musical revues. A few looks at color TV and black-and-white seems drab indeed."

New York Times ran photograph of color-converter set Oct. 13, Herald Tribune same day ran 3 of converted sets, 2 of adapted, one color receiver. They were much same as units demonstrated in Washington, with sliding disc, lenses, etc.

Front-page box in Baltimore Sun (WMAR-TV), adjacent to Oct. 12 Washington bureau story, stated that FCC decision "will not soon and perhaps may never materially limit the effectiveness of TV receivers now in use or on the network...

"Color is coming and it will add to the attractiveness of many of the programs, but regularly scheduled programs in black-and-white will continue, probably indefinitely, just as black-and-white motion pictures continue to outnumber those in color...The public will do well to remember that plans other than those developed by CBS may be developed and found acceptable by the FCC, so that today's decision may at some future time be subject to reconsideration." Sun's WMAR-TV, one of the 40 TV stations owned by newspapers, is headed by ex-FCC Comr. E. K. Jett.

\* \* \* \*

First cartoon at hand was on front page of Oct. 13 Washington Star (WMAL-TV), which devoted considerable space day before to press association reports and extremely careful local reporting of reaction. Cartoon showed FCC Chairman Coy leaning on TV console, screen of which is covered by sheet of paper on which is inscribed, "FCC Color TV Ruling". Coy is remarking to J. Public: "Now, you can see it in color, John." To which disgruntled retort is: "All I can see is red."

Washington Post Oct. 13 also carried Herblock cartoon showing TV antenna atop modest house, outside which man is pointing to rainbow surrounded by dark clouds labeled "color television disputes"; caption has man saying "See It?" And Scripps-Howard cartoonist Talburt Oct. 14 had one with 2 TV sets facing each other, one labeled "FCC" and other "Set Manufacturers", with irate old codgers on screens shouting at each other.

Washington News captioned Oct. 13 color story, "It Seems CBS Color TV System is 'Combatible'" and reporter Milton Berliner states: "As of now, Washington's WNBW, WTTG and WMAL-TV do not intend to broadcast color at all...WTOP-TV, a CBS station, may do a bit of it in the off hours."

**NEXT STEP TOWARD ENDING FREEZE:** All 13 members of Ad Hoc Committee, composed of top-hole engineers and organized under FCC aegis in 1948 to study vhf propagation and service areas, are due to testify as initial witnesses at FCC en banc hearings on general TV issues. First of hearings aiming at ending freeze (Vol. 6:35-36) starts Monday, Oct. 16, in Dept. of Commerce Auditorium. Purpose of calling Ad Hoc members is to clarify their points of disagreement on committee report (Vol. 6:26, 37). Differences are reported so acute that, unless Commission holds each to minimum, their testimony could occupy exorbitant time.

Revised list of appearances issued Oct. 12 by FCC includes 9 additional witnesses to those listed in our Supplement No. 70 of Sept. 29, eliminates one (WCOP, Boston) which withdrew. New list also adds category on interference & propagation, with 8 appearances to be heard right after first part on rules & standards.

Ad Hoc committeemen: Edward W. Allen, FCC technical information chief, chairman; Stuart L. Bailey, George H. Brown, Thomas J. Carroll, Paul A. deMars, Ralph N. Harmon, Frank G. Kear, Albert F. Murray, Kenneth A. Norton, Chester H. Page, Robert P. Wakeman, Raymond M. Wilmotte, Jay W. Wright. The 9 added witnesses: RCA; KSJB, Jamestown, N.D.; WBTV, Charlotte; WHDN-FM, New Brunswick, N.J.; WEEX-FM, Easton, Pa.; WHYN, Holyoke, Mass.; WJDA, Quincy, Mass.; WSAN, Allentown, Pa.; WTTV, Bloomington, Ind. The 8 witnesses on interference, propagation, etc.: Communications Measurements Lab, New York; Kear & Kennedy, Washington; RTMA; WBTV, Charlotte; WJR, Detroit; WPIX, New York; WSM-TV, Nashville; WTIC, Hartford. Digests of their comments are included in our Supplements No. 67 to 67G.

**Telecasting Notes:** New owner of Don Lee properties, it seems reasonably certain, will be Hoffman Radio Corp., up-and-coming Los Angeles TV-radio manufacturer which has gone great guns postwar on West Coast, now distributes nationally. President H. Leslie Hoffman's bid of \$11,200,000 for Don Lee Network (including TV outlet KTSL and \$5,000,000 cash assets) will have to be exceeded by 10% to be considered before probate approval, so Oct. 20 deadline is expected to see Hoffman group ready to take over, subject to FCC approval . . . Mr. Hoffman says he has no intention of disposing of any of properties, which excludes reported purchase of TV outlet by CBS, understood to have been part of General Tire-Yankee Network bid plans; that bid was reported at \$10,900,000. Oilman Ed Pauley, investment bankers Blyth & Co., and WOR were in Hoffman syndicate, but they won't participate in control. There's good prospect Mr. Hoffman will retain Lewis Allen Weiss to run things . . . Mr. Hoffman's reason for buying Don Lee, as stated to us: "This is another bet by Hoffman on the future of radio and TV and on future of the West, and gives our company a greater diversification within the electronic industry" . . . CBS now faces necessity of probing elsewhere to purchase much-wanted Hollywood outlet of own; it owns 49% of KTTV with *Los Angeles Times*, but exerts virtually no voice in operation. Hollywood speculation is that it may try again to buy KFI-TV, reportedly "not for sale", or reopen negotiations for Mrs. Dorothy Schiff's KLAC-TV (Channel 13) . . . WCBS-TV, New York, Oct. 16 starts its telecast day at 11 a.m. Mon. thru Fri., at same time CBS-TV network starts its daytime schedule at 1:30 p.m., adding 2 hours daily . . . WKY-TV, Oklahoma City, has expanded to minimum of 9 hours daily, signing on at 2 p.m. with one-hour disc jockey show . . . WTOP-TV, Washington, Oct. 16 begins its weekday schedules 1:30 p.m. . . ABC is dividing its Spot Sales Dept. into 2 independently operating entities as of next Dec. 31—TV Spot Sales and Radio Spot Sales, each with own manager, both reporting to Ralph Dennis as mgr. under Murray Grabhorn, v.p. for owned-and-operated stations . . . Fire broke out Wednesday at 500-ft. level of WOR-TV's 760-ft. tower in No. Bergen, N. J., caused by short circuit and igniting only non-metal object in 12-ft. sq. metal house containing microwave relay equipment—a wooden bench. Short but spectacular blaze could be seen for miles around . . . New York City's WNYC, municipally owned, authorized this week by Mayor to seek TV outlet, support efforts to reserve channels for non-profit educational stations.

Channel 9 in Minneapolis-St. Paul is sought by George Storer's Fort Industry Co. in 355th TV application on file with FCC (for details see TV Addenda 11-N herewith). Fort already operates stations WJBK-TV, Detroit; WSPD-TV, Toledo; WAGA-TV, Atlanta, and is applicant for Wheeling and Miami where it has AM outlets. It will drop one application when FCC begins to act after freeze is lifted, since rules limit ownership to 5 stations. Minneapolis-St. Paul have 2 stations now operating, 3 applications now pending (see *TV Directory No. 11*).

CP for WJAX-TV, Jacksonville, was deleted this week when FCC denied request for reconsideration of earlier opinion refusing to extend construction time (Vol. 6:31). This leaves only single CP—for WCON-TV, Atlanta, due to become WSB-TV (see TV Addenda 11-N herewith).

**Personal Notes:** George Whitney, Don Lee sales mgr., rejoins KFI & KFI-TV Nov. 1 as gen. mgr., succeeding Wm. B. Ryan, now NAB . . . John Williams promoted to mgr. of TV sales, NBC Western Div. . . John J. Keel, who has accepted temporary post with President's Communications Policy Board (Vol. 6:40), has not relinquished his Washington consulting engineering practice . . . Mike

Jablons, ex-WNYC and MBS, recently partner in program-package firm of Gainsborough Associates, named special asst. to FCC Comr. Frieda Henneck . . . A. A. Schechter, MBS v.p. in charge of news, special events & publicity, has resigned . . . Arch Shawd has resigned as sales mgr. of WJR, Detroit . . . J. Frank Gilday named TV director of Cecil & Presbrey Inc., assisted by Leo M. Langlois, ex-Campbell-Ewald, as executive producer; William Patterson, ex-CBS, production supervisor; Joseph Lamneck, commercial production . . . Jack Murphy, ex-WABD, appointed WPIX sports director . . . Kolin Hager, ex-SESAC, has joined Progressive Broadcasting System as Eastern mgr.

**Network Accounts:** Lucky Strike's Jack Benny show starts Oct. 28 on CBS-TV, Sat. 8-8:45, thereafter every eighth Sunday, time not yet set; Anheuser-Busch (Budweiser) agreed to forego its *Ken Murray Show* for Benny's Oct. 28 opening . . . Texas Co. sponsors *Metropolitan Opera* opening Nov. 6 for third successive season on ABC-TV, plans to telecast at least 3 other Met offerings this season . . . Manor House Coffee Oct. 20 starts *Stud's Place* on ABC-TV, Fri. 10:30-11 . . . Colgate-Palmolive-Peet Oct. 14 begins sponsoring remaining U of Pennsylvania home games on ABC-TV, Sat. 1:45.

**Station Accounts:** Nearly 100 banks in 37 TV cities are sponsoring local telecasts, according to tabulation in September *Television Magazine* . . . Metro-Goldwyn-Mayer to test TV trailers first time in November promotion of film *King Solomon's Mines* . . . DuMont has released to distributors and dealers for local sponsorship series of open-end film spots covering TV line . . . Gimbel Brothers, New York, signs with WNBT for year's use of varying one-minute spots, station breaks, programs, starting Oct. 30 . . . Milwaukee Gas Light Co. buys WTMJ-TV half-hour weekly *Milwaukee Newsreel* . . . In Detroit, Kroger grocery chain is using film spots on WWJ-TV to advertise for employes, films illustrating advantages of working for company; Federal Dept. Store chain buys 1:30-2 daily strip on WXYZ-TV for man and woman shopper team commenting on merchandise and newspaper advertising of the chain . . . On Richmond's WTVR, big Colonial Food chain with Hotpoint dealers sponsoring Mavis Gibbs, food editor of *Southern Planter*, in weekly show *Adventures in Cooking* . . . WCBS-TV, New York, reports following new business: Williams Oil-o-Matic Div., Eureka-Williams Corp., thru Casler, Hemsted & Hanford, Chicago; Rhodes Pharmacal Co. (Umdrin), thru O'Neil, Larson & MacMahon, Chicago; Wilson & Co. (Ideal dog food), thru Ewell & Thurber, Chicago; Life Magazine, thru Young & Rubicam; Robert Hall Clothes Inc., thru Frank B. Sawdon Inc.; Stahl-Meyer Inc. (Ready-to-Eat Meats), thru Dowd, Redfield & Johnstone; Rybutol Div., Vitamin Corp. of America, thru Byrde, Richard & Pound . . . Among other sponsors currently reported using or planning to use TV (agencies N. Y. unless otherwise specified): Anahist Co., thru Foote, Cone & Belding; B. T. Babbitt (cleansers), thru William Weintraub Inc.; Wiscon Products Inc. (Dri-Cool Briar Pipes), thru Hamilton Adv. Agency, Chicago; Fisher Nut & Chocolate Co. (salted-in-shell peanuts), thru Goodman Firestone, Minneapolis; Baconette Products Co. (Skittles Bacon Flavoring), thru Jordan Co., Los Angeles; Home Test Products (Roll-a-Ray reducing methods), thru Huber Hoge & Sons; O. W. Siebert Co. (baby carriages), thru Cory Snow Inc., Boston; Cluett Peabody & Co. (Arrow men's wear), thru Young & Rubicam; Newly Weds Baking Co. (Ice Cream 'N Cake Roll), thru Russel M. Seeds, Chicago; Durkee Famous Foods, thru Meldrum & Fewsmith, Cleveland; Berks-Lehigh Cooperative Fruit Growers Inc. (Red Cheek Apple Juice), thru St. Georges & Keyes; Eppens, Smith Co. (Holland House Coffee), thru St. Georges & Keyes.

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# Television Digest

WITH AM FM REPORTS

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*NOTE: With this issue, our Trade Reports, heretofore printed as a separate section (on white stock), will appear as a regular Section of this Weekly Newsletter. See pages 11-13.*

**FCC PINCERS MOVE? COAXIAL PROBE NEXT:** On top of its proposed limitation on amount of TV network time affiliates may take (Vol. 6:40), FCC this week ordered hearing Nov. 20 (Examiner Hugh Hutchinson sitting) on AT&T's allocation of coaxial-microwave facilities to networks during final 1950 quarter. Hearing is based on ABC-DuMont complaints (Vol. 6:38-39), compounds onslaught on NBC's admitted No. 1 TV network position -- NBC got 160 hours of AT&T-allocated time vs. CBS 114, ABC 49, DuMont 36.

FCC's latest move sets forth as issues the propriety and justification of AT&T's circuit assignments, asks for comments from networks and stations by Nov. 1. Inasmuch as AT&T made its allocations after consulting stations for preferences -- after the networks had failed to agree -- it looks like telecasters will become just as involved in this proceeding as in the one on limitation of hours.

NBC is preparing to fight this, as well as limitation-of-hours proposal, with some of its affiliates lining up at its side. Comments on latter are due Nov. 13, when hearing will be asked. Certain major stations are known to take position that proposed network-time rule denies their responsibility for programs, contravenes 1941 Supreme Court dictum (upholding FCC chain regulations) that stations must control programs. They claim FCC now proposes program control via traffic control.

If FCC puts across rule limiting stations to no more than 2 hours out of each segment of 5 from any one network, some stations say they will stick to basic network, fill most other time locally, which pays off better anyhow. Strong second runner in TV, CBS has almost as much to lose by both FCC moves as hardest-hit NBC but, in view of its thumping victory in color, may not oppose FCC at this time.

**COLOR ISSUE BEFORE PUBLIC & COURTS:** Complex interplay of forces in the color issue -- economic, legal, political, labor, military, scientific, psychological -- renders any prediction of final outcome foolhardy at this juncture. Most critical immediate question is:

What will happen to black-and-white sales? There's no real answer yet, may not be for weeks if not months. (For state of market, see Trade Report, pp. 11-13).

Only thing certain is that you'll be hearing and reading about the color imbroglio for months to come. Consider these factors:

(1) Court tests. RCA-NBC and Pilot filed for injunctions in Chicago and New York, respectively. But Pilot dropped suit late Friday, said it would ask to intervene in Chicago instead. Commission had said it would "vigorously oppose" suits. FCC color decision could be tied up in courts for months, so that Nov. 20 effective date may be considerably deferred.

(2) Politics. The trade was flooding perplexed Senators and Congressmen with protests. Senator Johnson endorsed decision, saying FCC has met its responsibilities "to the fullest extent possible." On the other hand, Rep. Robert Crosser (D-Ohio) said he will place color issue before his House Interstate Commerce Committee when Congress reconvenes Nov. 27, let members decide whether to pursue it. All this also augurs delay.

(3) Publicity. CBS rocked trade, if not public, with first broadsides --

radio speech by president Frank Stanton and full-page ads by CBS and Tele-tone. The industry, collectively and individually, is girding for full-scale propaganda war, with RTMA president Sprague replying to Stanton on same CBS network and others preparing their own publicity. (For full texts of broadcasts, facsimiles of ads, reprints of editorial comments, see Special Color Report herewith.)

(4) Military demands. Rate of govt. procurement continues to increase; shortages of raw materials and components continue to grow worse, and trade gossip is that resistors alone will soon be insuperable bottleneck. Of course, if public stops buying black-and-white sets, civilian materials might be available for beginnings of color production.

\* \* \* \*

Plaintiffs in Chicago Federal district court are RCA, NBC and RCA Victor Distributing Corp. Their complaint, in essence: Decision is arbitrary and capricious, does irreparable injury, is based on advice of biased engineer.

Complaint said decision jeopardized sale of \$10,000,000 of the company's receivers "now in process of manufacture," that company has contracted for \$55,000,000 worth of parts. NBC asserts its \$8,000,000 investment in TV is endangered.

"Biased engineer" charge is aimed at E. W. Chapin, head of FCC lab and co-inventor of Chapin-Roberts switch (Vol. 6:35), useful for adapting receivers so CBS system can be received in black-and-white. FCC quickly issued statement quoting at length from hearing record to effect that Commission wasn't influenced by staff in reaching its color decision.

Pilot's charges in Federal district court in Brooklyn were similar to RCA's, claiming injury due to cancellation of orders, need for retooling, etc.

Before Pilot withdrew, FCC had asked Chicago court for change of venue in RCA case, wanted it in Southern District of New York. RCA's choice of Chicago had result of "harassing" Commission, it averred. There's still chance FCC will ask case be sent to New York.

FCC and Dept. of Justice are working together on case, with indication latter will let FCC counsel carry load. There's said to be less than enthusiasm for the case in Attorney General McGrath's department (he's former chairman of Democratic National Committee) and both Democratic and Republican political influences seem to be mostly on side of "outraged" distributors-dealers, if not big set makers.

Commission has 60 days to answer complaints, but will do so quickly -- perhaps next week. There are bound to be additional motions, counter-motions, etc., adding up to delay and more time for the "compatibility" forces. However, law requires courts give such cases high priority.

FCC case will be handled primarily by asst. gen. counsel Max Goldman; for Justice Dept., John F. Baecher, special asst. to Attorney General, has been assigned. CBS counsel Richard Salant will undoubtedly ask, and probably get, court's permission to intervene.

\* \* \* \*

RCA is likely to complain further against FCC's action this week denying NBC's WNBW, Washington and WNBT, New York permission to test RCA compatible color during regular operating hours. RCA-NBC had asked for year's renewal of existing authorization, under which it colorcasts short periods daily; it also asked for permission to charge for programs, receivable on existing sets in black-and-white.

Commission granted 90-day renewal, but stipulated colorcasts could come only during off-hours and that charges couldn't be made.

Coming in wake of rough color decision and proposed new network time rules hitting NBC hardest (Vol. 6:40), impression prevailed that new restrictions take on character of pique and reprisal.

RCA plans color demonstrations with newly improved equipment in Washington beginning Dec. 5, with licensees to be invited first. It may also hold demonstrations for Congressional committees. FCC ruling thus cramps its style, to some degree, although it could revert to uhf or closed circuit. In wires to its patent licensees, RCA said it would show improvements to date, including color converter.

Though Senator Johnson patted FCC on the back, he also noted, as we pointed out (Vol. 6:41), that CBS type colorcasting is "permissive, not mandatory" and that door isn't closed to compatible systems.

"Manufacturers organized a sit-down strike," he stated. "The obvious and sensible thing, of course, would be for them to abandon their political activity and their announced propaganda campaign, and put their heads together to develop a color TV system more to their liking.

"The hue and cry," he added, "is that by the end of this year about 10,000,000 black-and-white sets will be in use and their owners will either have to buy converters and adapters or not receive color broadcasts. The only way the Commission's order affects them is to make it possible for them to have color TV if they want it. What is so wrong about that?...Stripped of all the cooked-up hurricane of confusion the Commission's orders merely insist upon a 'buyers choice.'"

\* \* \* \*

That CBS has elaborate and ingenious plans, no one doubts. Oct. 21 Billboard seems to have fair idea of CBS plans for what it calls "Operation Rainbow." Network is encouraging manufacturers in every possible fashion, is apparently willing to underwrite some of their color costs.

Belmont (Raytheon), Muntz and Television Equipment Corp. this week announced intentions of making color converters and sets, joining the several (notably Tele-tone) who came forth immediately after decision (Vol. 6:41). Muntz said he'll back CBS system "to the hilt," promised "Color for Christmas" with a "low-cost companion set" to existing Muntz receivers.

Belmont said that future Raytheon sets will have plug for addition of converters and adapters; that kits will shortly be available to convert sets made since January; that new converters will be in production first half of 1951.

Television Equipment Co., one of the smaller industry entities, said it will have converter samples in 2 weeks, production will start in 10 weeks, cost of converter will be about \$50, complete color set will cost "no more than \$50 higher than" 12½-in. monochrome sets.

Rash of "color plugs" may be expected -- a jack on back of set labelled "color" and having various connections. Bendix is equipping its sets with plug, plans kits for existing Bendix sets, states: "If and when color programming and customer demand for color warrant the extra investment, color can be added by plugging a color conversion receiver unit into present Bendix sets equipped with this connection." Video Corp. of America reported that its sets have been so equipped for past year, and that it would be "among the first to make adapters, converters and color sets when the present confused situation is clarified."

None of the larger companies has announced adapters, converters or sets, though most are known to be studying them and several have stated they will make "what the public demands."

\* \* \* \*

CBS programming plans are said to include "color repeats" and "color simulcasting" -- thus making use of big names like Arthur Godfrey. Still big problem, of course, is getting shows on when people can watch them and "selling" idea to televasting stations. Some sponsors are said to be interested, primarily for publicity value at first and for getting in on ground floor. Tide Magazine names General Mills, Congoleum-Nairn, Bates Fabrics and Tintair as "definitely" interested.

In promotion activities, there's talk of installing 1000 color sets in public places. Via CBS-TV, of course, you can expect more newscasts and special programs about color, such as Monday night interview with Tele-tone president S. W. Gross and showing of mock-ups (see footnote to facsimile of Tele-tone ad in Special Color Report).

To counter CBS's promotion, TV committee of RTMA discussed \$1,000,000 war chest for publicity, put public relations counsel Selvage & Lee back on payroll (RCA also hired Carl Byoir), asked Philco's James Carmine to head campaign committee. You

can expect flood of ads also from individual manufacturers, distributors, dealers.

Though CBS system is repugnant to virtually all name brand makers, many of them say they'll meet public demand -- regardless what it is -- but plainly intend to wait out CBS promotions designed to create that demand. Few expect any big demand when public learns precisely what it will get in way of color programs, let alone inevitably high cost (while they're still not mass-produced) of adapters, converters, receivers.

\* \* \* \*

Hopes and fears of both CBS and set makers have unusual facets:

(1) CBS encourages color manufacture, on the one hand, yet on the other it tries to sooth public by saying black-and-white sets are good for a long time. Stanton's broadcast reference to "waiting for 6 months," however, did not conduce to happy feelings among the manufacturers and merchandisers.

(2) RCA may need to show drop in sales to bolster court case. Yet manufacturers need continued good market to stay in business.

(3) Every black-and-white set sold now, assuming decision sticks, makes CBS system that much more incompatible. September TV sales were at record peak, sets-in-use as of Oct. 1 reached 8,269,400 (see p. 14). Production pace (better than 175,000 TVs weekly) continues; distributors-dealers are loaded for holiday trade.

\* \* \* \*

Anti-TV forces are said to be delighted. AM operators who missed the TV boat are relaxing as confusion mounts. Rumors abound that certain movie interests are getting in their jabs. But programs grow better and popular enthusiasm for TV continues high.

**TELECASTERS' COLOR PLANS (IF ANY):** Still largely non-existent or nebulous are plans of telecasters to carry CBS color -- albeit CBS adherents claim half network's affiliates are willing to accept some color from New York via coaxial.

But only handful indicate any such intention at moment. New York's WCBS-TV (CBS-owned), due to be the test station with promised 20 hours per week; Washington Post's WTOP-TV (part CBS-owned), Philadelphia Bulletin's WCAU-TV are the only ones whose managements are all out in their expressed enthusiasm.

A few others have indicated they're willing to give it try, notably the Baltimore Sun's WMAR-TV; Balaban & Katz's WBKB, Chicago; possibly others, who prefer for time being to refrain from public comment.

\* \* \* \*

Why some stations toy with idea of transmitting color:

(1) Comfortable "bank balance" of black-and-white audience already built (near half the homes in such areas as New York, Philadelphia, Baltimore, Washington) has placed some stations in profit column at long last. So there's feeling of fiscal security, such as major AM stations enjoy, after long operation in red.

If monochrome set sales are slowed down, or even stopped cold, some feel they can continue to make living out of present audience. This is vastly different condition from year ago, when FCC color hearing started, when most stations were losing money hand-over-fist and afraid of anything that would stop audience growth.

If black-and-white sales were halted permanently, stations might consider that in itself a good reason to telecast color -- so as to hasten advent of color sets, sales, resumption of audience growth.

(2) Cost of colorcasts, taken off network, isn't great. Network station need buy no equipment, merely has to keep transmitter on air -- and pray black-and-white audience won't resent jumble of signals from incompatible colorcasts.

Buying color gear for local origination is something else -- quite expensive. And there are technical and manpower problems at staging end. You can be sure stations must be convinced they'll get their money's worth before they dig very deep into exchequers that are still amortizing early operational losses.

(3) Publicity and promotional value of color. As one manager puts it: "We want to show we're an aggressive and progressive station."

(4) Fear of FCC reprisal. Though no hint of force is contained in FCC's decision, some stations will be leery of a "Blue Book" type of license renewal proceeding, wherein rival applicant might come along and say: "This station isn't putting on color; give us the channel and we will."

In fact, some applicants are already alert to issue. This week, Humboldt Greig, ex-DuMont Network sales chief, now operating CBS affiliate WHUM, Reading, Pa., wired CBS: "We can understand transmitter manufacturers may desire stall color until can sell all successful new applicants for VHF...black-and-white setup. WHUM is a complete believer in the future of color...WHUM prepared advise FCC of desire for VHF color grant instead of black-and-white."

Present Commission majority, it's felt, will plump for color on all occasions -- if only to support its much-controverted decision. Moreover, "mandatory color" hangs like Sword of Damocles over the industry; steps toward invoking it could be started at any time -- and it's no secret that mandatory rather than permissive color was in minds of some when FCC issued first color report (Vol. 6:35).

\* \* \* \*

Foregoing speculation comes from the "comfortable" telecaster -- the relatively few who can rest on present audience. But most can't, must grow. Moreover, 28 of the 107 stations aren't interconnected, would have to buy equipment before they could do anything. Remington Rand, for one, says it could equip stations at rate of 10 a month or better after first of year (Vol. 6:40).

Most objectors to CBS system seem convinced that a better color system, compatible, can be perfected and integrated smoothly into today's TV structure. They complain about CBS's low resolution, brightness, small screen sizes, as well as incompatibility. There are other bases of objection, too:

"Public is being made the goat," says Crosley's James D. Shouse (WLWT, WLWC & WLWD), epitomizing reactions of many telecasters. Speaking in Cleveland Oct. 17 to meeting of Newspaper Controllers and Finance Officers, he asserted:

"The 8,000,000 present set owners deserve paramount consideration, not the next 8,000,000 set owners who have not contributed a dime toward TV in any way and who have refused to buy sets. The vast majority of these 8,000,000 owners are not rich people, but working people who financed their purchases largely through denial of other things in order to get TV into their homes.

"Anybody who messes up what these people have come to rely upon as one of the great vital forces in the broadening of their lives, is in for real trouble. TV is not a gadget with these people, but something that has almost a personal entity within these families.

"The Commission [is] inducing a climate wherein the public may be at the mercy of fly-by-night promotional manufacturers who will seek to capitalize, profit-wise, at the public's complete confusion on this situation."

\* \* \* \*

We were about to survey all 107 stations, but Hallicrafters has already done it. It asked for "date at which you plan to commence color telecasting."

Of 63 responses to date, 54 said "no plans for color", 3 said they'd transmit it, 6 gave "no comment". Those predicting dates gave from 2 to 10 years.

Naturally, non-interconnected stations have the easiest out. Salt Lake City's KDYL-TV wired: "Are you kidding? How could we telecast color and who would receive it if we could?"

Typical of other responses: "Have no plans whatever for color telecasting plus no equipment...No public clamor hereabouts for color. Everyone seems happy with black-and-white. We think this color plan premature and impractical."

Six were sufficiently concerned over present set owners to say such things as: "It seems to us our first obligation is to the 160,000 people in this area who have bought black-and-white receivers."

Fear of FCC motivated 6 others, who had such comments as: "Will transmit CBS

color standards when required to do so by the FCC." "Do not contemplate any color broadcasting on CBS standards unless forced to do so by govt. order."

Two CBS affiliates replied that they didn't want to transmit color and didn't have any time available anyway.

\* \* \* \*

Checking newspapers around the country gives good picture of what public is learning about local station plans.

Baltimore Sun features article ("Shall I Buy A TV Set Now?") by E. K. Jett, WMAR-TV director. "The answer is 'yes'," he says, pointing out that colorcasting is permissive, that it will be in fringe time, that door isn't closed to compatible systems, that sets can be adapted when color comes. "If, however, you are interested only in color," he concludes, "it would be advisable to wait."

Mr. Jett, ex-FCC commissioner, and its onetime chief engineer, tells us he'll take some color, but not during any good time. He has suggested to CBS, with which WMAR-TV is affiliated, that colorcasts be at noon, said he can't afford to take them at night.

Memphis Commercial Appeal quoted WMCT manager H. W. Slavick: "We have had no word as to what we are to do, or how we are to do it but it is a foregone conclusion it will be months before equipment will be available. We will, of course, give Memphis color TV when color is generally accepted by the industry."

Oklahoma City Daily Oklahoman quoted extensively from statement prepared by WKY-TV manager P. A. Sugg. He said that color is 1-2 years away, that sets can be converted, that other systems may come, that today's sets will "continue to give you years of satisfactory service."

In Birmingham Post-Herald, WAFM-TV president Thad Holt said simply that he hadn't heard from CBS yet, that "I don't have any idea how the situation will affect us locally."

Los Angeles papers say merely that CBS officials haven't heard anything, and that apparently there are no plans for color there.

Dallas News (WFAA-TV) checked leading distributors and dealers, came up with headline: "Dealers Agree TV Color Decision Means Little Here."

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Charlotte Observer carried half-page ad signed by WBTB manager Charles H. Crutchfield. He said: "On talking yesterday with Dr. Frank Stanton, president of CBS, I obtained the official information on the basis of which I can assure the public that there is little likelihood of any appreciable schedule of color telecasts in the WBTB area within the next 2 or 3 years...You may be sure that black-and-white cable TV will constitute 98% of our operation for at least 2 years after the first color TV begins in the large metropolitan centers. We estimate that it will be 5 or 6 years before as much as 50% of our schedule will be colorcasts..."

Milwaukee Journal's WTMJ-TV went on air, shortly after decision, with statement by manager Walter Damm: "FCC's decision...doesn't mean that color TV will immediately be available to the public in those cities now enjoying black-and-white TV. It has already been announced that the decision will be taken to the courts for final adjudication...When it becomes evident through the development of adapters, converters and receivers that the set owners in our area will not be deprived of at least black-and-white reception during periods of color TV transmission, the Journal Company will bring color TV to Milwaukee just as it has brought other developments in radio and television."

In Buffalo News, publisher Edward H. Butler, also president of WBEN-TV, assured owners and prospective buyers that sets will be good for years, that he has hopes for a compatible system, that station is eager for color but can't tell when it will come, that "until the situation changes materially, we shall see that [set owners] continue to receive black-and-white TV programs without a degradation in clarity and definition."

**TV DOMINANT TOPIC AT WHITE SULPHUR:** Try as NBC executives might to underline breadwinner radio's importance in their scheme of things, they couldn't keep TV in what they considered its proper place. TV occupied most of NBC affiliates meeting at White Sulphur Springs, Oct. 18-20. Even in what were supposed to be strictly radio sessions, TV loomed large. And corridor talk throughout 3-day affair was largely TV -- color, FCC proposal to limit number of hours from one network, cost of station operations, profits, etc.

How TV insinuated itself into radio sessions, may be gleaned from emphasis on "companion purchase" plan, whereby NBC hopes to sell sponsors on worth of combined TV-radio packages. Again, in NBC's rotating radio pitch, 2 of 4 plans involve TV. One combines half-hour TV show and half-hour radio show at single fee. Other is tape recording of highlights of TV show for radio repeat.

Outstanding in its 1951 TV plans is NBC's new program idea, consisting of (1) series of 15 or 16 "high budget" movies made for TV by an "outstanding film producer," alternating every other week with (2) live dramatic productions -- of which half would be telecast from regular legitimate theatre with an audience, other half to be original TV dramas produced in studios.

Other noteworthy items from conclave: NBC reported it has \$35-40,000,000 invested in TV plant, including construction under way. All evening hours have been sold, afternoon time is going fast, morning time next target of sales force. Network TV philosophy is "shows which all people will like some of the time, rather than shows which some people like all the time." Extensive survey is planned in 1951 in major TV market -- 6000 interviews to determine sales effectiveness, program trends, daytime TV acceptance, cost compared with printed matter, etc.

Pitches for radio stressed fact it is still most economical mass advertising medium -- repeated again and again by chairman Niles Trammell, president Joseph McConnell, executive v.p. Charles Denny. McConnell also revealed NBC has spent \$9,000,000 on radio talent and properties so far this year.

**FIRST LEG OF ANTI-FREEZE HEARING:** Fair start on allocations hearing, aimed at ending freeze, was made during 4 days of FCC en banc sessions this week. But corridor prognosticators have learned lesson from color hearing, don't predict end with any confidence. Certainly, this phase (hearing on individual cities comes later) will run into many weeks.

Conceding need for more channels, observers are nonetheless grumbling about "another black box for your set" as they contemplate uhf, in addition to color converters, adapters, possible bracket standards. Week was featured by:

(1) Testimony that uhf can provide satisfactory service, even in such cities as Philadelphia. (2) Worries over intermingling of vhf and uhf stations in same city. (3) Industry pitch for allocation of entire 470-890 mc band to TV. (4) Internal wrangling about multiple interference factors among Ad Hoc Committee members. (5) Comr. Hennock's aim to give educators vhf channels as well as uhf. (6) Questions whether to eliminate some uhf problems through allocation or set design or both.

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High regard for uhf was expressed by Philco. Frank J. Bingley testified that measurements of RCA-NBC's 12-kw (ERP) station in Bridgeport showed such power good enough for community that size. Philadelphia would get "perfectly adequate service" with about 120 kw, he said, but New York "would represent a difficult problem." Consultant Dr. Albert Murray gave details of field tests on which conclusions were based.

Intermingling problem came up during testimony of DuMont's T. T. Goldsmith. His plan (Supplement No. 68) envisions far fewer cases of vhf-uhf towns than FCC's; he contends that intermingling would foster monopoly, vhf stations dominating.

Comr. Jones and technical information chief Edward Allen had some ideas on subject. Jones was worried about giving manufacturers incentive to make vhf-uhf sets. He wondered whether it might be good idea to assign uhf channels in big cities

to manufacturers, thus provide incentive. He said he thought manufacturers' lack of enthusiasm for FM had crippled that service.

Allen was concerned about small uhf towns within range of big-city vhf stations. How could they build audience? He suggested that if large city had both vhf and uhf, nearby small towns would get powerful assistance.

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Whether TV will get all or most of uhf is still guesswork; most of industry claims it's necessary to adequate service, prevention of monopoly. FCC's allocation plan (Vol. 5:29) proposed to quarry 42 channels (252 mc) out of 420 mc available in 470-890 mc band, leave rest for experimentation. There's current talk that military wants a chunk -- but military plans are never verifiable. Bell Labs, of course, is still pitching for 470-500 mc to be used for common carrier (Vol. 6:15,22-24).

Ad Hoc Committee's differences center about charges that its report is an "inverted pyramid" -- a mass of statistics erected on a tiny base. Some members asserted report is too complicated to be considered; others say it has to be complicated before it can be simplified; third camp, headed by Paul deMars, is out to reopen old FM battle, discredit Bureau of Standards' Kenneth Norton and FCC's Allen.

Sigh of relief came from audience when concluding Ad Hoc witness, CBS's Jay Wright, testified that multiple interference is scarcely worth all the hair-pulling, that single co-channel signal will still turn out to be main thing to worry about in practical allocations. Likewise calming was statement of Dr. Frank Kear that powers of 100 kw or better, which he advocated, would minimize multiple signal problem.

Comr. Hennock made it clear she'll fight for educational channels. Conceding schools haven't money to compete with commercial applicants, she feels that channels (vhf and uhf) should be reserved for them. She also suggested that manufacturers might donate station equipment to schools.

Oscillator and image interference, extremely serious at uhf frequencies, can be licked two ways, FCC was told -- through allocation and receiver design. Question is how to distribute burden: If most of solution is achieved by allocation, some spectrum space may be wasted; if most is done in receiver design, sets can become exorbitant in cost. At the moment, compromise seems to be in the air.

Hearing got through Ad Hoc Committee, TBA, Philco, most of DuMont. DuMont is due to continue at hearing resumption Oct. 24. Attendance ranged from about 150 opening day to 40-50 later in week -- mostly Washington attorneys and engineers.

**DON'T SELL UHF SHORT; IT'S NOT FM:** It's unrealistic to look down on uhf as "just another FM situation" -- a characterization loosely tossed about ever since FCC proposed adding some 42 uhf channels to make up for obvious inadequacy of the mere 12 available vhf channels No. 2 to 13.

Uhf won't start out as a full-fledged service, certainly -- not even if FCC adopts standards and allocates channels in a few months. And, certainly, uhf would have a rough time getting started during industry's conversion to military output.

But a number of extremely important factors point to far happier prospects for uhf than FM has experienced:

(1) Uhf is television, and as such will enjoy many times the demand FM has. It's pretty well agreed now that FM's failure is largely attributable to fact that there's plenty of AM broadcasting, and the public has generally regarded FM as just another way to provide the same kind of services.

(2) Uhf will provide the only TV service for many cities. In fact, FCC's proposed allocation (TV Directory No. 11) would give vhf to only 207 cities, uhf to all others. If people have choice of uhf or no TV, you can bet your boots it will be uhf. Some very sizeable cities will have to make that choice (Vol. 5:29); e.g., Ft. Wayne, Atlantic City, Asheville, Durham, Harrisburg, Galveston, Madison.

(3) Even where uhf is added to vhf city, uhf will provide an additional service -- duplicating nothing, bringing networks and programs otherwise unavailable. True, if uhf channels are in minority in city with several vhf channels, going will be rough for awhile; some actually may not survive difficulties of converting

existing receivers and getting production of new ones with both bands. Good testing grounds for intermixed cities, because of varying proportions of vhf and uhf, should be such cities as Philadelphia, Cleveland, Louisville, Toledo.

(4) If uhf stations are built, receivers probably will follow -- depending on the sort of promotion the uhf telecaster undertakes, and the cooperation he gets from manufacturers and distributors. Only 20 of top 50 markets are proposed to be vhf-only. This differs considerably from FM's plight, wherein few FMs brought service that AM didn't already supply. TV stations, vhf or uhf, simply can't cover vast areas, as do some AMs and FMs.

(5) Uhf is gradually proving its practicability (Vol. 6:5,14,26), and indicating it can serve attractive markets. True, it doesn't look as good as vhf -- yet. With present transmitter powers and receivers, medium-sized cities in relatively smooth terrain can expect fair uhf service. But there's every indication that higher powers will eventually extend horizons, tend to fill in valleys.

What it all comes back to, however, is fact that uhf will be TV -- and TV is in great demand in present non-TV areas. If you want proof of that demand, consider the crescendo of complaints against the freeze; consider, too, the eager efforts in fringe and rural areas -- or even in big non-TV cities like Hartford, Atlantic City. Otherwise, why are people putting hundreds of dollars, even thousands, into tall towers and complex antennas to pull in far-away stations -- far-away in TV coverage being more than 40-50 miles?

**TV EYESTRAIN--WHAT THE DOCTORS SAY:** Most thorough TV-eyestrain survey to date, covering real or fancied complaints, comes from Ohio State U's Institute for Research in Vision. Co-directors Arthur M. Culler and Glenn A. Fry sent 2125 questionnaires to Midwest ophthalmologists and optometrists, received 535 useful replies, came up with some pertinent statistics but only a few cautious generalizations.

Prime conclusion: "It can certainly be concluded...that there is no wide-spread belief among optometrists and ophthalmologists that [eye injuries] are actually produced by TV viewing."

Only about half the eye specialists thought that eye troubles of any kind could be associated with TV and this was largely simple eyestrain. Only a very small fraction believed permanent or semi-permanent damage might be done. About 2% felt development of nearsightedness could be associated with viewing; about 1.5% mentioned development of astigmatism.

Principal complaints came from older patients, frequently over 60, who want clearer images. Their trouble, says report, is simply farsightedness of type associated with age (presbyopia). About 30% of respondents say they prescribe special glasses for such cases. Another 10-15% prescribe tinted glasses for eyestrain cases.

Most frequently mentioned factors affecting viewing are: distance from screen (60-65%), brightness of area surrounding screen (40-50%), length of viewing time (15-20%).

Study is highly technical, requires eye specialist for full interpretation. It covers professional men in area bounded by these TV cities: Rochester, Milwaukee, Rock Island, St. Louis, Louisville, Huntington, Johnstown. Copy may be obtained by writing Dr. Fry, director of OSU's School of Optometry, Columbus, O.

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Personal Notes: William F. Brooks, NBC v.p. for news and special events, promoted to v.p. in charge of public relations, with TV director Carleton D. Smith due to be named station relations v.p. for both AM & TV . . . Fred M. Thrower, ABC sales v.p., named ABC-TV sales v.p., while Eastern sales mgr. Charles T. Ayres becomes radio sales v.p. . . . Noran E. Kersta, who quit as NBC-TV chief in January 1949 to join William H. Weintraub & Co. as v.p. and TV-radio director, has resigned and has not announced future plans; Harry Trenner takes over his duties temporarily . . . Edgar B. Stern Jr., partner in WDSU & WDSU-TV, called up for Army reserve duty in Washington; stations will continue under gen. mgr. Robert

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D. Swezey . . . Theodore K. Broiso, president of Adsel Inc., joins WNBT, New York, as mdsg. supervisor . . . Mitchell Benson, mgr. of packaged programs & talent contract, promoted to NBC-TV asst. mgr. of talent & procurement . . . Harry Woodworth, ex-ABC, joins Lennen & Mitchell as business mgr. of radio-TV dept. . . . Herald Beckjordan joins H. B. LeQuatte Inc. as v.p. and supervisor of radio-TV operations . . . H. Austin Peterson, Hollywood partner of Ted Bates & Co., Nov. 1 transfers to New York office to become supervisor of TV-radio . . . J. Gerald Mayer and Scott G. Rigby announce new law partnership with F. Hamilton Seeley under firm name of Mayer, Rigby & Seeley, Denrike Bldg., Washington.

**Network Accounts:** Longines-Wittnauer Watch Co. will sponsor CBS-TV's coverage of Nov. 7 election returns, Tue. 10:30-11, 11:10-12 . . . Wildroot Co. sponsors comic Sam Levenson Oct. 28 on CBS-TV, one time Sat. 8:45-9, following Lucky Strike's *Jack Benny Show* . . . Borden Co. Nov. 23 starts Peter Lind Hayes in unnamed show on NBC-TV, Thu. 8:30-9, time previously occupied by Ballantine's *Believe-It-or-Not*, dropped Oct. 12 . . . Gerber Products Co. (baby foods) Oct. 18 started *The Most Important People* on DuMont New York & Washington hookup, Wed. & Fri. 7:30-7:45.

**Station Accounts:** Big Joske's dept. store, San Antonio, sponsoring local high school football on KEYL, has contracted for additional 260 one-minute spots on that station . . . New York's WPIX is testing ground for local Clara Lane Friendship Center's use of TV, sponsoring *Your Saturday Night Date* . . . Fanny Farmer Candy Shops Inc. buys new puppet show titled *Buffalo Billy Show* on WCBS-TV, New York, Sun. 4-4:30, thru J. Walter Thompson . . . New accounts reported on KTTV, Los Angeles: Farmers Insurance Co., thru Ted H. Factor, Los Angeles; French Sardine Co., thru Rhoades & Davis, San Francisco; Wilbur-Suchard Chocolate Co., thru Foltz-Wessinger Inc., Lancaster, Pa.; Zenith Radio, thru Critchfield & Co., Chicago; Converted Rice Inc., thru Leo Burnett Co., Chicago; Soil-Off Co., thru McCann-Erickson, San Francisco . . . Among other advertisers reported currently using or about to use TV (agencies N. Y. unless otherwise indicated): A. C. Gilbert Co. (toy railroads), thru Charles W. Hoyt Co.; Sinclair Refining Co. (gasoline), thru Morey, Humm & Johnstone Inc.; Lectricovers Inc. (electric blankets), thru Walter Weir Inc.; Fairmont Canning Co. (Saladettes), thru Patton-Hagerty-Sullivan Inc., Chicago; Comet Rice Mills, thru Leche & Leche Inc., Dallas; Kirsch Beverages Inc., thru Grey Adv. Agency; International Minerals & Chemical Corp., thru BBDO, Chicago; Storm Windows of Aluminum Inc., thru Howard Swink Adv. Agency, Marion, O.; Tasty Tooth Paste Corp., thru Victor Van Der Linde Co.; Tilbest Foods Inc. (Quick Mixes), thru Keck-Franke Adv. Agency, Oconomowoc, Wis.

NLRB will hold hearings Oct. 25 in Los Angeles to determine whether motion picture actors making TV films should continue to be represented by Screen Actors Guild or by TV Authority, overall live and film TV union (Vol. 6:16, 18). If NLRB decides TV Authority has case, elections will be authorized to permit actors in 121 Hollywood producing companies to vote on affiliations. Meanwhile, eastern performers have authorized TV Authority to call strike if current negotiations with networks fail. TVA has asked for \$70 minimum for 15-min. program, \$85 for half-hour, \$115 for hour, plus \$6 per hour for rehearsals. Network proposals were \$40 for commercial program, regardless of length, with following rehearsal fees: \$10, up to 6 hours; \$24, up to 15 hours; \$37.50, up to 25 hours; \$50, up to 40 hours. For actors speaking 5 lines or less, networks offered \$20 plus same rehearsal fees.

Kinescope-inventor and RCA elder-statesmen in research, Dr. Vladimir K. Zworykin holds that color must be compatible, free from flicker—which is how movie industry developed color pictures. Addressing Lake Placid convention of Society of Motion Picture & Television Engineers Oct. 16, Dr. Zworykin saw compatible, flicker-free color TV developed by "dot-simultaneous" system and tri-color tube. He received SMPTE's Progress Medal, honorary membership.

Tightened credit restrictions—25% down, 15 months to pay (Vol. 6:41)—impelled Lacy's, big Washington chain, to reinstitute system first used in 1948 whereby customer pays installments to dealer until amount of down payment is accumulated. He then gets delivery of set.

**Financial & Trade Notes:** Third quarter reports of Admiral and Motorola, both record achievements, were cynosure of TV-radio industry this week, reflecting phenomenal upsurges in both sales and profits—derived largely from TV.

Admiral's net earnings for quarter ended Sept. 30 were \$5,253,685 (\$2.63 per common share) on sales of \$63,629,146. Earnings for same 1949 period were \$1,475,884 (74¢) on sales of \$23,967,745. For first 9 months of 1950, Admiral's consolidated net earnings were \$13,176,417 (\$6.59) on sales of \$166,924,994, against earnings of \$4,631,574 (\$2.32) on sales of \$77,078,151 for first 9 months of 1949.

President Siragusa pointed out that earnings were computed after provision for estimated additional taxes in accordance with new tax law.

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Motorola third quarter earnings were \$3,825,000 (\$4.78) on sales of \$54,225,000 vs. \$732,100 (92¢) on \$18,610,610 for same 1949 quarter. First 9-months earnings were \$9,025,000 (\$11.28) on sales of \$124,575,000 vs. \$2,658,068 (\$3.32) on \$52,903,322 for same 1949 period. It was largest single quarter in Motorola history, president Paul Galvin reported, with each of 4 divisions—radio, auto radio, communications and TV—operated at increased volume.

President Galvin forecast more military demands for 1951, estimated these "will quite likely reduce our civilian production by approximately 20% [which] should be about the pattern for the entire industry."

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General Instrument Corp. reports net income of \$228,357 (47¢ per share) on sales of \$5,548,139 for quarter ended Aug. 31, against deficit of \$76,591 for same 1949 period. For 6 months ended Aug. 31, net income was \$487,167 (\$1) on sales of \$10,823,503 against net loss of \$264,431 on sales of \$4,563,154 for same 1949 period. Oct. 2, stockholders meeting voted to increase authorized common stock from 700,000 to 1,500,000 shares, president R. E. Laux reported in Oct. 16 letter to stockholders.

Work on new tri-color tube, different from those of RCA and Lawrence, is reported by National Video Corp., Chicago. President Asher Cole says tube has great promise, may be perfected by next spring, is quite satisfactory in matters of resolution, brightness, registration, etc. He said development is in collaboration with one of company's customers. There's some speculation other organization is American Television Inc. (U. A. Sanabria, president).

Westinghouse has raised prices \$10 to \$35 on 7 sets in line (Vol. 6:25, 38). These are the new prices (increases in parentheses); for description of sets see *TV Directory No. 11*: 16-in. rounds: 628K16, \$319.95 (\$20); 629K16, \$339.95 (\$15); 627K16, \$339.95 (\$10). 17-in. rectangulars: 636T17, \$259.95 (\$10); 633C17, \$499.95 (\$30); 634C17, \$525 (\$35). 20-in. rectangular: 638K20, \$449.95 (\$10).

GE has added 5 new sets to line (Vol. 6:28). Sets are: Model 16T5, 16-in. rect. mahogany table, \$259.95 (replacing 16T3); 16C103, same in console, \$279.95; 16C104, same in blonde, \$299.95; 17C101, 17-in. rect. mahogany console, doors, \$349.95; 17C102, same in blonde, \$369.95.

Crosley has raised price on its Model 11-459MIU, 16-in. rect. table, from \$249.95 to \$259.95.

Trade Personals: Joseph S. Jacoby Jr., ex-RCA, has joined Capehart-Farnsworth as asst. chief engineer under Antony Wright . . . John F. Byrne, ex-Airborne Instruments Lab, now with Motorola as associate director of research, Communications & Electronics Div. . . . Arnold S. Rose, ex-RCA, joins ITE Circuit Breaker Co. as chief of research and development lab.

(See also Color Topics & Trends, page 13)

**TRADE 'CONFUSION WORSE CONFOUNDED':** Great confusion, still greater apprehension -- that's the TV trade picture at end of first 10 days of mulling FCC's color decision.

It all depends who's talking, whether you get story of "business as usual," which is what most of the big companies with plentiful backlogs of demand tell you. Or "catastrophe," which is what many medium-sized and small manufacturers and their distributors report.

At dealer level, the situation is "shaky," to say the least -- judging from country-wide reports.

It's an axiom of retail trade that you have to give a customer 10 reasons to make him want to buy, whereas only one reason why not to buy suffices -- and in the promise of color-in-a-hurry, he may have found that reason. This, despite specious claims of color's immediacy, cheapness, convenience, etc.

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"This wasn't just a bombshell," said one of the industry's most important figures. "It was an atomic bomb. The TV industry has been wrecked, just when it was really getting going nicely.

"Public confidence has been seriously undermined. Next year's models, and next year's orders, about which we should be thinking and planning at this time, will undoubtedly be down. I won't even be surprised if sales are 25% less between now and the end of the year than they might otherwise have been."

His was an extreme pessimistic view. It should be considered coupled with (a) the indubitable facts of higher prices for receivers due to components shortages; (b) newly tightened Regulation W (Vol. 6:41) and its inevitable impact on low-income buying; (c) higher income taxes; (d) new 10% factory excise that must be added to price of sets from Nov. 1.

Some dealers are reported "feeling the credit pinch" already, but it's really too early to say that any real impact on "banking" of inventories can be discerned. (It's noteworthy, though, that local bankers are prominent among those attending various distributor-dealer meetings around country.) From one big city, this calm view comes by personal letter dated Oct. 19 from a major distributor:

"The color business is a bit messy, but so far our buddy John Q has shown what seems to be native American intelligence, and isn't buying CBS sight unseen. We know it looks good, and when he sees it there may be a different story, although the equipment is an abortion that few would give houseroom."

All these trade factors, added to the exaggerated, complicated and easily misunderstood promises of color-in-a-hurry must inevitably leave their trade scars.

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Among distributors and dealers, the feeling is bitter against FCC -- so much so that its edict may well be reflected in political reaction. In TV areas alone, these are some 20,000 or more big and little business men of their communities.

All sorts of motives are ascribed to FCC, most without foundation, many unprintable. Distributors and dealers are not only "just plain sore," but they're apprehensive of what's ahead in their trade after current pre-Xmas trade reaches its normal slackening-off period. Many are "loaded" with merchandise; but it's much too early to tell whether demand will diminish to point of distress, though some are inclined to foresee the worst.

"If you've been slapped in the face, it hurts until someone comes along and kicks you in the shins. Then you forget all about the first slap and how it hurt." This is quoted from a letter from one of the oldest and most important Philco distributors in the country, referring first to "bracket standards," then to color

edict. The young scion of this family business added wryly: "We're calling a meeting of our board to discuss returning to the hardware business, such as our grandfather had -- gas mantles -- those were the things!"

Dealers and distributors are looking to the manufacturers and local telecasters to tell them what to tell their customers. It's not a simple story to tell and, with some exceptions, the set makers haven't simplified things in their usually reassuring but sometimes quite complex messages to the trade.

Nor can the tradesmen take much comfort from what CBS is saying and doing (see Special Color Report herewith); or from Senator Johnson's statement (supporting FCC); or from what FCC members say or won't say.

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Washington News asked 6 of the 7 commissioners then in town to answer what it called the "\$300,000,000 question":

"Would you advise the public to buy black-and-white receivers now, or to wait for color sets?"

The commissioners were approached individually, so there was no comparing of notes. This is what they replied, as reported Oct. 19:

Chairman Wayne Coy: "I wouldn't answer that question for you. No comment at all on it."

Commissioner Jones: "I wouldn't advise them. I'd tell them to make up their own minds."

Commissioner Hennock: "I don't want to get into any controversy. I was against the decision. It didn't seem the right time. There are so many factors -- war priorities, engineers in war work...if the public demands color, they'll get it ...I really don't know what to say."

Commissioner Hyde: "The Commission hasn't ordered anyone to broadcast color. Having participated in the ruling to this effect, the only answer I can make consistent with it is I'd ask for a set with service on the new basis or get a dealer to agree to provide that service in the future. That is, unless the buyer is going to be content with the present operation. Probably get a lot of fun out of black and white. I just believe in giving the buyer his choice. Personally I'd ask a dealer to get me a set capable of getting latest developments or susceptible of getting it installed without substantial rebuilding."

Commissioner Walker: "Well, now listen, I don't think we as commissioners ought to be drawn into that. I don't think we have to pass on these things officially. If I'm going to be quoted it might be misconstrued. If a friend of mine came to me and asked me (about buying a set) I'd tell him but I wouldn't make a pronouncement about it. We have no jurisdiction over buying or not buying. This is a country of free enterprise. We can't say anyone should or shouldn't buy. We've given them the opportunity to do what they want to do about it. The report is self-explanatory."

Commissioner Sterling: "I wouldn't want to advise the public what to buy. All we do is make decisions in the public interest in the field of interstate communications. I'd have no hesitancy in telling a friend of mine to go out and buy a set. He could convert it later, but he'll get substantial returns from the black-and-white system now. It will take Columbia considerable time to develop color broadcasting in terms of choice hours."

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Receiving tube production is ample to meet military and civilian demands at present, but shortages of raw materials may play havoc in matter of months. That was consensus of most significant meeting so far between military and NPA officials with subcommittee of Munition Board's Electronic Industry Advisory Committee at Pentagon Oct. 19. Critical, and expected to get even more acute, are such raw materials as nickel, copper, steel, even glass. Measure of radio receiving tube capacity was given in these figures: During January-August 1950, 225,000,000 tubes were produced--25,000,000 more than were made in all of 1949.

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RTMA bought \$2500 worth of spots on 5 CBS (AM) stations Oct. 22 to promote President Robert Sprague's broadcast on color that evening (see Special Color Report). CBS president Frank Stanton checked language of spots personally, rejected one.

Nielsen Television Corp., Norwalk, Conn. (H. V. Nielsen, president) has filed petition in bankruptcy in U. S. District Court in New Haven, proposing 15% payment of creditor claims, listing liabilities of \$164,212 (including \$55,060 secured claims and \$79,032 unsecured claims) and assets of \$148,535, mainly real estate and machinery. Lack of capital is given as reason for company's troubles.

**Color TV Topics & Trends:** Most observers agree that any slowdown or stoppage of TV set-buying due to color decision will hit smaller manufacturer first—and hardest. That's confirmed in statements from small producers Sightmaster and Rembrandt.

Said Sightmaster's Michael Kaplan: "We are not going into further TV production for the time being . . . Eventually, we may turn our whole efforts to processing glass for other TV manufacturers and drop set making entirely." (Sightmaster is affiliated with Lectrovision Inc., tube maker.)

Said Rembrandt's Robert G. Kramer: "This confusion has stopped our progress cold. We were looking forward to October, November and December as our best months; now they're going to be our worst. It's not healthy for us. We're going to try and stay in business—we'll make color converters and adapters if that's what the public wants—but it's going to be a rocky road."

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Proposed "war chest" of \$1,000,000 to publicize manufacturers' side of color TV imbroglio, assuage public's uneasiness over FCC decision, urge continued buying of black-and-white receivers, was revealed by RTMA president Robert C. Sprague Oct. 18 at New York-New Jersey distributors meeting. He's quoted as stating campaign will stress: (1) Good, compatible color system is on way. (2) Black-and-white telecasts will continue for years. (3) Color will be telecast only in fringe times. (4) CBS system is limited—picture size, whirling disc, etc. Proposal is to use pooled contributions from manufacturers for broadcasts, ads, brochures, reprints, etc.

Stromberg-Carlson New York distributor Ben Gross set tone of affirmative, non-belligerent meeting of 600 New York-New Jersey distributors in Barbizon-Plaza Hotel Oct. 18 when he remarked: "We are not here to denounce FCC or anyone else." But he urged telegrams be sent to Sen. Lehman (D-N. Y.) and Rep. Crosser (D-Ohio), who heads House Interstate and Foreign Commerce Committee, to ask for Congressional investigation. He also urged waiting for RTMA publicity campaign material before dealers undertake own answers to public's current questions: Will my set be obsolete? Shall I buy a TV set now? Can I get color on my set? Group was addressed by RTMA president Robert C. Sprague, who talked about FCC decision (see above, and reprint of his radio talk in Special Color Report herewith).

New York dealers heard CBS v.p. Adrian Murphy assure them that growth of color TV would take period of years, that present monochrome telecasts would be continued for long time. Meeting this week of New York Retail Radio-TV & Appliance Dealers Assn. voted (a) to ask FCC for "unequivocal statement" that existing standards were not obsolete; (b) to ask manufacturers to assure public that sets on market are not obsolete, can be converted for color.

"All the explaining in the world won't keep the public from contending that color is here and 'I'll wait,'" says Oct. 16 *Bulletin* of Washington Electric Institute. "A tremendous hazard has been placed in the path of TV sales, now that the public is convinced that color is a reality by government order." It has called Washington distributors-dealers for meeting Oct. 23 to discuss what to do about color decision.

"The Color Television Blunder" is what Hallicrafters is calling decision in ads in Oct. 22 *Chicago Tribune* and Oct. 23 *Chicago Daily News*. Ad lambasts "5 Men Against the American Way," states faith in development of all-electronic, compatible system. Company says it is starting to equip all new sets with connector, making possible later addition of converter for either compatible or CBS system.

Magnifier makers see new lease on life in color TV, coming forth with ads offering lenses to blow up small pictures (as was done with now virtually obsolete 7 & 10-in. sizes). Marvel-Lens Industries Inc., Philadelphia, wired distributors Oct. 16: "Marvel-Lens will be absolutely essential to color TV conversion which furnishes only approximately 5 to 7-in. picture which will require magnification." He called attention to ad in Oct. 18 *Retailing Daily* inviting inquiries on \$24.95 lens for 7 & 8½-in. tubes, \$29.95 lens for 10, 12½ & 14-in.

Curious dilemmas and anomalies afflicting everyone, including CBS, in the color confusion, are illustrated by a few headlines. Caption from CBS press release: "Present Black-and-White Television Sets Will Get Programs for Considerable Period After Color Broadcasting Starts, CBS President Reassures 7,000,000 Set Owners in Broadcast." *New York Times* headline on reports of Stanton speech: "CBS Head Warns on Buying TV Sets." *Washington Post* headline on same: "Stanton Denies Non-Color TV Sets to Become Useless."

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Sales head of one of Washington's biggest outlets for TV-radios, reporting TV sales last 3 days of this week has dipped 75% under same time last year, gives his opinion that these were reasons—in this order: (1) Prices of sets went up too fast and too high in recent months. (2) Tightening of credit restrictions. (3) Furore over color. (4) Scare buying last 60 days has caused "uneven" buying tempo, and many people have loaded themselves up with other merchandise such as automobiles, furniture, appliances. This executive isn't ready, though, to write off TV sales prospects: "Another few weeks and we'll know for sure," he said.

Buffalo Admiral distributor Ben Kouick, Faysan Distributors Inc., thinks what TV set owners should do is "contact their Congressmen or Senators to compel the FCC to let the manufacturers develop color TV in an orderly manner without jeopardizing the present investment." And, at "indignation meeting" called Oct. 18, Lee A. Wells, Buffalo Crosley distributor added: ". . . A penny postcard to Congressmen or the FCC might be helpful in delaying the action." Bergman Co.'s Richard Levy (Philco) observed: "I'm afraid it's like the NRA and other misguided legislation which have been declared unconstitutional . . . The FCC appears to have over-extended itself."

Unreadiness of TV servicemen to handle color conversions, etc., is stressed by Federation of Radio Servicemen's Assns. of Pennsylvania. After recent meeting in Scranton, Pa., servicemen voted to petition FCC not to release any color system now since "the TV servicing profession is not adequately prepared with knowledge or equipment for this new development . . . Servicing industry is already over-burdened with the black-and-white problem."

Set maker John Meck, who sells under own brand name and also to dept. stores and for private label, says color edict has roused "no alarm" yet in his trade. There have been no cancellations of Meck receivers, but a few of Scott brands from smaller, outlying districts, he stated. It's his belief furore over FCC decision will die down. He has no present plans to make adapters-converters, but will do so if forced by demand and competition.

CBS color system won't work well with present "black" tubes and changes in existing set circuits will void Underwriters Laboratories' approval. So states Chicago TV Installation Service Assn., in Oct. 18 press release which finds nothing to approve in FCC color decision.

TV volume of giant New York Davega chain is down about 5%, according to v.p. Jules Smith, who expects dip to be even more after Nov. 1 excise tax goes into effect.

**Telecasting Notes:** Application for Channel 8 in Las Vegas, Nev., returned 3 weeks ago because of technicality (Vol. 6:40), was resubmitted this week by publisher Donald W. Reynolds of *Fort Smith (Ark.) Southwest American & Times Record*, making 356 now on file (see TV Addenda 11-0 herewith) . . . KOOL, Phoenix, Ariz., has asked FCC for STA to operate experimental TV station on Channel 7, using 25-watt pulse-type transmitter to locate proper site . . . WSFA, Montgomery, Ala., preparing to file TV application . . . Four of NBC's 5 TV stations (all save Hollywood's KNBH) reported well in black, with New York's WNBT doing bigger gross than its AM counterpart WNBC has ever done . . . AM business at high peak, too: Detroit's WJR (Richards) reports \$2,526,653 sales for 9 months ended Sept. 30 vs. \$2,361,472 sales for same 1949 period, but net went down from \$415,468 profit (82¢ per share) in 1949 to \$363,401 (72¢). Two new studios and 3 more film preview rooms being added to ABC's Television Center in New York, making 7 studios in all . . . WHAS-TV, Louisville, this week started program day at 12:30 p.m. CST, expanding to 67 hours per week . . . *Ross Reports on TV*, published by Wallace A. Ross, states that by Nov. 1 all 4 TV networks will be almost completely sold out of Class A time; as of Oct. 15, of possible 116 hours of 7-11 p.m. time weekdays and 6-11 Sundays, 77 are sponsored, remaining 39 filled with locally-sponsored programs . . . National Assn. of Manufacturers, 14 W. 49th St., offering TV stations, without cost, series of 13 films titled *Industry on Parade* . . . Now in the black, KLAC-TV, Hollywood, is definitely "not for sale," according to owner Mrs. Dorothy Schiff, who also is publisher of *New York Post* . . . Baltimore's WMAR-TV raises base rate Nov. 1 from \$450 to \$550, one-min. announcements from \$80 to \$100; WAAM rate goes up same, except announcements are upped from \$70 (film-only) to \$90 . . . Blair TV Inc. adds KEYL, San Antonio, to rep list, replacing Adam Young . . . **Second AT&T circuit** between Indianapolis and Louisville went into operation Oct. 21 to serve both WHAS-TV and WAVE-TV in latter city; added channel is ready 5 weeks before scheduled . . . "The TV look" is what Detroit's famed landmark and tallest building, the Penobscot, will soon wear as workmen erect new 54-ft. spar with 4-bay batwing antenna of WWJ-TV and new flashing neon airways beacon (40 times per minute) replaces big flashing ball (12 times per minute).

General Tire and CBS raised bid for Don Lee properties to \$12,320,000, or 10% over Hoffman Radio bid (Vol. 6:41)—and probate court Oct. 20 confirmed sale. General Tire's Yankee Network thus acquires, subject to FCC approval, 45-station regional network with 4 outlets of its own, plus TV station KTSB, plus 19% additional ownership of Mutual Network—along with \$5,700,000 cash and liquid assets. CBS will take over KTSB, will presumably rename it KNX-TV and operate it in conjunction with its 50-kw Hollywood key KNX.

Operating an illegal TV station is charged against Sylvania in FCC statement Oct. 20. Commission claims Sylvania tube officials had constructed \$7000 transmitter on Whittemore Mt., 1½ mi. from Emporium, Pa., to pick up and rebroadcast on Channel 7 NBC programs from WJAC-TV, Johnstown, 90 mi. away. It also charged this was not only without FCC authority but with full knowledge such authority would not be forthcoming due to freeze. Station began operating Sept. 1, FCC said. Robert Merkle, Sylvania Tube Division office manager, is reported to have said station was built because "plant officials needed broadcasts." FCC noted law imposes penalty of \$10,000 fine or 2 years imprisonment, or both.

TV competition will force Hollywood to drop current 400-odd films a year production to 100-150, producer Samuel Goldwyn recently told U of Denver panel.

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

As of October 1, 1950

More TV sets were sold during September than any month of year—in fact, than any month in TV history—despite fact FCC issued its first color report Sept. 1. TV sets-in-use went up 739,700 during September to reach total of 8,269,400 as of Oct. 1, according to NBC's monthly "census" report estimating TV receivers within 40-mi. service areas (.5 Mv). September sales compare with 587,700 in August (Vol. 6:38), previous high. 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	19,400
Atlanta	2	233,000	62,300
Baltimore	3	732,000*	222,000
Birmingham	2	196,000	22,600
Boston	2	1,175,000*	525,000
Buffalo	1	323,000*	135,000
Charlotte	1	171,000	28,800
Chicago	4	1,438,000	670,000
Cincinnati	3	384,000*	178,000
Cleveland	3	695,000	315,000
Columbus	3	225,000*	95,000
Davenport-Rock Island	2	133,000	23,500
Dayton	2	291,000*	95,000
Detroit	3	839,000*	331,000
Erie	1	112,000*	30,700
Grand Rapids	1	182,000*	38,700
Greensboro	1	165,000	25,000
Huntington	1	132,000	24,000
Indianapolis	1	281,000*	70,500
Jacksonville	1	94,000	20,000
Johnstown	1	250,000*	37,800
Kalamazoo	1	143,000*	17,500
Kansas City	1	275,000	61,600
Lancaster	1	85,000*	63,700
Lansing	1	163,000*	25,000
Louisville	2	188,000	52,400
Memphis	1	177,000	54,600
Milwaukee	1	327,000	131,000
Minneapolis-St. Paul	2	333,000	141,000
Nashville	1	151,000	8,500
New Haven	1	557,000	102,000
New York	7	3,597,000*	1,670,000
Norfolk	1	196,000	33,500
Omaha	2	132,000	35,300
Philadelphia	3	1,184,000*	600,000
Pittsburgh	1	742,000*	145,000
Providence	1	1,011,000*	86,900
Richmond	1	130,000*	42,500
Rochester	1	208,000*	51,100
Schenectady	1	258,000*	107,000
St. Louis	1	474,000	185,000
Syracuse	2	199,000*	71,300
Toledo	1	241,000*	55,000
Utica	1	127,000*	24,800
Washington	4	691,000*	174,000
Wilmington	1	183,000*	44,700
<b>Total Interconnected</b>	<b>79</b>		<b>6,982,700</b>

### Non-Interconnected Cities

Albuquerque	1	22,000	5,000
Binghamton	1	131,000*	23,100
Bloomington	1	104,000*	9,500
{Dallas	2	277,000*	43,100
{Fort Worth	1	269,000*	33,700
Houston	1	217,000	43,100
Los Angeles	7	1,372,000	690,000
Miami	1	117,000	36,400
New Orleans	1	225,000	37,400
Oklahoma City	1	138,000	48,200
Phoenix	1	49,000	16,900
Salt Lake City	2	93,000	27,400
San Antonio	2	130,000	28,800
San Diego	1	113,000	58,000
San Francisco	3	825,000	99,000
Seattle	1	307,000	43,200
Tulsa	1	125,000	43,900
<b>Total Non-Interconnected</b>	<b>28</b>		<b>1,286,700</b>

<b>Total Interconnected and Non-Interconnected</b>	<b>107</b>		<b>8,269,400</b>
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\* 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.

MARTIN CODEL'S

AUTHORITATIVE NEWS SERVICE  
OF THE  
VISUAL BROADCASTING  
ARTS AND INDUSTRY

# Television Digest

WITH AM FM REPORTS

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**GIRDING TO FIGHT EXCESS PROFITS TAX:** Facing possible excess profits tax inequities because they're "growth" industries of recent vintage, with poor earnings bases, the telecasters through TBA and manufacturers through RTMA are moving for better legislative breaks when Congress convenes. Both associations this week named committees. RTMA president Robert C. Sprague is already scheduled to appear Nov. 1 before Joint Congressional Committee on Taxation (Room 1011, New House Office Bldg., 10 a.m.).

Proposed base period of 1947-48-49 in O'Mahoney Bill would hit telecasters particularly hard because their capital investments were high and they generally operated at loss in those inceptive years. (In 1949 alone, FCC reported the 97 stations had aggregate capital investment of \$55,900,000, showed operating loss of \$25,100,000.) Only this year are they beginning to show profits, usually quite small. Hence they feel they deserve special consideration in any excess profits bill, and will present case through committeemen John A. Kennedy, WSAZ-TV, Huntington, chairman; George Storer, Fort Industry Co.; Jack O. Gross, KFMB-TV, San Diego; Hebert Levy, WAAM, Baltimore; Richard Borel, WBNS-TV, Columbus.

Manufacturers similarly face complex tax problems because they pioneered new industry that mushroomed from \$50,000,000 worth of TVs in 1947 (factory value) to \$230,000,000 in 1948, \$580,000,000 in 1949, possibly more than \$1 billion this year. Presumably, they will plump for flat rather than excess profits tax through committee headed by Mr. Sprague and including: Allen B. DuMont; Ray F. Sparrow, Mallory; Larry F. Hardy, Philco; H. C. Bonfig, Zenith; Earnest Searing, International Resistance; Benjamin Abrams, Emerson; Robert C. Tait, Stromberg-Carlson; J. B. Elliott, RCA Victor; Paul V. Galvin, Motorola; Lloyd H. Coffin, Hytron; Max Balcom, Sylvania.

**EFFECT OF NPA ORDER ON TV-RADIO:** "Just a fishing license" is what TV-radio and other electronics manufacturers were inclined to regard National Production Authority's 70-80% limitation order on copper, nickel, aluminum (due in week or two). For TV-radio production would have been adversely affected anyhow by diminishing supply of those and other raw materials.

Some manufacturers, following Oct. 26 meeting with NPA administrator Gen. Wm. H. Harrison, smilingly agreed they'd be happy to be able to maintain 70% supply of such materials -- copper for wiring, nickel for magnets and receiving tube bases, aluminum for chassis. Information is that cobalt, used in alloys for speakers, may be cut completely from civilian use.

Reason they feel that way is that present critical shortages of many raw materials and components render outlook for 100% supply dubious in extreme. Current 800,000-per-month TV and 1,300,000-per-month radio production is using components made earlier this year, and nobody expects pace to keep up as manufacturers dig into bottom of components barrel.

NPA's limitation order permits use of obtainable raw materials in any way desired. If manufacturers want to use components for TVs, that's okay. Order will plug at 70-80% of still undetermined base (probably average of January-September 1950 usage) the non-military uses of the 3 metals. It will affect components makers primarily -- but they've been on allocation from their suppliers long time anyhow.

Whatever the initial impact of NPA order, it's plainly only first step in defense program's curtailment of non-essential uses of critically short materials

(Vol. 6:28-37). Consensus is that it won't be long before further more stringent limitations are applied.

Savings from curtailments are for military stockpiles, as well as immediate military procurement. Limitation will apply to all users of the 3 metals. Electronics group was told first, but consumer durables (refrigerators, ranges, etc.) were also informed same day. Substitutions may be utilized, but experience last war indicated that no sooner is satisfactory substitute found than it too becomes critical, and it usually isn't as good; e.g., silver was used in lieu of copper during war but it was second-best material at its optimum.

The manufacturers told Gen. Harrison about some of their current problems -- color, uhf, pinch on engineers. Gen. Harrison said he'd look into them but didn't promise anything. "Task force" committee to meet with NPA officials was immediately authorized, its first job to recommend base dates. List of those attending on p. 10.

**UHF—GOOD, BAD OR UNPREDICTABLE?** RCA-NBC gave vhf-uhf allocations hearing something of a jolt this week when network's Raymond Guy gave unusually bearish report on uhf service during allocation phase of FCC's end-of-freeze hearings.

Exhaustive study of Bridgeport test installation (Vol. 6:39), he testified, indicates that:

"You are going to have great difficulty in giving adequate television service on the ultra-high frequencies...Based upon the facts and not any loose conclusions, it will be most unfortunate if TV expansion has to go into the uhf band...the responsibility that the Commission carries in that respect is a very great one.

"Uhf is not a completely bad part of the spectrum," he added. "I do not mean to imply that it is no good for anything, because that is not so. But where you have terrain problems you must recognize the problems, and tailor-make your transmitting station to meet the requirements."

With 13.9 kw ERP, and 330 ft. above average terrain, he said, Grade A service (as defined by FCC; Supplement No. 64) reached out only 3 miles; Grade B only 7 miles. Then, he added, excellent service (as judged by observers) was received by only 59.1% of locations from 0-5 miles; 26.3% at 5-10 miles; 5% at 10-15 miles.

\* \* \* \*

But strong contradiction of Guy's opinion came from other experimenters -- even those who drew their conclusions from measurements of Bridgeport itself. DuMont's T. T. Goldsmith, like Philco's F. J. Bingley (Vol. 6:42), was quite happy about Bridgeport coverage.

Far more optimistic results were predicted by consultant James McNary, testifying about his measurements of pulsed transmissions in Bethlehem, Easton and Harrisburg, Pa. for Steinman stations (Vol. 6:10,31). He used war-surplus transmitter on 515 mc, 39 kw ERP, operated in rougher terrain than Bridgeport.

He produced coverage maps indicating rather respectable service areas, and said he expected similar results at upper end of uhf band.

Why did he differ so much from Guy? he was asked. His answer:

"I naturally cannot differ in any way with the facts that he produced...but I would like to see his results analyzed in a different manner. I think a different picture might be shown...Analysis of the results we have here might show equally pessimistic a picture if done in the same way.

"He does too much averaging. It is admittedly a very scientific method, but I think it results in an unrealistic picture."

Realistic conclusion, he felt, is that "coverage area generally conforms to the area within line of sight, except for areas served by reflected signals."

McNary admitted ghosts and similar vagaries wouldn't show up in his measurements, since he used no picture.

Less sanguine picture came from consultant Andrew Inglis, drawn from experience with pulsed transmitter in New Brunswick, N.J., using 680 mc and 40 kw ERP.

"At first glance," he said, "the results [seem] to be very discouraging... On the other hand, because of the greater variability of the uhf signal, there will

normally be areas of considerably higher signal intensity than the median value within any limited area. If TV set owners are willing to undergo the expense of installing a carefully located antenna, a region of sufficiently high field intensity could probably be found in most locations."

\* \* \* \*

Other principal topics at hearings, now very sparsely attended either by commissioners or industry people: (1) Vhf-uhf intermingling. (2) How much uhf for TV? (3) Co-channels and adjacent-channel separation. (4) Offset carrier and directional antennas -- for allocation purposes or for improvement of service after allocation? (5) Will decision on general issues precede or follow hearing on specific cities? (6) More power and/or height for stations.

The two schools on intermingling seem to be clear cut. One favors keeping vhf and uhf apart in order to equalize competitive situation in each city. Other feels manufacturers will have little incentive to produce uhf or vhf-uhf sets unless big cities have both. DuMont, NBC and CBS are in former, ABC and West Coast experimenter John Poole (Vol. 6:21,27) are in latter.

Worry over freezing out future developments, such as Stratovision or Polycasting, concerns FCC, if counsel Harry Plotkin's questions are any criterion. Most witnesses leaned towards allocating all of uhf now, feeling that it's needed for equitable allocation, also that new developments haven't shown sufficient promise.

On station spacing, testimony generally was that FCC shouldn't be rigid, should take into account special circumstances where economics or terrain clearly indicate need or possibility for more stations. DuMont and CBS also plugged for cut in adjacent-channel distances to 70-75 miles, in vhf, from FCC's 110.

Coolness towards offset carrier, as an allocations tool, on part of consultant Dr. Frank Kear, testifying for ABC, surprised many engineers. He likes offset, but felt that it isn't sufficiently reliable yet. JTAC's Donald Fink and most of those who've used offset claim they're delighted with results thus far.

Concern whether general issues decision will precede or follow hearing on specific cities fosters these two camps: (1) What's the use of arguing about each city unless you know exactly what channels are there to fight over? (2) FCC can't possibly have full understanding of effects of general issues decision unless it has heard general run of individual cities' problems. But FCC isn't saying what it intends to do -- if indeed it yet knows.

CBS plugged for increase in vhf antenna height to 2000 ft. (with 100 kw), endorsed theory of future horizontal power increases, stating this would increase interference little, if any. ABC reiterated its belief in higher powers.

**NO HOLDS BARRED IN COLOR STRUGGLE:** The color war is really total now -- yet its predictability remains almost nil. Same imponderable factors reported at length last week (Vol. 6:42) continue imponderable, with added indications that powerful political forces in both parties are lining up heavily against FCC decision.

Congressional action is likely, spurred as much by local distributors and dealers as by the manufacturers. There will be lots more noise about color when Congress convenes, now expected shortly after Nov. 7 elections.

This was week of assurances, warnings, promises and "statements of position" -- bringing only a partial answer to central question: "What is happening to set sales?" Generally, there has been recovery from first flurry, but post-holiday trade is real worry of set makers and merchandisers alike (see Trade Report, p. 8).

FCC intends to reply Oct. 30 to RCA's suit for injunction against color decision, filed in Chicago Federal court (Vol. 6:42). Argument before 3-judge court is scheduled Nov. 8. Then court makes next move, deciding whether to grant temporary injunction, set full hearing, etc.

Fireworks between RCA's John Cahill, CBS's Sam Rosenman and FCC's Max Goldman should be particularly brilliant.

Hallicrafters, as well as Pilot, has indicated intention of intervening. Others may join in Chicago case, or file new suits there or elsewhere. In New York,

Sightmaster started own suit against CBS, saying it has been forced out of set-making business, asking \$750,000 damages; it also intends to intervene at Chicago.

Whether Nov. 20 effective date of FCC decision will be stayed, is anybody's guess. Meanwhile, more companies announced color "jacks", adapters, converters, sets, "guarantees" of various kinds -- with varying degrees of enthusiasm.

\* \* \* \*

"If and when color broadcasting reaches your market," Westinghouse stated, "We'll make available an adapter-converter package for installation of Westinghouse black-and-white sets..." (Westinghouse was one of 3 CBS licensees announced several years ago, others being Bendix, Federal. Only recent one is Remington Rand.)

Some news stories interpreted Westinghouse release as "lining up with CBS" but its position seems to be about same as most others. Generally, producers say they'll make adapters and converters whenever demand is manifested -- whether they've advertised to that effect or not. But there's conspicuous lack of enthusiasm among the majors. As one of biggest put it: "Sure, we'll make them. We'll make a thousand and that will be the last thousand. You can always sell a few of something."

Cost of adapters, etc. is something that won't be known until units are actually installed, paid for and working. On one hand, you hear "a few bucks" for adapters; Television Equipment Corp. promised one for \$12.95 in stores by Nov. 10. Yet DuMont's T. T. Goldsmith, answering question by Comr. Hennock during hearing this week, estimated \$135 "to do a good job."

Comr. Hennock: "You don't accept the figure of \$30?"

Dr. Goldsmith: "I certainly will not. I would like to buy some that will sell at that figure."

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Recently-formed Commander Television Corp. (Vol. 6:38) stated it will begin shipping internally-adapted sets within 10 days. It promises converters, too, but doesn't say when.

Full-page ads burgeoned throughout country. Pitch from manufacturers usually was: Black-and-white will continue as backbone of TV; color will come slowly; CBS system may be replaced by compatible system; if you want color when and if it comes, you can get a converter -- so buy now with confidence. Among the big advertisers were GE, Stromberg-Carlson, Raytheon, Motorola, Hallicrafters.

GE captioned full-page ads: "Nobody is going to obsolete over \$100,000,000 worth of TV entertainment." Many more such ads are known to be in the works, and nearly all newspapers in TV areas (40 owning TV stations) carried own as well as trade's ads, plus special articles -- mostly aimed at reassuring present and prospective set owners.

Muntz found a natural in color, advertised in full pages: "Color Color Color is here with Muntz TV. As a Muntz TV owner, present or future, you can relax in the comforting knowledge that your present set is ready...on a moment's notice...for low-cost application of the FCC-approved CBS color system. Production activity on the new Muntz color unit has already begun."

Two film outfits spoke up. Gene Autry reported he'll shoot 2 color films for his CBS show. Ziv said it would color-film 52 "Boston Blackie" episodes.

\* \* \* \*

Some dealers devised "persuaders", several quite remarkable. Dynamic Stores, eastern chain, advertised: "Buy your TV set now! Dynamic guarantees to furnish a color converter and/or adapter as required, when they are available, at price of \$49.50 or less!" It reported fourfold increase in volume, day after ad ran, over best day in preceding 2 weeks.

Others were more cautious. New York's Vim chain promised to convert "at cost" all its customers' sets, past and future, "when parts are available."

"Color exchange schedule" was set up by Minneapolis' Gabberts. If color-casting starts in Twin Cities within 3 months, purchaser is guaranteed 100% of what he paid as trade-in allowance on color set. Figure is 92% for 4-6 months, 85% for 6-9 months, 76% for 9-12 months, 69% for 12-15 months. But ad states: "Frankly, we

and other TV authorities, believe that it will be some time before color TV will be available to you in the Twin Cities..."

Nearly everyone is promising easy conversion, when necessary. Color jacks will shortly appear in back of many sets. Arvin and Sears are among latest.

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Publicity has been deafening. Most important single action occurred Oct. 23, when Arthur Godfrey told his huge CBS simulcast audience to wait 6 months before buying TV set. It was easily most damaging action yet, distributors-dealers say, not so much for its effect on the TV audience but via the 150-175 AM stations carrying it and reaching non-TV owners. It sparked country-wide outcry. In Buffalo, one distributor has asked WGR for time to reply.

Next night, NBC's Milton Berle burlesqued color fracas, cracking: "I'll believe color TV when I see it in black-and-white."

\* \* \* \*

After RTMA president Sprague used CBS's air Oct. 22 (Vol. 6:42), CBS president Stanton shot back with press release charging:

"Mr. Sprague's statement is further proof of the bad faith of the RTMA in violating its sworn commitment before the FCC [to accept any decision made.]

"We question whether the RTMA really wants compatibility. We suggest that what it really wants is to hold back color...To provide compatibility under the CBS system is easy, quick and inexpensive...It is not too late for the manufacturers to turn away from their destructive course which is confusing the public and hurting all segments of the industry...We appeal to the statesmen in the RTMA to return to RTMA's original commitment that it would accept the Commission's color decision..."

RTMA's publicity campaign, if any, hasn't shaped up yet. During first meeting of publicity subcommittee in New York Oct. 27, Larry F. Hardy, Philco radio-TV division president, was named chairman. Public relations counsel Selvage & Lee gave its ideas on campaign, but committee has adopted none yet, will meet again next week. "War chest" of \$1,000,000, if raised, will come from voluntary contributions rather than assessments.

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One new station mentioned color. Cincinnati's WKRC-TV said it would put color on during fringe time when available. An applicant, Denver's KLZ, told FCC it would like to amend its application to stipulate both monochrome and color. Both are basic CBS affiliates.

As for station equipment, Remington Rand reports orders for camera chains from 5 stations. It isn't quoting prices yet, since some changes must be made in industrial equipment it is now selling for \$25-\$30,000. Company officials are bubbling with excitement over public reaction to color demonstrations this week at National Business Show in New York's Grand Central Palace, reporting some 25,000 visitors daily. Pressure on company to go into manufacture of color sets and converters is "terrific," says TV sales director Wm. Norvell.

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Columnists and editorial writers have been having a field day on subject. New York Times' Jack Gould devoted entire page to it Oct. 22, with excellently organized articles aimed at clarifying things for the layman. He concluded:

"Neither the public, the set manufacturer nor CBS have a very clear idea of where they are. It is time that the FCC commissioners spelled out how they intend to implement their approval of CBS color, which presumably they now are bound to do, and for once told in straightforward, everyday language what lies ahead as they now see it. It is not reasonable that they should expect everyone but themselves to live with their decision."

John Crosby's Oct. 24 column syndicated by New York Herald Tribune was rather reassuring to the layman, showing difficulty of getting stations to carry CBS color, pointing out continued usefulness of present sets, etc. Here's how column leads off:

"And God said, Let there be light: and there was light."

"And God saw the light, that it was good: and God divided the light from the darkness.

"And the FCC saw color and said, 'Let there be color,' and there was color. Or at least there was an edict decreeing color. And the public tried to divide the black and white from the color and discovered only confusion. Next to the FCC's, God's problem was comparatively simple."

**ENGINEERS vs. FCC—THE BREACH WIDENS:** FCC has alienated the great body of electronic engineers to an extremely serious degree. Whether it's aware of that fact -- indeed, whether it gives a hoot -- is unknown. But it's a disturbing fact nonetheless, subject of conversations that would make ears of the Commission and its technicians burn if they could hear them.

Situation stems not solely from adoption of CBS color system. It's result of year's cavalier treatment of engineering and industry witnesses during color hearing by some commissioners and staff members -- as if they were partisans in a conspiracy to thwart the Commission's purpose.

Then, too, the "bracket standards" fiasco didn't conduce to winning much respect for the Commission and its staff.

Even aside from manufacturing engineers, you can scarcely find a consulting engineer -- or radio lawyer, for that matter -- who goes along either with the color decision or the too-clever "either-or" brackets proposition (Vol. 6:35-40).

Generally patient men, the engineers are seething, have found expression in their journals. Donald Fink, editor of Electronics Magazine, member of the Condon Committee, an important witness at the hearing (who once was even approached to consider job of FCC chief engineer), unburdens himself thus in November issue:

"The Commission elected to act on what it saw, rather than on what it fore-saw. This may turn out to be a mistaken judgment of the first magnitude. But it may also be a correct judgment, if the promise of the compatible systems fails to be realized...The Commission was under crushing political pressure to make the decision now. It bowed to that pressure, and in so doing it took a calculated risk.

"Such risks are a conspicuous feature of the Commission form of governmental regulation. They must, we feel, be accepted as one of the costs of a much larger benefit, the democratic form of government..."

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Two things worry Mr. Fink even more than decision itself -- the bracket standards squeeze-play and Comr. Robert F. Jones:

"We are alarmed," he writes, "that the Commission has attempted to extend its jurisdiction to a part of the body politic over which the statutes give it no authority...The radio industry was asked to underwrite the CBS system before it was finally and officially adopted...an attempt to force the industry into accepting responsibility for the decision in which it had no part. This is 'commission politics' at its worst. A clearcut decision was called for with no ifs, ands, or buts."

Then he takes up Comr. Jones and his 80-page annex to FCC's First Report:

"The burden of this opus is that the industry committees which have testified...have systematically obstructed the introduction of color television by 'sham engineering testimony'...According to Jones, none of the members of these groups, excepting the two CBS members, have presented consistent, reliable, and trustworthy testimony during the past 10 years.

"We wonder whether the worthy Commissioner knows the men he so recklessly and immoderately attacks. The combined membership of these committees comprises 121 men, 45 of whom are fellows of the IRE, 25 directors, past and present, of the IRE, the present president of the IRE and 8 past presidents, 6 men who hold the IRE Medal of Honor and 4 others who have won the IRE Morris Liebmann Memorial Prize.

"An indictment of these men is an indictment of the whole profession of radio engineering...When one man aligns himself against a whole profession, fair-minded men will conclude that the man is wrong. The only 'systematic' aspect of the

record presented by Jones is his own systematic rejection of any testimony which disagrees with his own notions. Moreover, the testimony is rejected not merely as wrong, but as intentionally dishonest.

"This is demagoguery. Any claim that all contrary testimony on a given subject has as its object the exploitation of the public is rubbish. While Jones' views stand, he disqualifies himself as a judicial servant of the people."

[To which we would add: Mr. Jones totally ignored fact that 6 of the 10 years he surveys were war and/or reconversion years; that 3 years were years of "crawling" effort to build up the brand-new TV trade; that TV didn't really hit its stride until mid-1949 prices brought sets within reach of average pocketbook; that during postwar years it was entirely natural that the industry should be concerned more with the "cake" than with the frosting.]

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"Absurd and destructive" is how Tele-Tech Magazine editor O. H. Caldwell, member of original Federal Radio Commission, characterizes FCC's color decision in his November issue. It's not in public interest, he says:

"To obsolete 10,000,000 present TV sets in which the public has invested \$3 billion dollars. To require future TV purchasers to spend \$40 to \$130 extra for gadgets they may never use. To degrade TV picture quality, and limit pictures to small sizes which the public has already discarded. To risk plant shutdowns, unemployment and financial disaster for manufacturers, distributors and dealers. To force upon the public an incompatible color system which cannot even be launched without driving away existing audiences. To promote color-TV at a time when color gadgets and circuitry must siphon off radio parts and components needed by the military. To disrupt the entire TV industry."

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Milton Sleeper, editor of FM-TV Magazine, attacks difficulty of appealing FCC decisions. He quotes recent speech of Comr. Sterling to effect that: "If all fact questions could be reviewed in detail by the Court of Appeals, we might well toss off decisions with a lighthearted air, knowing that the Court was always there to hit the pitches we missed." Says Sleeper:

"There, for the first time, we have an official explanation of the power of the FCC under which the Engineering Department can fabricate 'substantial evidence' to support findings of facts which are not subject to appeal in any court...

"In his remarks about the industry's radio engineers, Comr. Jones said 'that their economic interest blinded their engineering judgment.' We'd like to observe that public interest, convenience and necessity would be served to much better advantage if the FCC were not so top-heavy with lawyers, and so lacking in engineers of intellectual ability and integrity."

**Station Accounts:** Prudential Insurance Co., which sponsors *Family Playhouse* dramatic show on CBS-TV alternate Tuesdays, has signed for special hookup of Los Angeles' KTTV and San Francisco's KPIX to telecast Pasadena Tournament of Roses Parade New Year's Day . . . New daytime accounts on WNBT, New York: Maltex Co. and Gravy Master Co., participations in *Kathi Norris* programs, both thru Samuel Croot Co.; Florida Citrus Commission, spots in *Josephine McCarthy* program, thru J. Walter Thompson . . . Fruit Industries Ltd., Los Angeles (Aristocrat brandy, Ambassador, F.I. & Guiasti wines, vermouth, champagnes) has bought 9 one-minute announcements on WABD, New York, thru Merchandising Factors Inc., San Francisco . . . WABD also reports signing A. Davis & Co. (women's coats) sponsoring columnist Danton Walker and mother of movie star Gene Tierney in the *Belle Tierney Show*, Wed. 10:30-10:45 p.m., thru Lane Adv. Agency . . . Among new accounts reported by WDTV, Pittsburgh: Landers, Frary & Clark (Universal household helps), thru Gould & Tierney Inc.; Venice Maid Co. (spaghetti sauces), thru Schoenfeld, Huber & Green, Chicago; W. R. Feemster Co., Brooklyn, Mich. (kitchen

tools) . . . Among other advertisers currently reported using or planning to use TV (all agencies N. Y. unless otherwise specified): Ideal Novelty & Toy Co. (Toni & Blessed Events dolls), thru Atlantic Adv. Co.; Kalamazoo Stove & Furnace Co. (electric & gas ranges), thru Fulton-Morrissey, Chicago; Vette Co. (Whiffen Puffs), thru Calkins & Holden, Carlock, McClinton & Smith Inc., Los Angeles; Helbros Watch Co., thru Ray-Hirsch Co. Inc.; Myer 1890 Beverage Co. Inc. (sodas & ginger ale), thru Joseph Katz Co.; Monarch Wine Co. (Manischewitz kosher wines), thru Donahue & Coe; Burham & Morrill Co. (B. & M. baked beans, sea foods, etc.), thru BBDO; Gowns by Venera Inc., thru I. R. Stemple Adv. Agency; Emerol Mfg. Co. (Marvel lubricating oils), thru Williams & Saylor Inc.; Pomatex Co. (hair dressing), thru Kenneth Radio Co.; Sylmar Packing Corp. (spaghetti & meat sauce), thru Mogge-Privett, Los Angeles; Humpty-Dumpty Co. (circus toys) thru Barlow Adv. Agency, Syracuse; Hachmeister Inc. (asphalt floor tile, plastic wall tile, etc.), thru Walker & Downing, Pittsburgh; Zippo Lighters, thru Geyer, Newell & Ganger.

**HOW THEY PLAN TO 'BURY THE TAX':** Two schools apparently will prevail when it comes to passing on to the consumer Uncle Sam's new 10% factory excise tax on TV receivers, which becomes effective Nov. 1:

(1) Adding tax onto list prices, but rounding out lists to nearest commercial prices; i.e., to an even figure.

(2) Lumping tax with warranty into one figure, and continuing to advertise present lists "plus tax and warranty" -- latter presumably also round figure.

In neither case is it contemplated that anyone should make profit on the tax, or even be compensated for "handling more money for nothing" -- albeit this latter factor admittedly works hardship on some distributors-dealers.

Prime exponent of first school is RCA, which this week posted new lists all along its extensive TV line; Crosley, DuMont, GE, Olympic and Stromberg-Carlson are among others reported for it, too.

Emerson was first to declare for second method (Vol. 6:41); Philco also has announced for it, and trade reports are that Admiral, Majestic and Motorola will also. Most other set makers were keeping plans to themselves at this writing, but Nov. 1 deadline is so close that their distributors-dealers will doubtless have been informed by time you read this.

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The way RCA has worked things out can be thus illustrated: One 19-in. console presently retailing at \$425 sells at factory at \$254.36. Henceforth, billing to distributor on this item will be \$254.11 plus \$25.41 Federal excise, or \$279.52. Suggested price to dealer is \$322.62 and suggested list is \$450 (including tax). At retail level, prices are all rounded out. All 3 parties gain or lose a matter of pennies, according to the particular set. In only one instance, says RCA, is the differential as high as \$1. All items over \$200 hereafter will be quoted in even figures at retail; no more of those \$449.95 quotations.

In lumping with warranties, other manufacturers will simply continue present prices plus one figure for installation, service and Federal tax. Nobody contemplates merely adding "tax extra" for reason that nobody wants spread between factory and retail price disclosed.

All receivers in stock are exempt from the tax; it applies only to new production from Nov. 1. In view of 800,000-plus sets turned out in 5-week September, nearly that many expected off line in 4-week October, it's good guess that at least month's supply will be free from tax, for it's commonly estimated in trade that there's about month's lag from time set rolls off line until it goes into home.

**CREDIT CONTROLS HIT TV HARDEST:** Tighter Regulation W (now 25% down and 15 months to pay) is having much worse effect on TV sales than talk about color, according to best available advices. It's estimated some 70% of TV set sales are on time-payment.

Another adverse factor will be new 10% tax at the factory, effective Nov. 1, which should raise retail prices at least 6%.

Coming on top of recent price increases forced by materials shortages and higher labor costs, adverse pressures are at work both on demand and supply. Added to foregoing factors, some set makers have ordered second and third rounds of \$5, \$10 and sometimes greater price hikes per unit.

Brakes on supply may press even tighter after holidays. Yet nobody expects trade to slow to halt, or even to snail's pace -- regardless of increasingly heavy military demands on materials (see p. 1), continuing threats of components bottle-necks, probable shorter supply of receivers next year.

Outlook for smaller manufacturers, who don't enjoy backlogs of demand of

brand-name companies, let alone financial resources, isn't too rosy unless they succeed in getting good share of defense contracts.

At retail levels, TV's momentum is so great at moment that it seems to be over-riding adverse factors such as publicity about color, higher prices and more stringent credit controls. On other hand, stories still circulate about cancellations of orders from distributors and manufacturers, about hesitant buyers (waiting for color), about inventories so great that repetition of last winter-spring wave of price-cutting and distress-selling may be in store. Actually, anyone can prove any point regarding today's market; it's much too early to see or foresee a trend when trade reports range from "business as usual" to such bearish ones as:

"Video Set Sales Decline at Stores. Some Retailers Cancel Orders as Inventories Pile Up -- Promotion Increased." -- Headline in Oct. 22 New York Times.

"Price cutting at the retail level is developing rapidly...On TV sets, discounts ranging up to 25% are being offered freely by retail dealers, even those with limited financial reserves, in an effort to move their inventories. The FCC order of Oct. 11 authorizing the CBS system of color TV had cut sales sharply even before credit terms were tightened." -- From Oct. 22 New York dispatch to Chicago Journal of Commerce.

"Set Sales Recover a Little from Credit Curbs, Color Go-Ahead. Rush to Get Under Tax Wire Buoy Business; Chicago Firm's Sales Top Normal. But Dallas Store Has 75% Dip." -- Headlines in Oct. 28 Wall Street Journal.

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Maybe it's temporary, stimulated by urge to beat Nov. 1 excise tax, but same thread runs through all reports telegraphed to us Thursday and Friday by telecasters in such diverse and scattered cities as Syracuse, Binghamton, Buffalo, Memphis, Omaha, Tulsa, San Francisco, Seattle -- namely, that "dealers are selling all the sets they can get." Some added, though, that wholesalers-dealers are deeply concerned over Regulation W and color publicity -- Arthur Godfrey simulcast on CBS is most frequently mentioned -- and are holding local "indignation meetings."

Major Washington distributor probably best expressed attitude of that segment of the trade: "Things are still holding up. I've had some cancellations, but there are other dealers who will take the sets off my hands. However, I'd hate to have a carload of TV sets delivered to me now. Then I'd really be in the soup."

Color isn't important -- it's the shortage of receivers that will get more acute after Nov. 7 elections, when military procurement will be accelerated. That was the word telegraphed to Zenith distributors-dealers this week by president E. F. McDonald. He stated he wasn't asking for more orders since Zenith sets are already on allocation, but wants to spark dealers into planning how to handle TV next year.

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TV receiver production hit all-time peak second week in October, rising to 203,436 units from 183,031 first week. Third week figures aren't completed yet, but they're understood to go even higher. These are projected RTMA figures, covering entire industry's estimated output. Second week radio output was 352,651 sets vs. 353,171 first week, both also records.

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Trade Personals: Frank Freimann elevated from executive v.p. to president of Magnavox at board meeting this week, Richard A. O'Connor becoming chairman of board . . . Jack Crossin, Air King field mgr., appointed mgr. of new Defense Products Div. . . Henry H. Carlish, ex-Fada and Vim, now controller of Tele King . . . John William Walt, asst. adv. mgr., promoted to Admiral sales promotion mgr. . . M. S. Klinedinst new mgr. of industrial equipment sales, RCA Engineering Products Dept., succeeding P. B. Reed, now v.p. in charge of new Govt. Service Dept. . . Dr. Vladimir K. Zworykin, of RCA Labs, left Oct. 28 on 7-week air tour of South America to discuss TV-electronics developments and address technical societies.

New no-glare bulb was shown by Corning Glass to tubemakers in New York and Chicago demonstrations this week, with promise it will be in full-scale production after Jan. 1. To eliminate annoying reflections on viewing screen, Corning's new face plate is designed with cylindrical contour in lieu of usual spherical shape. By tilting new tube to imperceptible downward angle, reflections are directed well below viewer's eye level. Bulb requires no extra processing, will be offered at cost of conventional bulbs, Corning stated.

Description of adapted sets, to get CBS color in monochrome, occupies 6 pages of November *Electronics*. CBS's own adaptations and Chapin-Roberts switch are included.

**Topics & Trends of TV Trade:** Better Business Bureau of New York City, which has taken lead in watchdogging TV-radio sales and servicing practices, this week circularized trade and advertising media with this preliminary bulletin on new Nov. 1 manufacturers' sales tax (see story p. 8):

"It has been observed that various advertisers of TV receivers both in newspapers and on the air have been urging the public to buy now because of the 10% excise tax effective Nov. 1. This tax is 10% of the manufacturers' price, not of the retail price, and recent advertising has not made this point clear. The implication may be confusing or misleading to the public.

"There has been no indication from most manufacturers whether their retail prices will be increased to include the new tax, or whether it will be charged to the consumer as a separate amount.

"The BBB will issue further recommendations on this subject, shortly after Nov. 1, when the pricing policies of the industry are known. In any case, however, whenever reference to the tax is made in advertising, the BBB recommends that the '10%' not be used unless it be clearly described as 10% of the manufacturer's price to the trade.

"Descriptions such as '10% manufacturer's excise tax' are not sufficient of themselves. There is, of course, no objection to advertisers informing the public that an excise tax becomes effective Nov. 1, but this should be stated in such a way that the consumer is not led to believe that the tax is 10% on the retail price of TV sets."

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U. S. collected \$40,638,870 in 1949 from 10% manufacturers excise tax on radio and phono sets, \$32,616,395 during first 8 months of 1950. (Included was tax imposed on radio portion of TVs.) August was highest month yet, collections amounting to \$4,760,964. Addition of TV as of Nov. 1 is estimated to mean that extra \$70,000,000 will be collected, at current rate of production. This includes small amount already being collected on radio portion of TV sets. Sum may not add up that high, it's believed, because of parts shortages and exigencies of military production which are bound to cut production from present highs.

September receiving tube sales reached new record total of 37,031,373, surpassing previous peak of 36,269,435 achieved in August (Vol. 6:39), according to RTMA. Total for first 9 months was 264,804,746—compared with 198,753,295 for all 1949. Breakdown of September sales: 30,092,789 for new sets, 5,828,446 replacements, 941,688 export, 168,450 govt.

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Color issue has fostered amalgamation of TV service organizations into National Alliance of TV & Electronic Service Assns., formed Oct. 23-24 at Washington's Hotel Statler. Position of servicemen is that they aren't ready for color, have had no instructions, technical information, etc. They claim to be closest to consumer when problems of adaptation, conversion come up, want FCC to postpone Nov. 20 effective date until more information is available for service technicians. Chosen president was Frank J. Moch, Chicago. Other officers are: Albert M. Haas, Philadelphia; James Husted, Omaha; Bertram L. Lewis, Rochester. Directors are Arthur Rhine, New York; E. J. Barton, Detroit; Howard Goodhue, Los Angeles. Counsel is Mayer, Rigby & Seeley, Washington.

TV industry needs 10,000 additional servicemen to care for estimated 2,000,000 sets to be sold next 2½ months, RCA Service Co.'s E. C. Cahill told 200 servicemen at Boston Electric Institute meeting Oct. 19. He based estimate on increased rate of TV set production, time it takes to train technicians, govt. calls on electronics experts. He disclosed RCA had already expanded its training program.

Majestic's third price increases were posted this week—upping 7 of its 17 models (Vol. 6:20, 40) \$5 to \$10. New increases come within 2 weeks of second price rise (Vol. 6:41). New prices (increases in parentheses being from last price): 14-in. rectangulars: Model 141, \$209.95 (\$10); 142, \$219.95 (\$5); 1400, \$259.95 (\$10). 16-in. rectangulars: 162, \$229.95 (\$10); 160, \$259.95 (\$10); 1600, \$299.95 (\$10); 1605, \$299.95 (\$10). For descriptions of sets, see *TV Directory No. 11*.

Bendix has added two 17-in. rectangular sets to line (Vol. 6:20, 25), each \$20 more than 16-in. models they replace. It has also increased price of Model 6003, 16-in. rect. console from \$279.95 to \$299.95. New sets are: 2070, 17-in. rect. table, \$259.95; 7001, 17-in. rect. console, doors, \$319.95. They replace models 2060 & 6001.

New Muntz line and prices: 16-in. round walnut table, \$169.95; consolette, \$219.95; 16-in. rect. walnut table, \$189.95; consolette, \$239.95; 17-in. rect. walnut table, \$209.95; consolette, \$259.95; 19-in. round walnut consolette, \$349.95; console, AM-FM-phono, \$499.95. All sets in mahogany are \$10 extra.

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**Plant expansions:** National Video Corp., Chicago tube-maker, to break ground about Jan. 1 for new \$1,200,000 plant whose 175,000 sq. ft. will more than double capacity; reports it's now operating around the clock 6 days week, turning out 2500 tubes per day . . . Radio Craftsmen Inc. (John H. Cashman, president) leases 12,000 sq. ft. at 4401 N. Ravenswood, Chicago, for custom-built TV and radio chassis and assembly; present plant at 1607 S. Michigan to be used for production of tuners, amplifiers, contract accounts . . . Trad Television Corp., Asbury Park, N. J., acquires control of Wil-Ray Products Co., Marlboro, N. J., maker of TV cabinets, and has changed name to Trad Cabinet Corp. . . . Arvin now fully occupying its new ultra-modern TV-radio manufacturing plant in Columbus, Ind., 300x260-ft. with 180x90-ft. mezzanine bringing total floor space to about 103,000 sq. ft.

Among larger military contracts for electronics equipment announced by Commerce Dept. for week ending Oct. 25 and let through Signal Corps Procurement Agency, Philadelphia: Telectro Industries, Long Island City, \$489,871, recorder-reproducers; Federal Telephone & Radio Corp, \$400,000, telegraph terminals (419); Molded Insulation Co., \$150,000, radiosondes (68,692).

Electronics executives met immediately after NPA session Oct. 26 (see story, p. 1) in Washington office of Joint Electronics Industry Committee counsel John L. Sullivan, ex-Secretary of Navy. Among those who attended NPA meeting with administrator Gen. Harrison were: Benjamin Abrams, Emerson; William Balderston, Philco; Leonard Cramer, DuMont; H. A. Ehle, International Resistance; Ray C. Ellis, Raytheon; Paul Galvin, Motorola; R. A. Graver, Admiral; G. E. Gustafson, Zenith; E. L. Hall, Pilot; David R. Higgins, Hallcrafters; A. P. Hirsch, Micamold; John Kruesi, American Lava; F. R. Lack, Western Electric; Franklin Lamb, Tele King; Arie Liberman, Talk-A-Phone; W. A. MacDonald, Hazeltine; A. D. Plamondon Jr., Indiana Steel; R. C. Sprague, Sprague Electric; E. H. Vogel, GE; David Wald, DeWald; W. W. Watts, RCA; William E. Wilson, Acme Electric.

**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.

**Financial & Trade Notes:** Effect of any new taxes on the TV-electronics group may be less severe than feared, reports Television Shares Management Co. in current memorandum. This sponsor-distributor of Television Fund Inc., open end investment trust, gives as its opinion:

"There is a distinct possibility that the tax bill enacted by Congress in 1951, while bearing the name 'excess profits,' will for practical purposes amount largely to an increase in the tax rate and not be in a form that penalizes growth companies such as the television and electronics group. These companies, whose securities have been capitalizing earning power at a low rate, may be in a relatively favorable position simply because of their present high earnings which give a larger cushion to absorb the higher tax. There is also evidence that the government would prefer to build up productive capacity rather than merely curtail civilian production to obtain military equipment. Thus from both the tax and the volume points of view, the electronics industry may be in a strong position."

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Third quarter gross income of RCA was \$146,957,033 compared with \$88,415,679 for same 1949 quarter. Net profit for period was \$12,422,994 (84¢ per share) vs. \$3,973,138 (23¢) for third quarter 1949. Nine-month gross amounted to \$395,741,391 compared with \$275,673,666 for same 1949 period; net profit was \$33,384,637 (\$2.24) against \$14,095,186 (85¢) for same 1949 period. RCA thus not only showed earnings in third quarter that it took 9 months to achieve last year, but indicated it probably will for first time exceed \$500,000,000 gross business this year.

Mainly due to TV components and set sales, but also reflecting strong demand for lamps and bulbs, Sylvania reports sales and earnings for third quarter were largest in any 3-month period in company's history. Sales for quarter ended Sept. 30 were \$44,692,219, up 91% from the \$23,375,692 for same 1949 period. Net earnings for the quarter were \$2,869,627 (\$1.90 per share) on 1,456,550 shares outstanding vs. \$356,530 (18¢) on the 1,381,458 shares outstanding at end of third quarter last year. For first 9 months of 1950, sales were \$105,778,320, up 45% from \$73,041,240 for same 1949 period; earnings were \$5,129,080 (\$3.31) compared with \$1,911,597 (\$1.10) for same period last year. Said president Don G. Mitchell in Oct. 25 report to stockholders: "An improved earnings situation will continue, perhaps not to the degree shown in the third quarter, but certainly on a more satisfactory basis as compared with previous years."

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Hoffman Radio during 9 months ended Sept. 30 enjoyed sales of \$21,031,765, nearly twice its \$11,987,000 total for all 1949. Net income after all charges was \$1,713,477, or \$3.01 per share on 569,098 shares of common stock now outstanding. Earnings for same 1949 period were \$222,844 (87¢) on 255,051 shares then outstanding. For third quarter, sales were \$9,802,135, profit before taxes \$1,453,208 and after adjustment for new higher rates will be \$783,208 (\$1.38).

Magnavox third quarter net income was \$780,621 (\$1.09 per share on 704,934 shares of common stock), with sales of \$10,213,838 for period. This compares with profit of \$48,684 (7¢ each on 659,898 shares) and sales of \$4,324,898 during same 1949 period. Share earnings are after dividend requirements on \$1 Class A stock.

Olympic Radio & Television Inc. sales for 9 months ended Sept. 30 reached record high of \$13,648,538, up 172% from \$5,018,278 for same 1949 period. Net earnings were \$895,920 (\$2.65 per share) vs. \$198,037 (58¢). Third quarter sales were \$5,946,161, earnings \$416,785 (\$1.23), compared with \$1,618,150 & \$35,078 (10¢).

Emerson Radio has declared 10% stock dividend payable Dec. 15 to stock of record Nov. 20. Similar stock dividend was paid in December, 1949. Company paid 25¢ dividends in July and October, following 2-for-1 split last May, prior to which 30¢ was paid quarterly. Usual quarterly cash dividend will be acted on in December. Common shares presently outstanding total 1,759,610 . . . Magnavox 25¢ dividend on common is payable Dec. 15 to stock of record Nov. 25; same on "A" preferred payable Dec. 1 to stock of record Nov. 15 . . . Avco dividend of 15¢ payable Dec. 20 to holders of record Dec. 1.

Wileox-Gay Corp. filed SEC registration statement this week covering 500,000 shares of \$1 par common, to be offered thru Gearhart Kinnard & Otis Inc., New York, and White & Co., St. Louis. Proceeds will be applied to payment of \$749,429 fund to cover unsecured creditors as of May 26. Company now controlled by Majestic (Vol. 6:32).

Raytheon has placed privately, with New England Mutual Life Insurance Co. and State Mutual Life Insurance Co., new issue of \$2,000,000 promissory notes due in 1962, proceeds to be used in expansion. Handling issue were Hornblower & Weeks and Paine, Webber, Jackson & Curtis.

American Phenolic Corp. reports net sales of \$8,857,700 for 9 months ended Sept. 30 and net profit of \$722,710. This compares with \$7,358,615 and \$410,740, respectively, for same 1949 period. For 3 months ended Sept. 30, sales were \$3,140,644, profit \$264,899.

Stewart-Warner earnings for first 9 months of 1950 were \$3,030,694 (\$2.35 per share) on sales of \$54,739,447, compared to \$1,296,284 (\$1) on \$40,445,152 in same 1949 period. Third quarter net profit was \$1,279,715 (99¢) vs. \$499,720 (38¢).

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Remington Rand disavows any intention of going into manufacture of color TV receivers, but Oct. 25 *Wall Street Journal* reports its officials estimating "conservatively" that next year the company may get \$4,000,000 of new business from sale of CBS color equipment (Vol. 6:40). It reports orders already for 5 camera chains costing between \$25,000 and \$30,000, expects to have about 10 produced by Jan. 1 and volume production thereafter.

TV sets will be included for first time in Bureau of Labor Statistics' revised consumer price index, due in few months. Issued monthly, CPI has been based on buying habits in the '30s, will now include such modern items as frozen foods, home permanents, nylon hose, etc. Revision was planned for 1952, but economic stabilization program, plus use of CPI in recent wage contracts made it necessary to put out up-to-date listing in hurry. Old index will continue to be published through 1951.

Lots of talk about British "invasion" of American market with its TV sets—but nothing has come of it yet. However, big British radio brand, Murphy, is planning to offer its AM sets, which have gone well in Latin America, in our Southern states, has appointed International Manufacturers Corp., International Trade Mart, New Orleans, as export representative. Table models are to sell for approximately \$40, \$60 & \$80, one console around \$100.

Greatest problems facing 146 TV dealers surveyed for John Meck Industries in Chicago, Detroit and Cleveland (rated on points): price cutting, 853 points; short discount margins 678, shortage of sets 662, uncertainty about color 648, increasing prices 581, rising costs of doing business 554, shortage of repair parts 553, shortage of skilled service personnel 452, excise tax 408, credit controls 390.

Los Angeles manufacturer Kaye-Halbert is expanding into eastern markets, its TV sets enjoying heavy advertising in New York newspapers last 2 weeks.

**Telecasting Notes:** Details aren't disclosed yet, but it's reasonably certain CBS will pay well over \$2,000,000 for KTSN, Don Lee's TV outlet in Los Angeles, only part of Yankee Network-CBS \$12,320,000 package purchase (Vol. 6:42) it really wants. Generally overlooked in appraisal of estate, probably going to CBS, too, if FCC approves, is pre-war, pre-freeze application for Channel 2 in San Francisco, which was excluded from competitive hearing there several years ago on grounds that channel was "reserved" for Don Lee . . . President of Cuba formally inaugurated Union Radio TV, Havana's first, Oct. 24; it operates on Channel 4, reports 1000 sets-in-use already and about 2000 available for sale (mainly RCA, DuMont, Majestic) . . . Detroit's WXYZ-TV, ABC-owned, this week began 7-10 a.m. programming . . . Cleveland's WEWS (Scripps-Howard) building fourth studio to handle expanded local programs . . . TV critic Philip Hamburger, *New Yorker Magazine*, elected to board of George Foster Peabody Radio-TV Awards . . . WFAA-TV, Dallas, Oct. 1 raised base rate from \$250 to \$300, 1-min. announcements from \$37.50 to \$45. WBAP-TV, Ft. Worth, Nov. 1 raises 1-min. from \$36 to \$45. KFI-TV, Los Angeles, Oct. 17 raised base from \$500 to \$750; KECA-TV Nov. 1 goes from \$700 to \$900 . . . DuMont has asked FCC for experimental uhf TV station in New York City, using 5 kw in 700-720 mc band, transmissions to be compared with regular Channel 5

Prosecution of Sylvania officials for alleged operation of illegal TV transmitter at Emporium, Pa. (Vol. 6:42) will be pushed, with FCC and Justice Dept. attorneys due soon to submit case to Federal grand jury in Scranton, Pa. Conviction carries \$10,000 fine and/or 2-year imprisonment of guilty officials. Company in Oct. 21 press release denied doing anything illegal, said it believed transmissions "were not of a type which came under control of the FCC."

September network TV billings (excluding DuMont) totaled \$3,516,897, nearly double August's \$1,855,361 (Vol. 6:38), bringing first 9 months of 1950 to \$20,880,815. Comparative 1949 figures were \$989,054 for September, \$6,495,346 for 9 months. Network (AM) radio for September was \$13,931,561, up from August's \$12,553,503 (Vol. 6:38) but down slightly from September 1949 figure of \$14,082,718. For first 9 months of 1950, network radio ran \$135,722,285 vs. \$139,112,898 for same 1949 period.

Most significant aspect of these Publishers Information Bureau figures, aside from comparative standings of the networks, is fact that TV billings for September reached 25% of radio billings—and there's every indication that, despite fact there are only 107 TV stations and not all are on networks, this percentage will continue to increase. The PIB figures:

NETWORK TELEVISION				
	September 1950	September 1949	9 Months 1950	9 Months 1949
NBC	\$2,145,554	\$470,080	\$11,830,309	\$3,500,636
CBS	888,431	271,938	6,164,692	1,609,718
ABC	482,912	155,480	2,885,814	740,795
DuMont	*	91,556	*	644,197
<b>Total</b>	<b>\$3,516,897</b>	<b>\$989,054</b>	<b>\$20,880,815</b>	<b>\$6,495,346</b>
NETWORK RADIO				
	September 1950	September 1949	9 Months 1950	9 Months 1949
CBS	\$ 5,249,786	\$ 4,997,280	\$ 51,068,664	\$ 46,301,592
NBC	4,416,328	4,829,768	46,348,095	47,226,275
ABC	2,418,934	3,077,282	26,417,997	31,874,690
MBS	1,246,463	1,178,388	11,887,529	13,710,341
<b>Total</b>	<b>\$13,931,561</b>	<b>\$14,082,718</b>	<b>\$135,722,285</b>	<b>\$139,112,898</b>

\* Not available.

**Network Accounts:** General Foods Nov. 1 starts *Bert Parks Show* on NBC-TV, Mon.-Wed.-Fri. 3:30-4; musical variety is expected to start trend to top-caliber entertainment on afternoon TV . . . Lever Bros. (Spry) reported ready to simulcast *Aunt Jenny* on CBS-TV, Mon. thru Fri. 12:15-12:30 . . . DuMont reports Great A. & P. Tea Co. (Bright Sail) signed as participant in *Your Television Shopper*, Tue. 11-12 a.m. & Fri. 11-11:30 a.m. . . Rexor Corp. (Sip-N-See Straws) Nov. 7 starts as participant in DuMont's *Magic Cottage*, Tue. 6:30-7, and on *Captain Video*, Fri. 7-7:30 . . . ABC's *American Forum of the Air*, cooperative, hitherto heard and seen separately on radio and TV, will be simulcast starting Nov. 5, Sun. 2:30-3.

Three applications for TV stations were filed this week, indicating mounting interest in end-of-freeze and definite plans for new outlets. City of St. Petersburg's WSUN filed for Channel 7, making 5 pending from Tampa-St. Petersburg area, now assigned 4 channels but allotted 6 (all vhf) under proposed FCC allocations. Eerie Television Corp., half owned by WIKK and *Erie Times* interests (George J. & John J. Mead) filed for Channel 3 in Erie, Pa., whose only assigned channel is now occupied by Edward Lamb's WICU. (Mr. Lamb publishes *Erie Dispatch-Herald*, while WIKK is half-owned by Keith Kiggins, ex-ABC, now with Edward Petry, and half by Donald W. Reynolds, publisher of *Fort Smith* (Ark.) *Southwest American* and *Times Record*.) WJLS, Beckley, W. Va., applied for Channel 4; owner Joe L. Smith Jr. is also applicant for Charleston, W. Va. (WKNA). [For details about applications, see *TV Addenda 11-P* herewith.]

Does TV construction fall under NPA ban on new buildings for amusement, recreational or entertainment purposes? That question is worrying telecasters, some of whom have had new construction under consideration for some time. NPA order Oct. 26 listed 44 types falling under ban, plus blanket category covering "any other recreational, amusement, or entertainment purpose, whether public or private." Qualms are also being felt that this may be applied to new station construction—if not now, at later date.

**Personal Notes:** Easton C. Woolley, leaving NBC post of station relations chief Nov. 1 to become executive v.p. of Salt Lake City's KDYL & KDYL-TV (Vol. 6:37), was presented with gift of new car by NBC affiliates meeting at White Sulphur Springs last week . . . ABC promotes Ernest Lee Jahncke, stations v.p., to v.p. for radio, both network and O&M stations; Joseph A. McDonald, v.p. & gen. attorney, and Robert Saudek, public relations v.p., to assistants to the president; Ted Oberfelder, adv. mgr., to mgr. of WJZ; Clarence Doty to mgr. of WJZ-TV . . . Henry Brenner, ex-Standard Brands, named mgr. of newly-created trade promotion at CBS under Louis Hausman, adv.-sales promotion v.p. . . A. A. (Abe) Schechter, ex-MBS v.p. in charge of news, joins Crowell-Collier Publishing Co. . . Frank Junnel, formerly with Southwest radio stations, succeeds Sherrill Edwards, resigned, as commercial mgr., KEYL, San Antonio . . . H. Dean Fitzer, gen. mgr. of WDAF & WDAF-TV, elected to board of directors of *Kansas City Star* . . . Myron Broun, ex-Sterling Adv. Agency, joins Demby Co. as TV-motion picture v.p. . . Henry Folts named asst. gen. sales mgr. for national spot, WLW & WLWT, Cincinnati . . . Gerald Vernon new ABC-TV Central Division sales mgr., Robert McKee handling network radio sales . . . James S. Pollak, ex-WPIX program mgr., now TV program mgr., Souvaine Co., packaging firm . . . Howard A. Chinn, CBS chief audio-video engineer, wins 1950-51 John H. Potts Memorial Award of Audio Engineering Society . . . Adrian Murphy, CBS v.p., speaks on "Color Television" at Waldorf-Astoria luncheon meeting Nov. 2 of New York Radio Executives Club.

### End-of-Freeze Transcripts

Verbatim transcripts of FCC's current TV allocation hearings, as well as all other phases of its end-of-freeze hearings, may be purchased in whole or part from official reporter. Write Electroreporter Inc., 1760 Pennsylvania Ave. NW, Washington, D. C.

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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.

\* \* \* \*

(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."

\* \* \* \*

(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.

\* \* \* \*

(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.

\* \* \* \*

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.]

\* \* \* \*

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."

\* \* \* \*

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.

\* \* \* \*

(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.

\* \* \* \*

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.

\* \* \* \*

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."

\* \* \* \*

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."

\* \* \* \*

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."

**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 (Viceroy's), 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."

\* \* \* \*

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. deploras "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.

\* \* \* \*

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).

\* \* \* \*

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 reelected 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 Hallicrafters (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.

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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 KPIX 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 Phonovision 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.

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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.

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"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.

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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 Brischacher, 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-excite 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.

\* \* \* \*

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."

\* \* \* \*

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.

\* \* \* \*

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.

\* \* \* \*

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: Permoflux 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), Liederkranz 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 1/3 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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VISUAL BROADCASTING  
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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%; Carboly 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.

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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 KTSL 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 KTSL, 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 KTSL may develop if unsuccessful "package" bidder Hoffman Radio applies for KTSL 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); KBTW (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)
WBTB, 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)	WKTV, 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.

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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".

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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."

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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."

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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."

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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?"

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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.

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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.

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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.

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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 Personals: Howard E. Riordon, 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.....KGPB BMP-5287	Flagstaff Bcstg. Co. Granted change to-----	1450 <del>1230</del>	250-U 250-U
Picayune, Miss.....WRJW BP-7695	Moseley Brothers Granted change to-----	1320 <del>1320</del>	1,000-D <u>5,000-D</u>
Scottsbluff, Neb.....KNEB BP-7035	Platte Valley Bcstg. Corp. Granted change to-----	970 <del>960</del>	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 <del>1280</del>	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 <del>1340</del>	1,000-D 250-U
Tulsa, Okla.....KRMG BP-7420; Doc. 9627	All-Oklahoma Bcstg. Co. Granted change to-----	740 <del>740</del>	50,000-LS (DA-2) 10,000-N (DA-2) <u>50,000-LS (DA-2)</u> <u>25,000-N (DA-2)</u>

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

Mobile, Ala.....WKRG BML-1350; Doc. 9347	Giddens & Rester	710	1,000-IS 250-N(DA)
	Proposed grant of change to-----	710	<u>1,000-IS</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	1,000-U(DA-N)

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>114<math>\frac{1}{2}</math> 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-IS</u> <u>500-N(DA)</u>
Brownsville, Tex.....KBOR BL-4173	Brownsville Bcstg. Co. Granted license for-----	1600 <del>1600</del>	1,000-D(DA) <u>1,000-U(DA-2)</u>
Harrisonburg, Va.....WSVA BL-4215	Shenandoah Valley Bcstg. Corp. Granted license for-----	550 <del>550</del>	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 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)

Gallup, 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 Bcstg. Co.	1340 kc.
New Smyrna Beach, Fla.....	WNSA	Beach Bcstg. Co.	1230 kc.
Walton, N. Y.....	WDLA	Delaware County Bcstg. Corp.	1270 kc.
Easley, S. C.....	WELP	Pickens County Bcstg. 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 Bcstg. Co. Inc. (No. 284)

License Cancelled

(Delete from Parts I & III)

(Total remaining: 512)

Vernon, Tex.....KWNC-FM Northwestern Bcstg. 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 Bcstg. Co. Change power to 15 kw (No. 231).

New Call Letters Assigned

Lebanon, Ind.....WLIL Lebanon Bcstg. 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 employes, 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. 6:33, 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
Erie	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
<b>Total Interconnected</b>	<b>80</b>		<b>7,774,800</b>

### 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
<b>Total Non-Interconnected</b>	<b>27</b>		<b>1,394,500</b>
<b>Total Interconnected and Non-Interconnected</b>	<b>107</b>		<b>9,169,300</b>

\* 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.

MARTIN CODEL'S

AUTHORITATIVE NEWS SERVICE  
OF THE  
VISUAL BROADCASTING  
ARTS AND INDUSTRY

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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, Sarks 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 *Rorabangh Report on TV Advertising*. Total of 4509 sponsors (153 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, Aveo 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 Seerest.

**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. Swezcy, 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 Wilcox & 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 committeemen 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 <u>All Corporations</u>	Profits of <u>TV-Radio Industry</u>	No. of TV Sets <u>Made &amp; Sold</u>	Value at Mfr. <u>Sales Price</u>
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.

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# Television Digest

WITH AM FM REPORTS

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**DISTURBING STATUS OF DEFENSE ORDERS: Where are the military contracts?**

That's the question troubling bulk of electronics industry today, as it faces curtailed civilian production next year (see pages 2-4).

What's causing concern is that many leading TV-radio manufacturers have little or no govt. work on hand, have been promised none soon, can't seem to get any when they do go after a contract.

Yet, handwriting is on the wall as far as next year's civilian production is concerned, and industry feels it's going to lose manpower, take a financial beating unless some way out is found. Many small and not too well-heeled manufacturers see themselves being forced to wall.

Situation is no one's fault. It's product of our still limited war effort, wherein we're siphoning off raw materials for accelerated mobilization, yet aren't in all-out effort that would employ every ounce of the industry's enormous (and war-proved) productive capacity. Situation isn't easy one to solve, either.

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Thus far, military electronics-communications contracts amount to about \$1 billion (half pre-Korea, half post-Korea; see Vol. 6:45). In present military budget, there's still about \$1 billion to come before June 1951. And, when Congress passes extra \$18 billion for military and atomic energy, requested by President Truman Dec. 1, \$1.8 billion should be for electronics-communications (10% of total).

[Defense Dept. estimate of \$368,000,000 obligated since July 1 for electronics-communications (Vol. 6:47) is too low, according to informed sources. Estimate didn't take into account contracts let to aircraft makers, ship builders, special weapons procurement -- all of which use goodly amount of electronics gear.]

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Where have these military contracts gone? They've gone to:

(1) Big electronics-communications companies, with large research staffs, who are considered "hard core of military procurement." "Veterans" of World War II, these companies have always worked with the military, had development contracts, know what the military services want, have huge productive capacity individually.

They're such manufacturers as RCA, GE, Westinghouse, Western Electric, Philco, Sperry, Raytheon, Collins, Bendix, Stewart-Warner, Federal, Sylvania.

(2) Smaller manufacturers, virtually unknown in civilian TV-radio production, who have been taking development and small production orders for years. They number 100 or more, work on narrow profit margins. Mostly plants employing 10-50 persons, their capacity is substantial in aggregate.

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Why have they gotten contracts? First, they went after them, even before Korea. Second, military services know them, their personnel, their capacities. Third, these companies know the equipment, having had a hand in developing it.

Many of the contracts have been negotiated by the services -- rather than let on open bid -- because of early delivery dates, security, etc. Even on bid contracts, smaller manufacturers have edge on big TV-radio producers because they're willing to take extremely small profit.

A developing trend, which to some in industry looms serious, is practice of some major end-product manufacturers -- e.g., aircraft, tanks, ships -- also to make electronics equipment that goes into the completed units.

Thus, large number of top TV-radio manufacturers are being left out in the cold. They appreciate that cutbacks in civilian production are necessary, but they understood they'd get military contracts when the pinch began to be felt.

They're worried because that's not way things are working out -- though they have capacity, production skills, manpower.

On the other hand, most of them weren't interested in govt. contracts year or more ago -- they were just too preoccupied with civilian demand for their profitable products, particularly TV (since 1948). Govt. work was less profitable.

Who are they? Some of biggest. Except for those aforementioned, none has any (or substantial) defense contracts.

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What can be done? All manufacturers have M-Day assignments, of course. But, we're not now on all-out war footing.

Someone could dictate to military services where and to whom contracts must be let. It could be Munitions Board. It could be NPA. Aim would be over-all good of war-vital electronics-communications industry, as well as good of economy of country as whole. Strong hints have been made to procurement offices of the 3 services -- but thus far to no avail.

There's much thinking at Pentagon Bldg. and at NPA about problem right now. Perhaps in week or so, solution will be found. Until and unless it's met and resolved, radio-TV manufacturers will be in for a rough time.

**I--SHORTAGES FORCING SOME CUTBACKS:** Shortages are making sizable dents in TV-radio output, with capacity production now the exception rather than the rule.

Of the industry's Big Three, only Philco said this week it was still producing full-scale. RCA's production has been cut undisclosed amount. Admiral's is down 10% -- but president Ross Siragusa forecasts good output rate during first-quarter 1951 after certain "substitution problems" have been worked out.

Neither Admiral nor Philco will quite achieve 1,000,000 TVs they had forecast for year, nor will RCA ("we are not being outproduced by anyone") account for that many in year's expected total of close to 7,000,000 TVs.

[At end of third November week, RTMA had these projected figures: first week 218,378, second 184,133, third 201,364 -- bringing year's grand total, up to Nov. 18, to 6,381,885. Radio output, same weeks, was 365,751, 371,101 & 311,330, respectively -- for grand total of 12,530,005. There are about 5 remaining "productive" weeks to be reported.]

Others admitting cutbacks include: Andrea, 40%; Emerson, 20%; Olympic, 20%. Unconfirmed reports of other stoppages, delays and curtailments due to shortages are widespread, but the manufacturers aren't giving them any publicity. Actually, among some of the bigger producers, there seems to be a pervasive optimism that isn't borne out by the facts and forecasts of the war situation.

Most manufacturers are revising earlier estimates, some agreeing with Andrea president Frank A. D. Andrea, who told Dun & Bradstreet dinner in New York that 1951 production would be about 50% less, with maximum output possibility of 4,000,000 TVs. Emerson's Ben Abrams, somewhat more sanguine, said: "Even optimistic guesses place 1951 production at no more than 6,000,000 TV receivers."

Radio production probably will be sacrificed as manufacturers concentrate on more profitable TV -- although TV uses more scarce parts than radio. Wall Street Journal reports Olympic has cut production of radios from 10,000 to less than 4000 per month, Air King thinking about discontinuing radio manufacture entirely.

**II—SHORTAGES AND MORE SHORTAGES:** There's no pattern to shortage picture -- yet. In crazy-quilt fashion, the "No. 1 critically-short item" varies from plant to plant, even from day to day.

Large TV-radio manufacturers, who piled up inventories of some components in advance of crisis, now find bottlenecks in items they didn't stockpile heavily.

One company may have big supply of resistors, but not enough tubes. Another as big may have adequate supply of tubes, but be forced by resistor scarcity to slash production.

With smaller companies, shortages are even more acute.

"What's short? Everything's short!" is most frequent response when we question manufacturers. A few examples given in replies this week:

Components -- receiving tubes, resistors, capacitors, speakers, transformers, coils of all descriptions.

Parts -- picture-tube face plates and electron guns, magnets, wire.

Raw materials -- cobalt, nickel, copper, aluminum, steel, etc.

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Relatively favorable to TV industry, this week's new govt. directives on aluminum, cobalt, copper may help keep assembly lines humming through December -- though turn of events in Korea casts further clouds on civilian production outlook.

But mad scramble for parts, components and raw materials continues, with grey market prices soaring. Copper, listed at 24½¢ lb. at mill, is selling as high as 52¢, 48-cent scrap nickel for \$3. Wall Street Journal quotes Air King president D. H. Cogan as saying he's paying up to 18¢ lb. for steel that lists at 6¼¢.

"We've paid \$60 to \$70 a thousand for resistors that normally sell for \$11 or \$12 a thousand," Olympic president A. A. Juviler told Journal's Joseph Guilfoyle, "but we're happy to get them at any price. The alternative was shutting down completely," he said. "We've even paid \$3 for a 55-cent receiving tube."

Indicative of middle-sized manufacturer's predicament is this quote from Tele King president Harvey L. Pokrass:

"There isn't anything that isn't tight...even got to fight for screws and bolts. We've put materials into 2 classifications: Critical and super-critical."

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Into this picture steps National Production Authority with 4 new orders -- showing signs Govt. is aware that first 6 months of 1950 is poor period on which to base materials allocations for entire year.

Copper limitation (NPA Order M-12) restricts production and use of non-defense copper products in January-February to maximum of 85% of first-half 1950 rate. For March, limit will be 80%. Order generally got wry reaction from TV-radio makers and suppliers, who would give right arm to get hold of the 85%. That amount would actually be less than 65% of what they used in October.

Order differs from earlier aluminum allocation (NPA Order M-7, Vol. 6:46) in that it permits December 1950 deliveries at same rate as October-November average, instead of using first-6-months base period. This will benefit the few larger component and set makers whose ration hasn't already been slashed by suppliers.

To add to industry's woes, Govt. may soon tell producers just what they can make out of the copper they get. NPA Administrator Harrison Nov. 29 emphasized importance of saving copper "for those functional uses where substitute materials cannot be employed." He warned that "a variety of uses may have to be limited and studies looking to an order to achieve this necessary conservation are under way."

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Aluminum limitation was liberalized Dec. 2 (NPA Order M-7, as amended), to permit non-defense consumption in January at 85% of first-half 1950 base period rate, 80% in February. For March and subsequent months, previously announced 65% allocation still stands.

TV industry should be aided by another new aluminum provision permitting bigger December supply for industries which normally have seasonal upswing, or

increased plant capacities since base period, or were shut down in first half 1950.

NPA's nickel order (M-14) hits hard at civilian electronics. Issued Dec. 2, it limits use of nickel (used in magnets and in CR, receiving, transmitting tubes) in first quarter 1951 to 65% of average use during first 6 months of this year. Unlike copper order, nickel cut applies only to primary metal, not finished product.

Bear in mind that NPA orders don't guarantee industry will receive given percentage of amount of critical material formerly used. They merely set maximum amount industry is to be permitted. Aim is to help provide equitable distribution of available civilian supply.

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Cobalt, No. 1 bottleneck for 1951, will be available in bigger quantities this month than last. NPA Order M-10 to African Metals Corp., sole importer of the vital magnet metal, increases December non-defense deliveries to 50% of average use in first-half 1950, compared with 30% in November (Vol. 6:46-47).

But things are certain to be tougher next year, since same order cuts December delivery of "DO" defense priority orders by 40%. Obviously this can't continue in 1951, and there is little likelihood of immediate increase in cobalt imports. Cobalt inventories are limited by Govt. to 20-day supply. Stricter long-term directive is expected this month.

Not waiting for final official word on cobalt, set and component folk are making progress in conservation and substitution. Speaker manufacturers -- though some say they may have to shut down next month -- are already turning out units with smaller alnico magnets, which give poorer performance but make possible production of 25-50% more speakers from same amount of magnet metal. End result: Consumer will have to turn volume control higher.

While speaker magnets can be whittled down, picture tube focus magnets and ion traps can't be made smaller or weaker. Alternative to cobalt-rich alnico is copper-wound electromagnet.

Admiral is already turning out some sets with electromagnetic deflection. Philco's Wm. Balderston says it's possible to redesign power supplies in present sets with 40-50% saving of copper, in same manner Philco has done on 12½-inch sets.

As long as any cobalt is available, alnico will probably be most prevalent speaker magnet, but most TV circuits will be redesigned to accommodate electromagnetic focusing and deflection.

Speaker and focus unit makers say they'll switch to electromagnets -- if customers will furnish copper wire. Copper producers, however, have been quoted as saying 20 or 30 prospective buyers clamor for every available ton. They're doling out orders to regular customers only under their own stringent allocation system.

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Component-seeking jaunts to Europe by manufacturers have become commonplace. Hallcrafters president Wm. Halligan reportedly secured some speaker magnets and resistors abroad. "But what interested me most," Halligan said, "is the way manufacturers there have succeeded in developing substitutes for scarce materials.

"In Germany, for example, a tube maker is successfully using an aluminum-clad iron element in tubes instead of scarce nickel used by manufacturers here. I'm sending my engineers over there on the double to study their methods."

**STALIN, MAO & Co. DECIDING COLOR:** If color hash hadn't been settled months ago by events in Korea -- as many of us have believed -- there's scarcely any doubt of it after what happened there this week.

Nevertheless, there are at least 3 color fronts to watch for clues to the future -- whenever that may be:

(1) RCA again demonstrates its system, starting Dec. 5. This is real crux of color situation, because --

If RCA can back up its progress reports (Vol. 6:32) with performance, FCC's decision will appear ridiculous to anyone with a pair of eyes.

But if system has basic faults Commission says it has, on other hand, they should be apparent and should stand as graphic vindication of FCC's position.

Frankly, we don't know what pictures will look like, as they appear on faces of 600,000-dot tri-color tubes in much-simplified receivers. But we do know this:

If RCA merely shows what it demonstrated at Princeton & Washington in August (Vol. 6:32)--demonstrations FCC ignored because "record was closed" and RCA thought it unwise to ask for reopening of hearing -- it will create a tremendous impression.

Besides having basic virtue of compatibility, RCA system had already been cleared of number of problems which FCC had written off as virtually insoluble. And, quite aside from fact that best engineering opinion is that system is "on the right track," we hear there are additional refinements.

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Demonstrations will start 10:30 a.m. in Washington's Trans-Lux Bldg. Press is first, will watch WNBW transmissions. Showings for RCA licensees begin that afternoon, but these will be closed-circuit pictures, since experimental license doesn't permit colorcasts during regular programming hours (Vol. 6:42).

About 800 licensee representatives are expected and demonstrations are due to run 1-2 weeks. Broadcasters, consulting engineers and attorneys are scheduled Dec. 13. No invitations are being sent Congress or Commission for fear of prejudicing court case. RCA says FCC will be invited when litigation is over. Actually, it's hard to see how any VIP can be excluded from having look on his own initiative.

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(2) Chicago 3-judge court (Vol. 6:46) is now in position to mull decision, since all briefs are in, including RCA's filed this week. Big question, of course, is when court will decide -- and there's nothing to go on in guessing that.

RCA's 45-page reply brief (answering those of FCC-CBS-Govt. of last week), plus 25 pages of annexes, states that:

(a) FCC refused "to keep itself adequately informed" when it ignored RCA progress report, Condon Committee, Hazeltine developments, etc.

(b) FCC failed to give any weight to expert testimony regarding RCA color fidelity, CBS and RCA present and future complexity, capabilities of tri-color tube, networking of RCA system, susceptibility to interference, CBS shortcomings, etc.

(c) CBS, not RCA, is "unready," since it never conquered incompatibility. And it's willing to make public suffer costs of incompatibility, rather than undertake to solve problem in laboratory at own expense.

(d) FCC has no right to deny RCA system, since it doesn't interfere with black-and-white reception.

(e) CBS and FCC fear free public choice (dual color standards) or else they wouldn't demand haste and impose exclusive CBS standards.

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(3) CBS continues to reap harvest of favorable publicity and public reaction to demonstrations. Biggest bonanza yet was Dec. 4 Time Magazine "cover story" treatment of CBS color and president Frank Stanton.

Accompanied by striking cover painting by Artzybasheff, careful article is quite favorable to CBS color but avoids going too far out on limb by saying:

"CBS might eventually lose out in the changing fortunes of battle, but color of some sort is certainly on its way."

Stanton is "iffy" about future, says Time: "If courts do not rule against CBS; if Congressional probes do not hold up the FCC decision; if U.S. rearmament does not absorb electronics industry; if there are no serious shortages of essential materials -- waving away all these ifs, Stanton believes color will be transmitted from all U.S. TV stations by the end of 1952." Thus, Time adds significantly:

"Even if things move as fast as possible, the buyer of a new black-and-white TV set today will get at least two, probably more, years of use from his set."

Magazine has startling news that: "Last month [Stanton] had the heady experience of turning down a job, for which he could 'name his own price,' offered him by rival RCA."

Printers' Ink Magazine advised advertisers, in Nov. 24 editorial, "to start planning for color TV right now. From what we've seen, packages that stand out well

on store shelves are fine for color. Others will have to be modified for best color results..." Editorial states CBS demonstrations "prove that the public will gladly accept color that is short of perfect...If no major war occurs, color TV is going to come mighty fast around that corner it is just around."

Good sample of CBS's promotional skill was recent telecast of Cartier jewels, including \$165,000 pearl necklace, 19-karat diamond ring worth \$78,000, etc.

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Meanwhile, industry isn't standing still. Hazeltine reports it has improved compatibility aspect of dot-sequential system to point where there is virtually no dot structure in reception on existing sets.

NTSC continues exchange of information on new techniques and inventions, with members showing enthusiasm over progress in compatible systems. Their attitude seems to be: "Regardless what FCC, courts or anyone else says, field-sequential system just isn't good enough. Maybe RCA has right idea, maybe not. At any rate, we're convinced a color system can be both good and compatible -- and we're going to find it." Philco, for example, announced 5-year license agreement with Hazeltine, saying "closer association of the two companies...should accelerate the development of a complete all-electronic color system."

**LOSSES BIG, VOLUME UP, OUTLOOK GOOD:** Telecasting stations that aren't at least earning their operating expenses are today the exceptions rather than rule. In fact, most of the 107 outlets are now in the black, writing off depreciation and amortizing old losses -- though a few are still only beginning to crawl out of the red.

But not so long ago telecasting was really a deficit business, taxing the pocketbooks of the hardiest venture capitalists. For example:

Four TV networks and 98 stations took in \$34,329,956 and showed operating losses of \$25,261,950 in 1949, FCC discloses in its annual report on broadcast finances. Same 4 networks and 50 then-operating stations grossed \$8,700,000, lost \$14,900,000 in 1948. Those were really the first years of telecasting's emergence as a commercial entity.

The networks and the 13 stations they own accounted for \$18,894,040 of the 1949 revenues, \$11,741,855 of losses. The other 85 stations took in \$15,435,916, lost \$13,520,095.

Original investment in tangible TV property in 1949 was \$55,875,583, depreciated cost \$44,941,469, according to FCC compilation.

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What's the 1950 picture? We'll have to wait until about this time next year for FCC's official figures -- but trends are discernible. The TV networks alone (excluding non-reporting DuMont) accounted for gross revenues of \$27,262,238 during first 10 months of 1950 [see PIB table, p. 12], vs. \$8,320,608 for same 1949 period.

Thus, it's apparent 3 networks alone will enjoy more revenues this year than entire telecasting industry did last year (\$34,329,956), for network time sales are now running well over \$6,000,000 per month. There are no figures for stations available, but a reasonable guess is that the independent stations will realize as much or more from local and spot sales as the networks take in from national advertisers.

Accordingly, assuming \$40,000,000 as the networks' gross for 1950, it's a fair deduction that the networks plus the 107 operating stations will take in fully \$80,000,000 this year -- somewhat more than we predicted last spring (Vol. 6:21). Because most stations crept into the black only in recent months, while networks continue to operate at heavy deficits, it's foregone certainty that 1950 will also be a deficit year for industry as a whole -- but probably far less so than 1949.

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By contrast with the infant telecasting, radio broadcasters (AM) enjoyed comfortable gross revenues of \$413,784,633 in 1949, profit of \$56,262,915, the FCC report shows. Gross is somewhat higher than 1948's \$406,995,414, net considerably down from 1948's \$64,091,684. (Some of decline in net is attributable to costs of operating unprofitable sister TV stations.)

Seven AM networks and their 27 stations grossed \$108,079,704 of the 1949

total, netted \$17,473,756. The 1994 other stations accounted for \$305,704,929 income, and \$38,789,159 profit. FCC report has 684 AM stations showing losses in 1949, of which 584 were postwar licensees in existence 3 years or less. There is no separate report on FM.

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Fact that only 4 TV networks and 107 stations this year will do about 20% as much business as 30-year-old radio broadcasting industry is significant. Actually, whole telecasting industry employs only 8500 persons, reports NAB in current survey. And TV signals are within range of 91,310,436 or 61.2% of U.S. population of 150,-697,361, according to NBC Research. [See stories, p. 12.]

**EDUCATIONAL TV--'HELL HATH NO FURY':** Educators' demands for TV channels, actual and potential, loomed so great and so nebulous that FCC spent good deal of this week's end-of-freeze hearings trying to pin witnesses down to reality. Their quest, reminiscent of past AM and FM campaigns, was sparked by Comr. Frieda Hennock -- and she spent her very vocal energies in asserting the educators have had neither time nor information to work with and FCC has been derelict in providing them with neither.

That about sizes up curious new turn that FCC's long-drawn-out series of hearings has now taken. They resume on same subject Dec. 5. Educators are asking:

(a) One vhf channel in each metropolitan center and in each major educational center.

(b) 20% of forthcoming uhf channels.

(c) Shared time on commercial stations where all vhf are occupied.

If any specific philosophy was evolved by educators during hearing, it's probably this:

(1) Educational stations should be controlled by cooperative groups in each area -- a sort of "educational TV authority."

(2) FCC should fix percentage of time commercial stations must give educators, where latter don't have own channels.

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Commercial operators -- TBA, NAB, networks, stations -- have stayed strictly out of hearing. But they're beginning to wonder whether they may lose an awful lot by default. They don't know whether they're being wise or not. Said one FCC lawyer: "For once they're being smart. They're better off if they keep quiet."

Bitter intra-FCC feud, particularly between Comr. Hennock and counsel Harry Plotkin, flared out into open when she accused him, in almost as many words, of pro-commercial machinations, of giving educators the go-by -- certainly the most startling charge ever leveled at Plotkin, of all people.

But Miss Hennock insisted, in hearing and out, that he's planning on giving educators nothing but crumbs, that he's withheld staff assistance in tailoring an allocation that would include educators, that he's been out to "get" her.

Rest of commissioners stuck up for Plotkin -- for his right to ask any questions he wanted, at any rate. Acting chairman Hyde found it difficult to cope with Miss Hennock, who got mighty shrill at times and admitted she "flew off the handle."

Her dissent in color decision undoubtedly has much to do with current feud.

And politics reared its head, too, when Ohio's Sen. John Bricker introduced resolution (S.J.Res. 208) directing FCC to study educational TV allocations. Miss Hennock also promises "a few little surprises," presumably in political field.

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Main pitches of educators are these:

(1) Radio spectrum is public domain, and educators can't compete with commercial interests on equal basis in fight for channels.

(2) Precedent of Govt., in setting aside land for schools and parks, must be followed in radio-TV or else educators will be frozen out permanently. Even if channels remain vacant for generations, they should remain available.

Criticisms of educators, by commissioners:

(1) They haven't applied vigorously for AM-FM-TV channels, even when they've

been available. Further, there's nothing to stop them from applying for commercial stations' facilities at renewal. Chairman Coy openly recommended WNYC witness do so in New York in next couple months. City-owned WNYC appeared as an "educational station" -- though Coy questioned its status as such.

(2) They don't take real advantage of offers of time by commercial stations.

Particularly puzzling to commissioners were questions of how to decide which schools would get channels (public vs. private, grade schools vs. universities, etc.) and how time could be shared with commercial stations.

Educators' counsel, Telford Taylor and Seymour Krieger, promised to produce witnesses with more specific ideas.

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Some really crackpot proposals were advanced. WNYC's manager Seymour Siegel gave his concept of time-sharing: Make one New York station vacate channel, give it to educators, then require each of other 6 stations to give certain percentage of time to the dispossessed commercial operator.

There were 22 witnesses, with many more to come. Many are unquestionably distinguished educators, uneasy in an unfamiliar field. Experienced witness was Harold B. McCarty, who has 21 years under his belt as State of Wisconsin's educational radio chief. He told of struggle with commercial interests, of unnamed network representative who went to state's governor and told him he was ready to spend \$1,000,000 to defeat WHA's application for an AM clear channel.

He insisted educators' record in radio is good. Drop of number of stations from 160-170 generation ago to 30-40 today is misleading, he said, reading off names of some early licensees: Atlantic Automobile School, Red Oaks, Ia.; Atwood (Ill.) Township High School; Billings (Mont.) Polytechnic Institute; Glad Tidings Temple and Bible Institute of San Francisco, etc.

Even NBC's first president M. H. (Deac) Aylesworth appeared and asked for channel reservation, suggested wealthy men might endow schools with TV stations. For present, in New York, he recommended that TV station heads and school leaders form committees, provide for specific educational time on commercial stations.

End of general issues hearing is expected week after next. After that, regardless of what FCC does next, whether or not it comes out soon with expected new allocation plan, no new action is expected for month or more. Even if no new allocation were forthcoming, at least 30 days notice would be given parties to hearing on specific city assignments.

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**Network Accounts:** Pet Milk Sales Co. Jan. 3 joins Motorola and Norge Div., Borg-Warner, in sponsoring *Four Star Revue* on NBC-TV, Wed. 8-9, one getting major plugs each week on rotating basis (Motorola, Jan. 3; Norge, Jan. 10; Pet Milk, Jan. 17) . . . Welch Grape Juice Co. Dec. 8 starts *Howdy Doody* on NBC-TV, Fri. 5:30-5:45 . . . Pepsi Cola moves *Faye Emerson* Dec. 25 from CBS-TV to ABC-TV, Mon.-Wed.-Fri., 7:15-130 . . . Dec. 11 is starting date of Quaker Oats' new *Gabby Hayes Show* on NBC-TV, Mon.-Wed.-Fri. 5:15-5:30 . . . Procter & Gamble Jan. 1 starts sponsoring 4-4:15 portions of *Kate Smith Show*, Mon.-Wed.-Fri. on NBC-TV; more new Kate Smith sponsors due to be announced next week . . . Drug Store Television Productions has renewed *Cavalcade of Stars* on DuMont, Fri. 10-11 for 52 weeks.

**Station Accounts:** Parker Pen Co. includes TV spots in pre-Xmas gift-pen campaign budgeted at \$750,000, with big advertising program also on tap for its new Flaminaire butane cigarette lighter; J. Walter Thompson is agency for pens & pencils, Tatham-Laird Inc. for lighters . . . Big Peoples Drug Store chain of Washington and nearby towns has contracted with WNBW for \$10,000-a-month package, feature films captioned *Peoples Playhouse* Mon. thru Fri. 1-2 p.m. . . . Yardley of London Inc. goes into TV Jan. 5 as sponsor of Fri. night *Tex & Jinx Show* on WNBT, New York . . . WNBT's Fri. *Date in Manhattan*

program has new participant, Milrose Products Co. (Rad Easy Cleanser), thru Frederick-Clinton Co., and WABD has new spot user, Grove Laboratories (cold tablets), thru Harry B. Cohen Adv. . . . Among other advertisers reported currently using or planning to use TV (agencies New York unless otherwise specified): Austin-Greene Inc. (Remyne indelible lipstick), thru Dorrance-Waddell Inc.; Nyo-Lene Labs (Nyola nail coloring), thru Dorrance-Waddell Inc.; Pres-A-Lite (automatic lighter dispenser), thru Wm. H. Weintraub & Co. Inc.; Lorentzen Hardware Mfg. Co. (Venetian blind hardware), thru Hazard Adv. Co.; C. V. A. Corp. (Cresta Blanca wines), thru J. J. Weiner Adv. Agency, San Francisco; Richfield Oil Corp., Los Angeles, thru Hixson & Jorgensen Inc., Los Angeles; Sales Builders Inc. (Max Factor cosmetics), thru Ted H. Factor Agency, Los Angeles; S. Rothchild & Co. (Shape-Holders customized coats), thru Leonard F. Fellman & Associates, Philadelphia; Jones & Brown Inc. (plastic wall tile), thru Shephard & Edwards Inc.; O. A. Sutton Corp. (Vornado air circulators & air conditioner), thru Lago & Whitehead Co., Wichita, Kan.; Italian Swiss Colony (wines), thru Honig-Cooper Co., San Francisco; American Syrup & Sorghum Co. (syrups, preserves, jellies), thru Gordon Marshall Agency, St. Louis; How Publishing Co. (*Here's How Magazine*), thru Paul Grant Adv., Chicago; Jo-Bell Products Inc. (yarn winder & Bell Prof. Kurl Klasp), thru Allen J. Copeland Adv., Chicago.

**Personal Notes:** DuMont Network director Comdr. Mortimer Loewi appointed chairman of national TV committee and ABC president Robert Kintner chairman of radio committee, for Brotherhood Week, sponsored by National Conference of Christians and Jews . . . Davidson Taylor, ex-CBS v.p. & director of public affairs, recently consultant to State Dept., joins NBC-TV Jan. 1 as general production executive . . . Harry C. Kopf, NBC radio sales v.p., transferred to Chicago to head TV-radio operations, succeeding I. E. Showerman, resigned; John K. Herbert, who resigned as v.p. & adv. mgr. of Hearst Magazines Inc. in September to join NBC, becomes radio network general sales mgr. . . . Jules Herbiveaux, mgr. of NBC-TV, Chicago, elected president of Chicago Merchants & Manufacturers Club . . . Dody Sinclair promoted to production director, WJAR-TV, Providence . . . Brig. Gen. Ken Dyke, onetime NBC v.p., returns soon to job as public relations v.p. of Young & Rubicam after 90-day leave to serve with Gen. MacArthur in Tokyo . . . William Gernannt new national sales mgr., Jerry Fairbanks Productions . . . Fred S. Heywood promoted to production mgr. of WBAL-TV, Baltimore, Carl B. Skytte named promotion chief.

"Programming by Compulsion" is title of Nov. 26 editorial in *St. Louis Post-Dispatch* (KSD-TV), on FCC proposal to limit number of hours that TV stations in cities with less than 4 stations may take from single network (Vol. 6:40, 46). "FCC plan pays no attention to program quality or the facts of life in TV," editorial comments. "The fact that some networks can sell more programs than others indicates that competition is at work . . . For program competition, the FCC would substitute what amounts to a Federal guarantee of a safe cushion for some networks." You can add WJIM-TV, Lansing, to list of 45 stations objecting to FCC proposal (Vol. 6:46). Pre-hearing conference of attorneys takes place Dec. 4 in preparation for Dec. 11 hearing on AT&T's allocation of intercity TV circuits to networks. FCC approved appearances of WDEL-TV, Wilmington, and TOA, 20th Century, National Theatres, in addition to those previously filing (Vol. 6:42-44, 46).

Phonevision tests may start in Chicago early next week, skipping Dec. 1 FCC-authorized date (Vol. 6:46) because "choice of features" for 90-day test hasn't been completed. This was essence of Nov. 30 announcement from Zenith. It's indicated first-run features have been obtained from all major producers except 20th Century-Fox, adamant in refusal despite Justice Dept. pressures.

Zenith's H. C. Bonfig and Ted Leitzell were in New York this week seeking to clear music, performer, author and other copyrights. Announcement said Petrillo has okayed showings of post-1945 features, though AFM's contract with film producers forbids renting films containing music played by its members for TV showings.

Teco Inc., formed by Zenith to exploit Phonevision and underwritten to extent of \$1,000,000 by stock sale (Vol. 6:15-16), in report to stockholders cautions that there still remain FCC hearing and long period of development even after FCC approves (if it does) this system of pay-as-you-look TV. President S. I. Marks warns these and other hurdles must be overcome before income can accrue to Teco.

Mr. Marks acknowledges that no telecaster has expressed desire to participate in Phonevision, and that AT&T doesn't want to be part of it (Vol. 5:45, 50). Of its \$1,000,000 bankroll, he reported, it has spent \$56,685 thus far on salary, organization, stock fees, etc.

"Your management," report says, "is hopeful that Phonevision will eventually be adopted and put in use generally, but feels that you should be advised of the fact that it will probably be considerable time before that is accomplished."

**Financial & Trade Notes:** Philco's 1950 sales may reach \$340,000,000, earnings before taxes \$30,000,000, net profit \$16,000,000 (or about \$9 per share). So president Wm. Balderston reported at Nov. 28 stockholders meeting, which approved 2-for-1 stock split (Vol. 6:47), along with stock option plan for key personnel. Common shares will now number 5,000,000, with 3,419,960 outstanding, and certificates will be mailed Dec. 15.

Mr. Balderston also stated TV will represent less than 50% of Philco's 1950 volume, with refrigerators, freezers and ranges accounting for about 30%, radios 10 to 14%. Backlog of govt. orders is now \$60,000,000.

Company makes about 40% of its own critical components, is expanding tube and coil plants, expects "satisfactory" first quarter 1951 and "falling off" in second quarter, he added. Average age of Philco's 40 top executives was reported as 42, average length of service 18 years, and they own some 30% of the company's stock.

\* \* \* \*

Television-Electronics Fund Inc. net assets were doubled in its second fiscal year ending Oct. 31, annual report disclosing \$5,560,022 with 462,593 shares outstanding vs. \$2,780,796 and 297,980 shares as of Oct. 31, 1949. Realized and unrealized appreciation was \$947,579 vs. \$111,000 previous year. Value per share was \$12.01 Oct. 30, before payment of year-end dividends, vs. \$9.33 last year. Distributions to stockholders totaled \$1 per share in 1950 fiscal year vs. 39¢ in 1949. Holdings of \$5,105,475 in common stocks of unaffiliated companies (cost \$4,367,793) were listed in annual report.

Webster-Chicago has registered with SEC for public sale of 103,158 common shares, proceeds to be applied toward acquisition of plant site, construction of new manufacturing facilities and additional working capital. F. Eberstadt & Co., and Shillinglaw, Bolger & Co. have been named principal underwriters. Webster-Chicago reported net income for 10 months ending Oct. 31 of \$1,242,623 on net sales of \$14,769,460, with net current assets \$3,023,442.

Standard Coil Products Inc. sales for 9 months ended Sept. 30 were \$24,320,476, net profit after provision for taxes \$4,024,765. This compares with sales of \$9,156,572 and profit of \$1,053,825 for same 1949 period.

Sentinel reports October sales reached record \$2,707,757, compared with \$761,735 for same 1949 month. For first 7 months of fiscal year starting April 1, sales totaled \$11,091,985 vs. \$4,539,772 for same 1949 period.

Wilcox-Gay Corp., recently combined with Majestic (Vol. 6:15), reports earnings after taxes of \$111,732 in September and \$163,247 in October.

**Dividends:** Bendix Aviation, regular quarterly 75¢ and special \$1.50, both payable Dec. 27 to stock of record Dec. 8; brings year's payments to \$5 vs. \$3.50 in 1949 . . . Muter Co., 15¢ payable Dec. 31 to holders of Dec. 15; plus 10% stock dividend payable Jan. 15 to holders of Dec. 15 . . . Aerovox, 10¢ payable Dec. 15 to holders Dec. 5; in October paid 100% stock dividend . . . DuMont, 75¢ payable Dec. 20 to holders Dec. 5 . . . RCA, 50¢ plus 25¢ extra on common, both payable Dec. 26 to holders Dec. 8—making \$1 for year.

U. S. Treasury collected \$5,892,095 during October from 10% manufacturers excise tax on radio and phono sets (including radio components of TV sets), compared with September's \$3,242,210, last October's \$2,899,796. Collections, all pre-Nov. 1 TV excise tax, total \$41,750,700 for 10 months of 1950 compared with \$40,638,870 for all of 1949 (Vol. 6:43).

**WINTER MARKET PROSPECTS CLOUDY:** "Pre-cobalt" survey of major TV manufacturers elicited extremely cautious responses to inquiry (1) whether they will have usual new receiver lines in January or thereabouts, and (2) what they foresaw as basic trends in TV-radio manufacturing and merchandising in 1951. Nearly all asked not to be quoted by name; few would like to have quoted today what they said before NPA began to issue its raw materials curtailment orders (see p. 3).

"Short new lines" -- just a few new models -- no more lines with dozens of models, even from the very big producers -- are in prospect from the leaders. Some companies won't have any new models at all, will concentrate on easiest-to-produce units and best sellers in present lines.

Good sales between now and Christmas were universally expected. (In fact, slight upturn in business at retail levels was noted this week and last, except in some of the harder-hit storm areas.) First quarter 1951 output was expected to be substantial, sales good then and thereafter as set shortages develop.

\* \* \* \*

Materials and components shortages, everyone agrees, will lead to scarcity of receivers in 1951 -- and a seller's market. Forced curtailments of present high rate of production may also mean higher prices. Wall Street Journal this week quoted Emerson's Ben Abrams and Olympic's A. A. Juviler as saying 25% hike wouldn't surprise them, with Frank Andrea and William Halligan forecasting perhaps 10%.

Except for more 20-in. models, very few changes in receivers will be noted. In fact, 1951 models will mostly be identical internally with today's -- with different furniture styling. Many will have "jacks" for color converters (Admiral sets already have them), but no one expects any quantity of color converters or sets on the 1951 market even if Govt. and CBS win court fight. Shortages and military demands have already settled that issue.

Substitute materials and short-cutting may mean poorer quality sets, and there may even be a new lease on life for smaller models (12½ & 14-in.) as price leaders. Trade-ins may have premium value for their components, if not as one way to help meet demand that will exceed supply.

\* \* \* \*

Foregoing is summary of thinking at manufacturers' level. Some of the set makers are planning meetings with distributors, as usual, during January and February. But only one yet to announce winter meeting is Philco, which has set Jan. 5-6 convention in Chicago's Palmer House. Featured will be white goods mostly, but some new TV-radio models will be introduced.

Philco will brief its distributors on latest in war-impact picture. By then, pattern of supply may be known. It's recalled that, when Philco had to turn over entirely to defense during World War II, it helped distributors get other products to handle, such as furniture, glass, even paints.

Winter Home Furnishings Market in Chicago's big Furniture Mart Bldg., Jan. 8-19, will probably have fewer TV-radio displays than last year -- though its management lists these as likely to exhibit again: Admiral, Arvin, Bendix, GE, Hallicrafters, Jackson, Mercury, Motorola, Philco, RCA, Sparton, Westinghouse. Chicago's Merchandise Mart, open for same buying period, reports only these exhibitors: Crosley, GE, Capehart-Farnsworth, Bendix. Western Winter Mart in San Francisco has been set for Feb. 5-9.

\* \* \* \*

Sparton was first to bring forth new 1951 TV line -- comprising 11 new sets in 23 models. All save one 19-in. console have 17-in. rectangular tube, all contain 25 receiving tubes. Prices range from plastic table at \$250 to AM-FM-phono console at \$460. Sparks-Withington Co. recently underwent management changes (Vol. 6:44).

**Topics & Trends of TV Trade:** Whereas it was expected that next year's picture tubes might be predominantly 17 & 21-in. rectangulars (Vol. 6:30,36), it's now apparent that no such definite trend can be forecast—in light of shortages developing in tube field, such as stainless steel for guns and faceplates for metal-coned tubes. Biggest tubemaker RCA is now sampling the 17-in., but doesn't expect to have 21-in. ready until well into first quarter 1951—meanwhile, enjoying continuing good market for its 16 & 19-in.

Heavy demand for 21-in. metal picture tubes is seen by DuMont's Irving Rosenberg, who thinks it will become standard before end of 1951. Spincraft is reported to have some 24-in. cones ready, rumored destined for Sarkes Tarzian.

GE is newest entry into 20-in. rectangular tube production (actually, 20.3-in.), turning out this all-glass picture tube under designation 20CP4. Philco reports its receivers with this size tube, blanks made by Corning and tube made at own Lansdale plant, are selling very well.

DuMont's Mr. Rosenberg notes surprising number of requests for its 30-in. tubes (Vol. 6:27-28), now being readied in limited quantity.

\* \* \* \*

TV picture tubes sold to manufacturers during October totaled 848,387 valued at \$23,513,590, reports RTMA. This compares with 764,913 units valued at \$20,423,353 in September, and brings total for first 10 months of 1950 to 5,934,391. Trend to larger sizes continues, with 16-in. and larger 92% of October sales, rectangulars 58%.

To list of 20 companies participating in American Television Dealers & Manufacturers joint ad campaign (Vol. 6:45) can be added Capehart-Farnsworth, Kaye-Halbert, Meck, Scott, Truetone (Western Auto Supply). This week's newspaper schedule was put aside in favor of weekly magazines, but full-page newspaper ads resume next week. Schedule is due to run until about mid-December, when committee will re-examine plans.

DuMont is forming panel of distributors to counsel on policies as well as such matters as cabinet styling, prices, advertising, sales promotion, service, etc. This was disclosed at first of series of regional distributor meetings, called month ahead of usual time, in Atlanta Nov. 29. Next meetings will be in New York, Dec. 7; Chicago, Dec. 12; Houston, Dec. 14; Los Angeles, Dec. 19. Big institutional newspaper ad campaign in 27 TV markets starts Dec. 6.

RTMA committee on fair trade practices, which will meet for conference with Federal Trade Commission, comprises Benjamin Abrams, Emerson, chairman; H. C. Bonfig, Zenith; J. B. Elliott, RCA; Paul V. Galvin, Motorola; Larry F. Hardy, Philco; Robert C. Tait, Stromberg-Carlson. Doesn't look as if conference will be held before January-February at earliest.

New Zenith antenna combines sightliness with utility. It's in shape of storybook witch as weather-vane, includes "in-line" antenna, sells for \$39.95.

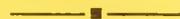
\* \* \* \*

**Plant expansions:** Philco, in addition to new tube factory projected at Frederick, Md. (Vol. 6:47), is considering erection of large new plant opposite present main plant in Philadelphia . . . Collins Radio, starting work on 50,000 sq. ft. research and development plant in Arcadia, Calif., costing \$500,000 . . . Canadian GE new addition to Toronto plant for production of TV picture and receiving tubes will cost \$350,000 . . . Sylvania's new Shawnee, Okla., tube plant to be ready shortly after Jan. 1, will employ 500-600 . . . RCA to spend \$8,000,000 converting Cincinnati plant of former Rich Ladder & Mfg. Co. for receiving tubes.

Excess profits bill is expected to be passed by House early next week, with Senate Finance Committee (Sen. George, Ga., chairman) due to start hearing Dec. 4. Bill (H.R. 9827), as finally sent to House by Ways & Means Committee Nov. 30, taxes excess profits 75%, retroactive to July 1, raises estimated \$3.4 billion. Credit is 85% of average 1946-49 earnings; all above base is taxed at 75%. Tax may be computed on invested capital, with credits as follows: 12% on first \$5,000,000, 10% on next \$5,000,000, 8% on next \$125,000,000, 7% on all above \$125,000,000. Additional credit is given for borrowed capital. Companies earning less than \$25,000 are exempt.

Bill provides special treatment for growth companies and new companies. Growth company is considered one with assets of \$20,000,000 or less, whose gross earnings each month last 2 years of base period averaged at least 50% more than during first 2 years of base period or whose monthly payroll last 2 years of base period averaged at least 30% more than first 2 years of base period. Such a company will be permitted to use last year of base period or the average of last 2 years of base period, whichever is higher.

New company is one beginning business 1946 or later, but with 36 months or less of earnings during base period. It would be permitted to earn rate of return on assets equal to average rate experienced by its industry as whole during base period. GOP Congressmen cited TV as prime example of unfairness of tax.



Among larger unclassified military contracts for electronics equipment announced by Commerce Dept. for 2 weeks ending Nov. 29: Let through Signal Corps Procurement Agency, Philadelphia—RCA Victor, \$3,484,056, radio sets (10,291 units) and repair of 6694 radios; Hallicrafters, \$1,393,776, radio sets (287); Hammarlund, \$495,802, radio receivers (800); Remler Co., \$382,200, chest sets (40,000); Collins, \$152,328, radio receivers (200). Let through Navy Electronics Supply Office, Great Lakes, Ill.—Tung-Sol, \$320,000, tubes (80,000).

Govt. order, carrying higher priority than military contracts, Nov. 29 directed GE and Raytheon to deliver 12,000 hard-to-get radio tubes to Aeronautical Radio Inc., Washington, by Jan. 31 "to avoid the grounding of planes required in the defense effort." National Production Authority directive says tubes are "necessary to safe operation" of civil carriers.



**Trade Personals:** Frederick J. Willard named sales v.p., F. Leroy Sherman foreign operations v.p., Philco International; Radcliffe L. Romeyn, ex-sales v.p., now v.p. & executive asst. to president Dempster McIntosh . . . Fred A. Lyman, asst. national sales mgr., named director of sales training for DuMont receiver sales div. . . Milton Landau, ex-Tele King, now purchasing agent for Philharmonic . . . Henry Carlsh, ex-Fada, now controller of Tele King . . . Robert I. Erlichman, ex-Meck, now gen. mgr. of recently-formed Commander Television Corp. Murray Daniels, president, and Mitchell Fein, v.p., have sold their stock interests to M. F. Jaffe . . . Warren Frebel, Majestic purchasing agent, promoted to purchasing director of Wilcox-Gay Corp. (which now embraces Majestic), with W. R. Bobisink and Morris Sigel as assistants . . . H. Leslie Hoffman, president of Hoffman Radio, elected president of California Manufacturers Assn. . . Emanuel Sacks, who joined RCA Victor last February as director of artists' relations, elected staff v.p. of RCA; Ernest B. Gorin, RCA treasurer, elected director of RCAC.

Morris H. Cohn, 59, attorney and president of Arcturus Electronics Inc., died in New York Nov. 29.

**Telecasting Notes:** Some may not think it funny; maybe, indeed, it's symptom of the slick magazines' fears of TV encroachments into space budgets. Al Leininger, advertising v.p. of *Parents Magazine*, is reported by *Advertising Age* as claiming to be "performing a certain new and useful service for the entire publishing industry." He's passing out matchbooks with message "Help Stamp Out TV"—taking cue from wartime anti-VD campaign . . . *Variety* insists that intra-trade reports, despite denials on all sides, have ABC up for sale to "four different interests"—but names only 2: United Paramount Theatres for TV, National Grange for AM . . . *Billboard* estimates Empire State Bldg. will enjoy annual rentals totaling \$750,000 from the 5 TV (WNBT, WCBS-TV, WJZ-TV, WABD, WPIX) and 3 FM stations that by February will be using its 217-ft. tower (1472 ft. from ground) for multiple antennas. Each TV outlet pays \$135,000 a year, it states, with only WNBT & WJZ-TV at present operating with temporary antennas . . . Boston's WBZ-TV & WNAC-TV reported set to divide Ballantine sponsorship of Boston Braves' home games next season, thru J. Walter Thompson—AM rights going to WNAC & Yankee Network; same sponsor had Yankees and Phillies last season. Cleveland Indians will be sponsored on WXEL by Leisy Brewing Co. (Vol. 6:45) . . . *Capt. Video* on DuMont being made into comic book by Fawcett Publications, to appear twice monthly . . . KEYL, San Antonio, Dec. 11 adds Mon. programs, staying off air only Tue. thenceforth; its telecast day starts 5:15, with daytime programs 2-2:30 Thu. only . . . WNBK-TV, Binghamton, due March 1 to be connected with Schenectady-Utica AT&T microwave relay same date it raises base rate from \$250 to \$325, one-minute rate from \$37.50 to \$48.75 . . . Very TV-conscious Johns Hopkins U will conduct medical conference and diagnosis, with doctors in Baltimore, Chicago and New York participating, on top-hole *Johns Hopkins Science Review* program via 5 DuMont outlets Tue., Dec. 5, 8:30-9; revolutionary new X-ray machine is to be used on Baltimore patient, with viewers permitted to look into it . . . WABD and DuMont now picking up United Nations daily at 3:15; CBS-TV pickups start 5:15 . . . Irving Berlin has sold TV rights to *Miss Liberty & Louisiana Purchase*, due soon on NBC-TV.

Two former CP holders, who relinquished them voluntarily, have re-filed applications for new TV stations with FCC—WJHP, Jacksonville, owned by Perry Newspapers, which dropped early in 1949 (Vol. 5:16), now again seeking Channel No. 6; WAGE, Syracuse, also once deleted (Vol. 5:7), again seeking Channel 10. Other applications filed this week were from WIS, Columbia, S. C., for Channel 7; WIKY, Evansville, Ind., seeking Channel 3; Bill M. Tomberlin, Caspar, Wyo., oilman, seeking Channel 8. [For details, see *TV Addenda 11-U* herewith.] It's also reported that *Harrisburg* (Pa.) *Patriot & News* has announced it intends entering both TV and radio fields.

Robert D. Heintz, 70, grand old man of Washington radio journalism, died Nov. 26 of a heart attack. He published the Heintz Radio News Service, and was a Washington newspaperman for more than 4 decades.

**Bound and Indexed**

We're planning to index and bind, between embossed book covers, in limited quantity, all 1950 issues of the *Television Digest* Newsletters plus the year's Supplements and TV Factbooks. This volume of 52 Newsletters, Supplements, Factbooks and Index will provide a handy and handsome permanent reference. Orders will be taken only until Dec. 31. Price, \$25 per volume.

Network TV billings again zoomed ahead in October, total (excluding DuMont) amounting to \$6,374,548 compared to September's \$3,516,897 (Vol. 6:43), August's \$1,855,361 (Vol. 6:38). Total for first 10 months of 1950 thus is \$27,262,238 vs. \$8,320,608 for same period 1949. Network (AM) radio for October was \$16,303,325, up from September's \$13,931,561, but down slightly from October 1949 figure of \$16,423,385. For first 10 months of 1950, network radio totaled \$152,025,610 vs. \$155,536,283 for same 1949 period. The TV-radio figures, compiled by Publishers Information Bureau, follow:

	October 1950	October 1949	Ten Months 1950	Ten Months 1949
NBC	\$ 2,997,391	\$ 937,294	\$ 14,830,545	\$ 4,437,930
CBS	2,186,748	590,626	8,355,470	2,200,344
ABC	1,190,409	217,199	4,076,223	957,994
DuMont	*	80,143	*	724,340
<b>Total</b>	<b>\$ 6,374,548</b>	<b>\$ 1,825,262</b>	<b>\$ 27,262,238</b>	<b>\$ 8,320,608</b>

	October 1950	October 1949	Ten Months 1950	Ten Months 1949
CBS	\$ 6,674,657	\$ 5,754,037	\$ 57,743,321	\$ 52,055,629
NBC	4,929,126	5,597,183	51,277,221	52,823,458
ABC	3,165,016	3,404,683	29,583,013	35,279,373
MBS	1,534,526	1,667,482	13,422,055	15,377,823
<b>Total</b>	<b>\$16,303,325</b>	<b>\$16,423,385</b>	<b>\$152,025,610</b>	<b>\$155,536,283</b>

\* Not available.

TV reaches 91,310,436 people out of U. S. total of 150,697,361 (61.2%), NBC Research Dept. has computed—based on 0.1-mv signal contour of existing TV stations. Also concluded: TV covers 26,669,420 families out of 40,000,000 total (62.2%), in markets with retail sales of \$85.62 billions out of national total of \$129 billions (66.8%). Used for computations were population and market estimates by *Sales Management Magazine* in its May 1950 survey of buying power.

Telecasting employs 8500 persons, according to NAB's Richard P. Doherty, who has just put out results of third annual survey of TV employment. Based on returns from 56 stations (excluding networks), survey notes (a) that per-station average has gone down from 66 in 1949 to 57 in 1950, due to new stations beginning operation with shorter hours; (b) that, for same stations reporting in both years, average has gone up from 54 to 68 (47 full-time, 21 part-time).

Mrs. Douglas Horton, who as Capt. Mildred McAfee was wartime commander of the Waves, has been elected to NBC board of directors, succeeding Edward J. Nally, retired. She is v.p. of new National Council of Churches of Christ in U.S.A., having retired as president of Wellesley College last year.

TBA's Dec. 8 TV Clinic in New York's Waldorf-Astoria will cram just about every subject under the TV sun into one day, with 14 speakers and 2 panels—one on films, other on color. Speakers and subjects: Mortimer Watters, WCPO-TV, daytime TV; Pat Weaver, NBC, network programming; Don Thornburg, WCAU-TV, programming in multi-station city; Don Stewart, WDTV, programming in single-station city; Ben Larsen, WPIX, cutting program expenses; John Outler, WSB-TV, local audience; Larry Deckinger, Radio-TV Research Council, measuring audience responses; C. E. Hooper, new measuring device; Ed Wynn, luncheon speaker; Lee Wailes, Fort, sales & costs; Russell G. Partridge, United Fruit, sponsor experiences; Dr. A. G. Ruthven, president of U of Michigan, and Harry Bannister, WWJ-TV, educational programming; Dwight Martin, Crosley, ASCAP-Per Program negotiations; John Kennedy, WSAZ-TV, excess profits tax. On film panel are Irving Rosenhaus, WATV; George Shupert, Paramount; Ralph Cohn, Columbia Pictures. On color panel are E. K. Jett, WMAR-TV; Jimmy Jemail, representing audience; Jack Barry, production; Faye Emerson, talent.

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# Television Digest

WITH AM FM REPORTS

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December 9, 1950

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(With This Issue: Special Report on Washington Daily News-FCC Chairman Coy Controversy about Color)

**AUSTERITY FACING THE TELECASTERS:** War clouds are casting their shadows over the telecasters, too. This was manifest from discussions with score or more station operators during TBA's Waldorf-Astoria clinic Dec. 8. Dominant note was difficulty -- sometimes impossibility -- of getting camera and transmitter tubes.

Manufacturers have told them they can't be supplied with new tubes or replacements in the immediate future.

All stations have begun conservation measures accordingly. Camera tubes, for example, are being used more carefully and longer than usual. Camera and transmitting tubes that would normally be thrown away after falling to sub-level efficiency are now being saved for possible re-use. At worst, the metal elements might be worth salvaging for trading purposes.

Move is afoot to get FCC to permit reduced powers, as conservation measure that would permit transmitting tubes to last longer. Such reductions were SOP in radio broadcasting during World War II.

Problem is serious with broadcasters as well as telecasters, and new Broadcast Advisory Council (Vol. 6:28,30) will meet in Washington Dec. 14 on subject. Council also will call on President Truman to offer cooperation in war effort.

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Rocky road ahead has rendered paradoxical the accelerating trend toward daytime TV. As indicated by many telecasters at Waldorf-Astoria, night-time is sold out. But, it's mostly network, thus brings in only about 30% of station rate-card dollar. Therefore, station's desire to get 85-100% of its rate-card dollar means selling more local business. Only time open is daytime, which means expanding operations -- in personnel as well as technically.

Leveling off of TV "circulation" is foreseen if set production falls radically, or is cut off entirely. Most TV station men feel they can continue to operate soundly with present number of sets in most cities. Healthy ratio of TV sets to homes seems to be 20-25%, surpassed in most cities.

Stabilization of set population is also reason for rash of rate-card changes beginning Jan. 1. Many telecasters think rates may remain at Jan. 1 levels for some time. In fact, they've been notified to that effect by networks.

\* \* \* \*

Another facet of war-imposed shortages is report by broadcast equipment makers that many TV applicants have signed firm orders for transmitting and studio equipment, being stockpiled at manufacturers warehouses over the 2½ years of FCC freeze. Applicants seem to want assurances they'll be able to get on air quickly if and when they get grants.

**THE CONFUSING WAR-CONTRACTS PICTURE:** Electronics manufacturers flooded Washington this week -- some down to see RCA color demonstration. They spent days making rounds of military procurement and govt. production control offices, seeking either contracts or clarification of their status in the semi-war economy.

Some went home with hopes buoyed by assurances that, short of another World War, the effort is to keep the civilian economy healthy and payrolls intact. Others found little reason for optimism unless the front-page news changes for better.

Favorable signs were these:

(1) Extra \$18 billion asked for defense means more contracts for electronics-communications equipment -- possibly \$1.5 billion more.

(2) Present contracts are being accelerated, delivery dates moved up -- meaning more development contracts getting into real production soon.

(3) Munitions Board issued directive to services to make sure all companies scheduled to make products under M-Day plans be invited to bid, or be considered when it comes to negotiated contracts.

(4) Materials and procurement matters are in good hands, generally -- top men with plenty of industry know-how and military men with World War II experience.

Pessimism stems from confused war situation; also facts that --

(1) New development-design contracts and production orders are still going to handful of military producers (Vol. 6:48). This isn't unusual, however; high source points out that 5 months after Pearl Harbor bulk of dollar volume was still going to so-called Big 5 (Bendix, GE, RCA, Western Electric, Westinghouse).

(2) Even if all present \$2 billion earmarked for electronics-communications equipment were to be let, it still wouldn't take up expected slack in business for those TV-radio makers who do not already have hefty slice of war orders. Military dollar can't be compared with civilian dollar because military equipment costs much more to make -- requiring, for example, higher-cost components to meet more stringent specifications, to say nothing of non-mass-produced items.

(3) Military services cannot release orders, in quantity, because high-level policy hasn't been set yet -- whether and when we fight a full-scale war, where, how? Truman-Attlee conferences this week may have nailed down some of the answers. Until policy is set, most contracts will continue to be for development and design.

Note: One of highest officials has told several inquirers that he, personally, does not expect world war; therefore, he thought TV industry might be able to turn out 4,000,000 to 4,500,000 receivers next year. But, he hastened to add, he could be wrong -- it was only his personal opinion, alterable at any moment by Stalin, Mao & Co.

**MATERIAL CUTS—ONLY THE BEGINNING:** Air of tense expectancy hangs over Washington as rumors, speculation, dope stories hint at immediate drastic crisis-imposed actions which may hobble civilian production, freeze prices and wages. But --

Although policy conferences were being held on highest level, it appeared doubtful at week's end any industry-shaking edicts will be forthcoming right away.

From welter of confusion and contradiction emerges probability that even if President Truman proclaims state of national emergency, any drastic measures will be carefully considered, industry representatives consulted, directives checked and rechecked before final issuance.

As for blanket price-wage controls, Govt. simply does not have machinery to impose or enforce them now.

NPA officials remain mum. It's as hard to tell what will happen as to predict course of war itself. Military requirements determine civilian cutbacks, and our arms needs in totally unexpected China crisis are still in formulation.

\* \* \* \*

These trends were seen as strongest eventual possibilities:

(1) TOUGHER RAW MATERIAL LIMITATIONS. Recent NPA orders cutting civilian use of aluminum, cobalt, copper and nickel (Vol. 6:46-48), drafted when U.N. forces

were winning in Korea, may be amended by heavier percentage-wise cuts -- to reflect speed-up in arms production, as well as emergency \$18 billion defense appropriation now before Congress and anticipated heavy military bill for fiscal 1952.

(2) END PRODUCT LIMITATIONS. Office of Civilian Requirements, new NPA body, is classifying all civilian products into 4 categories -- in order of "essentiality": Food, shelter and clothing are in Category 1; items such as ashtrays, vases and picture frames in Category 4.

Classification system may be used as guide for flat ban on manufacture of certain products (such as copper ashtrays), or for priority system similar to World War II Controlled Materials Plan (Vol. 6:46), seen certain before end of 1951.

Plumping for ban on production of "non-essential" ornamental items have been some representatives of TV-radio and auto industries. Argument is that "essential" industries shouldn't be restricted on same basis as "non-essential" ones -- as they are by present percentage cuts in raw materials.

Across-the-board slash in manufacture of all products containing strategic materials is also reported getting some tentative consideration at NPA. Reports of contemplated 10-30% cut in TV-radio and auto production prompted statement by NPA Administrator Harrison that he has "no knowledge" of any "immediate curtailment."

Some TV-radio manufacturers say they would not be averse to an enforced production cut, provided they are assured raw materials to put out number of sets they are permitted to produce.

\* \* \* \*

(3) SELECTIVE PRICE CURBS ON RAW MATERIALS. If contemplated voluntary controls fail (and they have never worked yet), materials used by durable goods industries (probably beginning with steel) may be among first controlled. Officials of Economic Stabilization Agency, federal price bureau, decline to predict any such move in near future. They say ESA is equipped to impose selective controls now, but not to enforce them.

Govt. request to auto makers to cancel price raises pending ESA's examination of "entire question of prices" indicates pattern of first voluntary, then selective, and, much later, blanket compulsory controls. It also gives signs of how Govt. may greet any announced industry-wide TV-radio price boost, although large number of manufacturers in industry and wide variety of models makes it unlikely TV-radio industry will be singled out as "example," as was auto industry.

\* \* \* \*

(4) INVENTORY LIMITATIONS ON ALL MATERIALS. Present maximum allowable inventories include: Aluminum, tin and copper, 60 days; zinc, 45 days; nickel, 30 days; cobalt, 20 days. Maximum 60-day inventory of all other raw materials may be imposed by blanket order.

Directives reportedly in NPA hopper will probably dictate percentage cuts in civilian use of steel, tin, tungsten, cadmium, molybdenum, all used in TV-radio.

\* \* \* \*

TV-radio industry will meet with Govt. next week when RTMA's Electronics Parts Mobilization Committee, headed by Indiana Steel Products' A. D. Plamondon Jr. (Vol. 6:46), confers with NPA officials on outlook for first quarter 1951.

Cobalt problem will loom largest (Vol. 6:46-48) in discussions covering all scarce materials. According to best estimates, electronics industry used slightly more than 20% of record 5,500,000 lbs. imported first 9 months of 1950, TV-radio took about 12% of total. Outlook for 1951 is still gloomy, with none for civilian use predicted by high NPA official.

Committee will probably seek new allocation formula for all critical materials, proposing that Govt. allot biggest share of first quarter's ration in January, remainder in February and March on decreasing scale. It's hoped that military contracts will begin to catch up with drooping civilian production toward end of quarter. At any rate, committee's proposal would allow production to taper off gradually, causing less dislocation of economy.

NPA's choice of first half of 1950 as base period for limitation orders may

come up during talks. Base period isn't making anybody in TV-radio industry happy, since first 6 months is industry's period of low production.

\* \* \* \*

One of first appeals from aluminum limitation (NPA Order M-7, see Vol. 6:46, 48) was filed by unnamed manufacturer connected with TV industry, who charges order limiting him to 65-85% of aluminum used in first half of 1950 will actually restrict him in 1951 to about 10% of the aluminum he used last year.

Citing seasonal nature of TV industry, manufacturer gives these figures: During first-half 1950 base period he used 50 tons of aluminum. In second 6 months he will have used at least 500 tons more. Outcome of appeal, which seeks use of all 1950 as base, may set precedent for TV-radio industry.

\* \* \* \*

Among NPA's fastest-moving documents are NPAF-10 and NPAF-12, applications for adjustment or exception to aluminum and copper orders, respectively. Appeal forms for other materials are not yet available.

TV-radio folk who feel they've been slighted by NPA, or have shortage problems requiring govt. help, are welcome at NPA's Electronics Products Division, headed by John Daley (ex-gen. mgr., New England Telephone Co., newly appointed by Gen. Harrison) and Donald Parris. This office specializes in steering electronics men through federal maze, expediting matters which need official attention.

New conservation program is coordinated by this division, whose workings are illustrated by this actual example:

Two tube manufacturers developed nickel-plated steel strip to replace scarce pure nickel in receiving-tube plates. Because of shortages, however, they couldn't buy sufficient nickel-plated steel for maximum efficiency of new operation. Electronics Products Division started cogs turning, is now completing arrangements to secure enough steel to allow capacity manufacture of new-type element. Result: critical material saved, tube production boosted.

**IMPACT OF EXCESS PROFIT BILL:** There's going to be an excess profits tax -- "this year or early next." That's prevailing sentiment not only among Democrats, but expressed for first time by Republicans of Senate Finance Committee, holding hearing this week on House-passed excess profits tax (Vol. 6:47-48).

Both RTMA president Robert C. Sprague and Dr. Allen B. DuMont appeared before committee to protest "discrimination" against growth companies in House bill (H.R. 9827). Both objected to fact bill doesn't take into account first 6 months 1950 earnings (pre-Korea).

Sprague made detailed accounting, comparing sales and profits of electronics industry with all U.S. industry (see table, opposite page). His major points:

(1) About 6 out of 10 electronics companies wouldn't qualify as growth companies under House bill.

(2) Tax would apply to 56% of all 1950 earnings for those electronics companies coming under House "growth" formula, up to 65% for those electronic companies not coming under House growth formula. Even if all electronics industry were eligible to use House growth formula, 59% of 1950 earnings would be considered excess -- compared to liability of 22% for all U.S. corporations.

(3) Retroactive features of House bill (making tax effective July 1, 1950) would cripple many key electronics producers.

Sprague's recommendations:

(a) Growth company should be permitted to use as credit 85% of average earnings of highest 3 years of 1946-49 base as now proposed, provided such credit is not less than 78% of its 1950 earnings.

(b) Growth company should be one whose earnings showed increase of 50% in 1950 over 1949 -- using actual 1950 earnings or annualized 1950 earnings (first 6 months pre-Korea profits projected for whole year), whichever is lesser.

## DOLLAR VOLUME OF ELECTRONICS MANUFACTURING INDUSTRY: 1946-50

With Net Profit Before Federal Income Taxes as Percentage of Sales

Comparisons of Suppliers, Set Manufacturers and Total Electronics Industry With All Industry Total

Table Submitted to Senate Finance Committee Dec. 6, 1950 — See story, page 4

Tremendous growth of electronics industry since World War II, particularly in the business of set manufacturers, is reflected in factory sales and profits estimates for 1946-1950 submitted to Senate Finance Committee this week by RTMA president Robert C. Sprague in connection with excess profits tax legislation (see story, p. 4).

Comparison with all industries, particularly of net profit as percentage of sales, was offered in table revealing such industry figures for first time. That receiving set manufacturing is by far biggest factor in post-war electronics industry (mainly civilian, though including some military), is manifest from figures, which tell own story:

Suppliers:	1946	1947	1948	1949	1950
Net profit (thousand dollars).....	\$ 16,389	\$ 21,294	\$ 18,722	\$ 22,770	\$ 59,205 (a)
Sales (thousand dollars).....	213,628	253,001	248,687	258,562	399,485 (a)
Net profit as percentage of sales:					
Percent.....	7.67%	8.42%	7.53%	8.81%	14.82%
Index (1946 = 100).....	100	110	98	115	193
Set Manufacturers:					
Net profit (thousand dollars).....	\$ 21,816	\$ 54,195	\$ 73,972	\$ 83,419	\$ 173,468 (a)
Sales (thousand dollars).....	540,292	709,152	786,063	914,981	1,348,541 (a)
Net profit as percentage of sales:					
Percent.....	4.04%	7.64%	9.41%	9.12%	12.86%
Index (1946 = 100).....	100	189	233	226	318
Total Electronics Industry:					
Net profit (thousand dollars).....	\$ 38,205	\$ 75,489	\$ 92,694	\$ 106,189	\$ 232,673 (a)
Sales (thousand dollars).....	753,920	962,153	1,034,750	1,173,543	1,748,026 (a)
Net profit as percentage of sales:					
Percent.....	5.07%	7.85%	8.96%	9.05%	13.31%
Index (1946 = 100).....	100	155	177	179	263
All Industries Total:					
Net profit (million dollars).....	\$ 23,464	\$ 30,489	\$ 33,880	\$ 27,625	\$ 33,454 (b)
Sales (million dollars).....	270,898	347,801	381,300	359,678	367,411 (c)
Net profit as percentage of sales:					
Percent.....	8.66%	8.77%	8.89%	7.68%	9.11%
Index (1946 = 100).....	100	101	103	89	105

(a) Estimated.

(b) Net profit estimated as follows: (1) First half 1950, \$16,634,000; (2) First half 1949, \$13,738,000; (3) Percentage change 1950 from 1949, 121.1%; (4) Percentage change applied to 1949 net profit (\$27,625 x 121.1%), \$33,454,000.

(c) Sales estimated as follows: National income (at annual rate): (5) First half 1950, \$223 billion; (6) First half 1949, \$218.3 billion; (7) Percentage change 1950 from 1949, 102.15%; (8) Percentage change applied to 1949 sales (\$359,678 x 102.15%), \$367,411,000.

SOURCE: Electronics Industry & Radio-Television Manufacturers Assn. All Industries Total, U. S. Dept. of Commerce, Bureau of Foreign & Domestic Commerce; *Survey of Current Business* 1946-1949 & July, October & November 1950.

**EDUCATORS MAKE HAY IN VHF-UHF HEARING:** If you think educators aren't impressing FCC -- through sheer weight of little-contested testimony, if nothing else -- you're kidding yourself. NAB has apparently decided it was doing just that, so it petitioned Commission for permission to join educational part of end-of-freeze hearing when it resumes Jan. 15. Educators promise more specific recommendations then.

This means still more delay in freeze, unless FCC puts hiatus to use in deciding factors independent of educators' request, such as mileage separations, etc.

Educational witnesses aren't just a bunch of schoolmarms by any means. Among those appearing during this week's 4 days of hearings, to back up Comr. Hen-nock's crusade for reservation of both vhf and uhf channels for exclusive use of educators: Senators Saltonstall (R-Mass.) and Anderson (D-N.M.), Senator-elect Mon-ronney (D-Okla.), Rep. John Vorys (R-Ohio), George Meany, AFL secy-treas., presidents of major universities, managers of educational stations, officials of educational associations, experts on audio-visual training, etc. etc.

Skepticism of FCC still centers around historic AM-FM fact educators do so little actual building and broadcasting, even when channels are available. Comr. Walker put it bluntly:

"The thing that bothers me most about this question is not the advisability of educational radio stations, but the use of the frequencies, if you could find them, and if they were set aside, and how these stations are to be built, when they are going to be built, and how they are going to be supported."

Educators' answer is: "If you have a guaranteed channel, you're much more likely to get the money."

**COLOR TIDE CHANGING WITH RCA SHOWING:** Color argument continues to be mere philosophical exercise -- because of war -- but this has been a dramatic week nevertheless. Reason:

RCA showed an excellent color picture, striking progress, in Washington demonstrations before newsmen, licensees, members of Congress, etc.

What's FCC going to do about it? Chairman Coy gave fairly clear answer during exchange of brickbats with editor of Washington News (see Special Report):

"The Commission cannot and will not close its eyes to any new development in the radio field -- and this includes improved color TV systems."

Thus, RCA has won important victory in field where it counts most -- color performance. FCC hasn't seen RCA's latest yet. RCA says it will invite Commission at conclusion of litigation. Coy's attitude indicates FCC might very well open hearing on its own initiative, if it's impressed by RCA progress.

In fact, Comr. Jones, to keep in character, should be straining at the leash to see current demonstrations, flailing his colleagues to do likewise, belaboring RCA for not asking reopening of hearing. Same goes for Sen. Johnson.

A way "off the hook" was again proffered FCC by RCA's Gen. David Sarnoff, when he reiterated: "Let the public decide" -- meaning dual standards.

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Quality of pictures is vindication of industry's faith in its engineers' ability to come up with an acceptable compatible system. That's opinion of most industry observers. Even more important than present quality, they say, is enormous improvement over previous pictures -- a promise of continued advancement.

How do pictures compare with CBS's? Most people say: "Close, but not quite as good." Our own impression, based on numerous observations during week, is that average man would tend to prefer CBS picture if systems were sitting side-by-side. If pinned down to percentage figure, we'd say RCA's images ran about 80%-90% as good as CBS's -- as an overall subjective reaction.

But improvability of RCA performance has been so clearly demonstrated that most people regard any comparison, today, as having only passing significance.

Compatibility is fundamental feature of system, of course, but RCA already shows important color performance advantages over CBS: greater resolution and brightness, no breakup, no flicker.

We'd say CBS still has edge in color fidelity, sharpness, general stability. But engineers are agreed that tri-color tube, when used by CBS to achieve bigger pictures, would negate much of these advantages. In short, CBS can't have its cake and eat it, too. Incidentally, Coy made point this week of publicizing his letter to Crosley distributor W. F. Kennedy, of Wheeling, W.Va., telling why FCC asked RCA to turn sample tri-color tube over to CBS (see Special Report).

CBS still has simpler equipment, transmitting and receiving, but engineers are satisfied that this, too, is only a temporary situation.

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RCA's Dr. Jolliffe described developments to audience, was joined by Gen. Sarnoff at first 2 days' demonstrations.

System is ready for commercial production, said Gen. Sarnoff, but he pointed out that it would take 1-2 years, in normal times, to get quantity output -- the tri-color tubes being production bottleneck.

Both officials were so pleased with showings that they were even willing to state: "We don't pretend that system is perfect yet." And Gen. Sarnoff was particularly respectful when speaking of FCC, said it wasn't invited only because of Chicago court issue -- though indicating no commissioner or staffman would be barred if he asked to have a look.

Regarding his dual standards "out", he told reporters he thought them quite workable, cited AM-FM parallel. He didn't specify precisely how dual standards would work, said Commission could decide whether to let them run experimentally or commercially, temporarily or permanently.

Demonstrations were on 3 color sets, 3 standard monochrome receivers, 2 converters -- all made at Camden. Color sets employ tri-color tubes some 2-in. shorter than previous. They are 3-gun, although Dr. Jolliffe reports work continuing on 1-gun. Pictures were about 13½-in. diagonal, in 16-in. metal-coned envelopes.

New red and blue phosphors had much to do with greater fidelity and brightness. Sets have 43 tubes, and we hear there's 35-tube chassis coming up. They required no fiddling with dials during shows. Brightness ran 8-20 ft-lamberts, with Dr. Jolliffe claiming "over 50" has been achieved.

One converter consisted of standard 16-in. set, with ordinary kinescope replaced by tri-color tube and with 13 receiving tubes, plus circuits, added. Other was "slave" set, a la the CBS converters planned by Tele-tone, Muntz, Meck, et al. Converters give about 75% as good performance as sets built for color, said RCA men, adding that converters for no system can do much better.

Camera was focused first on Dr. Elmer Engstrom, who gave introduction. His face appeared slightly too pink during some demonstrations, very natural on others. Skin tones of girls were excellent. Food, clothing, etc., came out beautifully.

Critical test of registration -- black-and-white picture on tri-color tube -- was passed with little trouble. Color pictures showed neither moire effect nor dot structure. Dot-elimination comes from use of by-passed, or shunted, mixed highs and circuit developments by Hazeltine (Vol. 6:17-48). Dr. Jolliffe gave latter company polite nod, saying "we've taken note of their work."

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Industry observers were elated. Sample quotes, culled from dozens we got, are typical of manufacturers large and small:

Robert Sprague, president, RTMA: "The pictures were excellent. I was very much impressed by the enormous improvement. This justifies the faith our industry has always had in the early development of a satisfactory color system."

Dr. W. R. G. Baker, GE: "This is great. The important thing is that we've got the right system." What about your GE color system (Vol. 6:44)? "That's unimportant as against what you saw here today. This is it."

Dr. Allen DuMont: "This is a big improvement. There is no flicker, the brightness is satisfactory, and the color is better than CBS's. I've been making it a point to see a lot of CBS demonstrations in New York, and the flicker is bad. After a half-hour you feel headachy."

Ross Siragusa, Admiral: "This is fine. There's no question about having compatibility now."

David Smith, Philco: "Every technical obstacle has been overcome. There are no technical problems for which there is not now a known technical solution."

Ben Abrams, Emerson: "If we had this today, we could sell it. This is far ahead of black-and-white when it first started."

John Craig, Crosley: "I am tremendously impressed by the color, and especially by the fact that there is no degradation of the black-and-white." His technical chief, L. M. Clement, commented: "Very wonderful."

Dr. A.N. Goldsmith: "In principle, the system is incontestably established."

Donald Fink, Electronics Magazine: "This is more like it. I'd say the color fidelity isn't quite as good as CBS's, simply because it's a lot tougher to get the right colored phosphors than it is to get properly colored gelatin filters." On cover of his December issue, he carries pictures of Hazeltine's mixed-highs results, with editorial sharply refuting Comr. Jones' opinion to effect that "principle of mixed highs is a matter of complete theory, unsupported by any scientific data other than bare-faced statements."

And one of nation's top engineers, highly regarded by all as a "neutral" observer in the color controversy, who asked his name be withheld, observed: "This is fine. Colors are good -- every bit as good as Columbia's. Of course, it's subject to improvements, but the way to improve can be clearly seen. Notice, too, how remarkably good the black-and-white signal is."

Manufacturers making or planning CBS equipment had interesting comments:

S. W. Gross, Tele-tone: "It's good, very good. This demonstration shows what the industry has been contending all along. My color expert noticed some slight misregistration, but thought it was very good on the whole. Yes, I could sell it." He added that engineering has been completed on CBS-type sets, but that he has been holding production in abeyance pending final court decision.

Wm. Norvell, Remington-Rand: "Well, this doesn't give us anything to worry about [in making industrial color]. This demonstration bears out my contention that when you use phosphors you get halation that makes the pictures fuzzier. But, from a broadcasting standpoint, this is a very important development. And it's true that to get bigger pictures you need this tube or projection, and projections are expensive." Mr. Norvell revealed his first dept. store sale, for some \$30-\$50,000, to Boston's Jordan-Marsh, said he has orders of all kinds stacked up on his desk. Orders from telecasters, he added, naturally await court decision.

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Some Congressmen have attended, including several from House Interstate & Foreign Commerce Committee, which handles radio legislation. But most have been too busy to drop in. Those who have seen both this demonstration and first one of October 1949 said they were tremendously impressed by improvements.

Rep. James Dolliver (R-Iowa): "There's all the difference in the world. I've been saying we ought to have a hearing to bring these issues out before the public ...Compatibility is extremely important. After all, there are 10,000,000 sets out. My constituents are very interested in color."

Rep. Samuel McConnell (R-Pa.): "This is no time for a final decision. Keep it open, since there's a war on. These pictures are good. I haven't seen CBS's."

Demonstrations haven't been seen by most powerful and/or interested members of Senate and House Interstate & Foreign Commerce Committees, notably chairmen Sen. Johnson and Rep. Crosser. RCA hopes to corral all committee members by end of demonstrations Dec. 15. Next week, there will be daily showings for broadcasters, consulting engineers, radio lawyers, et al. CBS gets showing all by itself on last day.

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Press comments varied somewhat, but all reporters noted great progress, and some were quite enthusiastic. AP, UP and INS stories, widely published, credited RCA with substantial improvement. Even Variety, whose Washington correspondent Jack Levy has been one of CBS's staunchest advocates, said:

"Observers generally agreed that the difference between [RCA and CBS color quality] has been considerably narrowed...In contrast with previous demonstrations, pictures showed greater fidelity, stability, brightness and texture. The improvement in the reds and blues was particularly outstanding. Some observers felt the colors lacked the warmth, sharpness and brilliance of CBS tint." Similar concessions were made by Washington Post's pro-CBS Sonia Stein. Among other comments:

Jack Gould, N.Y. Times: "Compared favorably with [CBS]...Color fidelity, which later was checked by watching the screen and then looking directly into the studio where the models appeared, was entirely satisfactory in the case of flesh tones...One flaw that did appear was a tendency toward green in some images...Tuning was easy...Black-and-white images taken off the color transmissions were excellent, definitely superior to those presented by the CBS system with use of an adapter."

Joseph Kaselow, N.Y. Herald Tribune: "Vast improvement...basically good, although a critical eye could see some fuzziness at times and somewhat unnatural flesh tones...While the showing was not considered likely to force the FCC to change its mind in favor of RCA, it did present a powerful argument for the company's contention that the Commission at least should give the public an opportunity to choose between the two systems."

Joseph Guilfoyle, Wall St. Journal: "Considerable progress [but] still does not produce as good a color picture as [CBS]...In parts of demonstration, reds were off-color...Yet a bright red dress, worn by a beautiful model, came over in all its natural brilliance...In another scene, a green dress took on a bluish tint when the camera shifted from the top to the bottom part of the dress...Skin tones, in many instances, had unnatural tints."

Stanley Cohen, Advertising Age: "Color TV battle...reached an almost fantastic impasse this week, when RCA demonstrated improved color equipment which placed a long shadow of doubt over many of the engineering assumptions which prompted the FCC to reject RCA...Overwhelming majority [of observers] appeared to come away with impression that RCA's progress is so significant that FCC must eventually reexamine its October decision...RCA's pictures lack the warmth which CBS obtains...The color fight will never rest until FCC determines: Is this lack of warmth 'inherent' [or] merely a shortcoming of the tri-color tube in its present state of development?... Perhaps a mediator is needed."

Frank Burke, Radio Daily: "Improved color fidelity, picture texture and brightness...Reds, blues and greens were steady and clear and easy on the eyes."

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FCC staff members concede pictures must be acceptable to laymen, based on reports they've heard and read. But here are questions they ask:

(1) Why doesn't RCA show a remote pickup? Implication, of course, is that system is too delicate to subject to rough handling. RCA men say they'll have remote pickups whenever they're required.

(2) How long are demonstrations? Meaning, can system stand up under continued usage? Shows are 15-20 minutes long, 3 times daily, but RCA engineers say they've had plenty of experience with extended operation.

(3) What resolution is shown? No test pattern was demonstrated, but good guess is 250-300 lines horizontally. Dr. Jolliffe admitted that resolution is "slightly less" than black-and-white. Tri-color tube needs somewhat more than present 600,000 dots to reach full resolution. Since company increased dots from 351,000 in first tube, spokesmen visualize little trouble in getting more than 600,000 -- particularly since larger tubes are planned than the 13½-in. test models used in demonstrations.

(4) How was registration? Generally excellent, with very slight fringing noticed once or twice by those looking for it. More work on camera is undoubtedly needed; it uses 3 image orthicons, dichroic mirrors. RCA reports progress on single tri-color camera tube.

(5) Why no coaxial transmission? Unnecessary, apparently, as far as RCA is concerned, since operation was demonstrated satisfactorily last summer (Vol. 6:32).

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**Network Accounts:** NBC-TV has sold out *Kate Smith Show*; its new Jan. 1 sponsors are: Hunt Foods Inc., Mon.-Fri. 4:45-5; Procter & Gamble, Mon.-Fri., 4-4:15; Corn Products Refining Co. (Mazola oil & corn starch), Mon. 4:15-4:30, Tue. 4:30-4:45; Chesebrough Mfg. Co. (Vaseline products), Mon. 4:30-4:45; Hazel Bishop Inc. (lipstick), Fri. 4:30-4:45; Andrew Jergens Co. (Jergens lotion), Wed. & Fri. 4:15-4:30; Simmons Co. (mattresses), Tue. 4:15-4:30 . . . Kellogg Co. (Pep & Corn Flakes) moves *Tom Corbett, Space Cadet* Jan. 1 from CBS-TV to ABC-TV, Mon.-Wed.-Fri., 6:30-6:45 . . . Gibson Refrigerator Co. Jan. 20 starts *Laura Gibson Show* on CBS-TV, Sat. 7:30-7:45 . . . Oldsmobile reported readying for late January *Sam Levenson Show* on CBS-TV, Sat. 7-7:30.

**Station Accounts:** Gallenkamp Stores Co., San Francisco shoe chain, buys Mon. thru Fri. news strip on KFI-TV, Los Angeles, 10:30-10:40 p.m., with Palma Shard as newscaster; she's called "far and away the best-looking newscaster in or out of TV" . . . First W. T. Grant Store, out of chain of 485, to use TV for in-store demonstration, is one in Salt Lake City, which telecast opening of new "Ranch Room" via KDYL-TV . . . Globe Bottling Co., Los Angeles (Creme-o-Coco chocolate beverage) had such good response to *Hollywood Road to Fame* show on KTSL that it plans to widen use of TV, thru Ted H. Factor Agency . . . Canadian Travel Bureau, govt.-sponsored, considering use of TV in U. S. to stimulate tourist trade, director Leo

Dolan citing success of State of New York's bureau . . . Pontiac using newspapers mainly on new 1951 cars, but also plans TV-radio . . . Standard Brands, for Instant Tender Leaf Tea, planning spring 1951 TV-radio campaign in Eastern-Southern markets, thru Compton Adv. Inc., New York . . . Wilson Sporting Goods Co. to place 6 one-min. film spots preliminary to sponsoring of National Professional League grid championship in December, thru Ewell & Thurber Associates . . . Re-Clean Corp. (home dry cleaner) new user of spots on WABD, New York, thru Cayton Inc. . . Unilever Enterprises, London (Pears soap) reports great success using participating spots on WAAM, Baltimore, has added spot on WCBS-TV, New York, may expand . . . Among other advertisers reported using or planning to use TV: Hazel Bishop Inc. (lipstick), thru Raymond Spector Adv., N. Y.; Ansonia DeLuxe Shops Inc. (Eastern retail shoe chain), thru Lane Adv. Agency, N. Y.; Five Star Mfg. Co. (Freeman Headbolt Engine Heaters), thru Barney Lavin Inc., Fargo, N. D.; Thor Corp. (washing machines, irons, dryers, etc.), thru Earl Ludgin & Co., Chicago; Regent Industry (Arthur Godfrey Ukelele), thru W. B. Doner & Co., Chicago; National Flower & Garden Show (Baltimore, March 31-April 7), thru Kal, Ehrlich & Merrick, Washington; Landers, Frary & Clark (Stroke-Sav'r iron), thru Goold & Tierney Inc., N. Y.; Reid Murdoch Div. of Consolidated Grocers Corp. (Monarch dietetic foods), thru Weiss & Geller Inc., Chicago; Jelsert Co. (Makasyrup), thru Hirsch & Rutledge Inc., St. Louis.

**PRODUCTION DOWN, TRADE ONLY FAIR:** Heartened by continued good pace of production -- though pre-holiday retail trade is only fair thus far, generally -- TV-radio manufacturers by and large are inclined to believe their first-quarter 1951 will hold up well despite the war news, components shortages and raw materials restrictions.

Certainly, they're not singing the blues yet, though the trade reports aren't too good at moment and the war contracts haven't come through in quantity yet. Their thinking is that Washington simply won't let their civilian production down and employment rolls deteriorate in meantime.

Their logic seems sound enough -- if, indeed, logic can be said to prevail these hectic days -- and there's good reason to believe popular demand for TVs will continue as long as telecast programs are popular.

\* \* \* \*

Final November week's output fell to 148,130 TVs from third week's 201,364, second's 184,133, first's 218,378, according to RTMA -- bringing month's total to 752,005, which compares with October's 813,851 and 5-week September's 817,157 (Vol. 6:44). Radios fell off to 255,912 in fourth week from 311,330, 371,101 & 365,751 in third, second and first weeks, respectively.

Fourth week's drop loses some of its significance when Thanksgiving Day vacation -- and usual day-after absenteeism -- is taken into account. RTMA's projected estimates for November ended as of Nov. 25, which means that December (for statistical purposes) has 5 weeks. Not all of these will be full production weeks, due also to holidays and vacations.

Hence 11-month total of 6,529,615 TVs (RTMA's projected estimate) may not reach predicted 7,500,000 for all 1950. As for radios, they total 12,785,917 for 11 months, far better than anyone anticipated, broken down as follows: home radios, 7,440,119; auto radios, 3,785,297; portables, 1,560,501.

\* \* \* \*

Another reply to our "pre-cobalt survey" (Vol. 6:48), received this week from one of the more important TV manufacturers (not one of the Big 4), so well epitomizes what so many have written or told us that it's worth repeating verbatim. This is what head of this company wrote as of Dec. 1:

"We plan on bringing out a few more models in January, but we will not change our chassis -- they will be primarily cabinet changes.

"As for basic trends for 1951, I think that many of the models will be limited by the supply of materials and we will be building what we can build. However, I definitely see some trends toward reducing prices, more rectangular tubes, general standardization on the 17 & 20-in. tubes, and a very confused merchandising program.

"The primary problem today is that everybody is living by the newspapers. We are affected by the day-to-day news, and there is not too much short-range or long-range planning because of the many uncertainties.

"However, we have gone through so many different crises that the same old elements that have been with us for a long time will be the general trend -- competitive pricing, aggressive selling and special merchandising programs developed by individual companies.

"We may have a buyer's market in the face of a shortage -- who knows?"

\* \* \* \*

One reason prices of sets may go higher next year: CIO's International Union of Electrical, Radio & Machine Workers (IUE) called for "substantial" wage increases immediately "without regard to reopening provisions which normally would call for later wage discussions." Resolution was adopted by 700 delegates at Milwaukee convention this week.

**Topics & Trends of TV Trade:** Admiral, like Philco, will hold its mid-winter distributor convention Jan. 4-6— at Chicago's Drake Hotel. Philco meetings are to be in Palmer House (Vol. 6:48). They're the only majors who have as yet announced conventions, timing them just ahead of Winter Home Furnishings Market, Jan. 8-19. Both will feature white goods heavily, but TV will also play big part. National Appliance & Radio Dealers Assn. (NARDA) convention has also been set for Jan. 14-17 in Chicago's Stevens Hotel.

Scattered trade reports, meanwhile, are clouded with uncertainties created by Korean war—main effect of that and credit restrictions being to retard buying, particularly of high-priced sets. Some even foresee "dumping" in January, this time to unload regular stock rather than merely make way for new 1951 models, which will be very few. "Unloading" by some manufacturers, with special deals with distributors, is already reported.

Bellwether RCA, except for 17-in. rectangular tube and some new cabinet styling, has nothing radically new on tap, according to reliable reports. No distributor convention is planned, but distributors are expected to tell dealers shortly what models they expect to deliver in early 1951.

\* \* \* \*

Warning that TV servicing may fall below satisfactory level was sounded by RCA Service Co. president Edward C. Cahill in Dec. 7 interview with *Retailing Daily*. He foresees loss of large number of present 60-70,000 servicemen to armed forces, factories, other defense work; made point that one TV technician is needed for every 250 sets installed; reported RCA is spending \$150,000 to underwrite series of 7 service lectures in all TV cities.

Rough weather ahead for service companies is seen generally. In last week 2 large service companies failed: Prudential TV Service Corp., New York, which had 25,000 contracts; Supreme TV Service Inc., Philadelphia, also with substantial number of contracts.

Recent failures of service firms prompted DuMont to impose requirement on service organizations, with which DuMont set owners have contracts, that they maintain escrow accounts in banks to cover every contract customer. Unless notarized proof is submitted, said receiver chief Ernest Marx, their DuMont authorization will be rescinded.

\* \* \* \*

New prices on low end of DuMont line, embracing excise tax, were disclosed at New York distributor meeting this week. All are 17-in. rectangulars, without AM or FM, as follows: Sumter, table model without doors, \$289.95; Carlton, table with doors, \$329.95; Strathmore, console without doors, \$379.95; Park Lane, console with doors, \$429.95; Andover, console with doors, \$439.95. (Previous prices were reported in Vol. 6:27.) Prices were announced also for top-of-line Westminster, 19-in. console with AM-FM-phono-tape recorder-selector clock, \$1750 in East, \$1825 in West. Much-discussed new 30-in. console, in limited quantities, will be available in January, still unpriced but probably to cost "in excess of \$1000." Remaining sets in DuMont line (Vol. 6:27) are continued.

Among unclassified military contracts for electronics equipment (more than \$100,000) announced by Commerce Dept. for week ending Dec. 6: Through Signal Corps Procurement Agency, Philadelphia—Molded Insulation Co., Philadelphia, \$1,476,110, radiosonde (68,692 units); Specialty Assembling & Packing Co., Brooklyn, \$182,486, radio sets (18); Collins, \$152,257, diversity receiving equipment (24). Through Navy Electronics Supply Office, Great Lakes, Ill.—Machlett Laboratories, \$627,000, electron tubes (20,000); Chatham Electronics, \$294,750, electron tubes (75,000); GE, \$262,500, electron tubes (15,000); Raytheon, \$217,500, electron tubes (1500).

**Financial & Trade Notes:** Among officers' and directors' stock transactions reported by SEC for October:

Wallace C. Johnson bought 22 Admiral, holds 1478; James D. Shouse bought 1000 Aveco, holds 1350; Ralph F. Colin sold 50 CBS, holds 1028; Charles Robbins sold 300 Emerson (Sept.), holds 1900; Henry V. Erben sold 100 General Electric, holds 2335; R. B. Larue bought 100 General Precision Equipment, holds 300; John P. Hanson bought 100 Globe-Union, holds 200; Raymond W. Durst (and family) sold 30,300 Hallcrafters, hold 51,700; Joseph J. Frendreis sold 2500 Hallcrafters, holds 4500; Jennings B. Dow bought 200 Hazeltine, holds 300; Henry Reeve bought 100 Hazeltine, holds 5600; Frank A. Hayden bought 400 Indiana Steel Products, holds 1400; Arnold S. Kirkeby bought 400 Magnavox preferred (Sept.), holds 400; Ernst E. Bareuther bought 6 Philco, holds 39; Courtney H. Pitt sold 300 Philco, holds 700; Chas. F. Steinruck Jr. bought 6 Philco, holds 4500; Russell Heberling bought 100 Philco preferred, holds 200; Charles B. Jolliffe bought 100 RCA, holds 400; Harold R. Maag bought 100 RCA, holds 300; L. W. Teegarden bought 200 RCA, holds 241; W. Withington sold 2500 Sparks Withington (Feb.), holds 2500; Irving S. Florsheim bought 1000 Stewart-Warner, holds 6000; John Kuhajek bought 20 Zenith (June & July), holds 30.

Capehart-Farnsworth will pay \$500,000 dividend to parent IT&T Dec. 28, Capehart directors announced after Dec. 6 meeting. Board also disclosed that Capehart, wholly owned by IT&T since May, 1949 (Vol. 5:19), will sell \$1,500,000 of capital stock to IT&T, giving parent firm \$5,000,000 total capital interest in TV-radio subsidiary. Stock sale will require no capital outlay by IT&T, since Capehart owes it an undisclosed amount more than \$1,500,000. Directors indicated Capehart's earnings for first 10 months of 1950 will approximate \$1,000,000 before taxes.

Bernard Fein, president of Ansley, has sold his interest in that company to group headed by T. Stewart Harris, director, and has acquired Harris group's interest in Trenton Products Co., manufacturer of Ansley cabinets and national sales distributor for Ansley products. He plans to expand Trenton to include electronics manufacturing.

Trade items: Philco 1950 radio output will probably run 1,750,000, including auto radios, compared with 2,000,000 in 1949—with radio-phono consoles accounting for about 25% . . . Hoffman Radio reported scheduling 30-35% cutback in TV production for first quarter 1951, and Packard-Bell president H. A. Bell quoted as forecasting volume will drop 50% . . . RCA's new Cincinnati tube plant (Vol. 6:48) will specialize in miniature receiving tubes, should be in production by May.

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Trade Personals: John P. Roksbom elected v.p. of RCA Service Co. heading Consumer Products Service Div., in charge of installing-servicing home TVs, his place as treasurer-controller being taken by Donald H. Kunsman . . . Lester F. Graffis named Bendix Radio chief engineer . . . Stanley J. Marks appointed Freed-Eisemann TV sales mgr. in Chicago, L. L. Finch district manager in Cincinnati . . . B. J. Grigsby, who was president of the old Grigsby-Grunow Co. (Majestic), has written and published "book for youngsters and oldsters" titled *Adventures of the Ducky-Wucky Family*, proceeds to go to Girl Scouts . . . William L. Lewis transferred to Philadelphia area as sales representative for Industrial & Electronics Div., American Structural Products Co. (Kimble Glass) . . . Bert Cole, ex-mgr. of Crosley's New York factory branch, now with Philco as district representative in New York-Newark . . . Frank Hevesy succeeds Bud Lewis as adv. mgr., Hoffman Radio Sales Corp. . . Dean Pulsifer, ex-Westinghouse, named Packard-Bell district sales mgr. for northern California, headquartering in San Francisco.

**Telecasting Notes:** Havana's second TV outlet, Goar Mestre's CMQ-TV, begins Channel 6 tests Dec. 10, starts carrying night baseball Dec. 12, with half-hour of live programming just before games starting Dec. 12, and full-hour shortly thereafter. Though new 50,000-sq. ft. TV building, surmounted by 200-ft. tower, won't be ready until February, plan is to go on regular 6-11 p.m. schedule in mid-January . . . Third TV outlet in Havana is also assured, with sale by RCA International of equipment to Telenews Company, Alonso, S. A., which hopes to have it on air early in 1951. President is Manuel Alonso, owner of Noticiario Nacional, producer of newsreels and documentaries . . . More Jan. 1 rate increases: WDEL-TV, Wilmington, base hourly rate up from \$300 to \$400, one-minute from \$40 to \$60; WGAL-TV, Lancaster, \$300 to \$450 & \$40 to \$60; WHEN, Syracuse, \$265 to \$400 & \$50 to 80; WTAR-TV, Norfolk, \$250 to \$400 & \$30 to \$75; WBT, Charlotte, \$225 to \$300 & \$45 to \$50; WLAV-TV, Grand Rapids, \$250 to \$275 & \$45 to \$65; WJIM-TV, Lansing, \$200 to \$300 & \$35 to \$40; WKY-TV, Oklahoma City, \$350 to \$550 & \$40 to \$80; WDSU-TV, New Orleans, \$300 to \$425 & \$50 to \$65; KPIX, San Francisco, \$360 to \$450 & \$52 to \$75; WOC-TV, Davenport, \$200 to \$300 & \$20 to \$50; WOAI, San Antonio, \$250 to \$300 & \$30 to \$45; WMBR-TV, Jacksonville, \$200 to \$390 & \$30 to \$40; WBNS-TV, Columbus, \$350 to \$450 & \$75 to \$100; WHAS-TV, Louisville, \$300 to \$400 & \$50 to \$65; WAFM-TV, Birmingham, \$250 to \$300 & \$30 to \$50; WWJ-TV, Detroit, \$800 to \$1100 & \$160 to \$200; KSTP-TV, Minneapolis-St. Paul, \$500 to \$650, & \$100 to \$130; WTTV, Bloomington, \$150 to \$175 & \$22 to \$26; KING-TV, Seattle, \$500 to \$550 & \$55 to \$70; WTVN, Columbus, \$350 to \$500 & \$65 to \$110; KRON-TV, San Francisco, \$362.50 to \$480; WNHC-TV, New Haven, \$450 to \$600 & \$80 to \$120; WSYR-TV, Syracuse, \$300 to \$450 & \$56 to \$90.

Application for Channel 3 in Chattanooga was filed this week by WDDO, making second on file for that city (see *TV Directory No. 11*) and bringing total applications now pending to 369. FCC this week granted *Atlanta Journal & Constitution* STA for 90-day tests on Channel 2, assigned pre-freeze CP holder WCON. Tests will be conducted under experimental call letters KI2XBN to determine whether same company's WSB-TV should relinquish its Channel 8 in favor of Channel 2. [For further details about WDDO application and KI2XBN tests, see *TV Adenda 11-V* herewith.]

Proposal to ban all telecasts and broadcasts of pro baseball was withdrawn Dec. 7 at Minor League Conference in St. Petersburg after secret major-minor league consultation preceding evening. Instead, minors decided to request major league teams individually to curtail extent of their networking. NAB gen. mgr. Wm. Ryan had long conference with Baseball Commissioner A. B. Chandler, was invited to return next Wednesday as only outsider to address Major League Conference.

Famed "Blue Book" test of programming policies of WBAL, Baltimore, ended this week when FCC renewed that Hearst Radio station license, taking it off 5-year-old hook. Comrs. Coy and Webster dissenting, majority held WBAL-TV programs had improved sufficiently to warrant renewal, and that columnists Pearson and Allen, in their Public Service Radio Corp. application, had not made strong enough case to warrant taking license away.

Dec. 1 sets-in-use reported since NBC Research's "census" of Nov. 1 (Vol. 6:46): Washington 205,835, up 16,835; Memphis 64,424, up 4224; Dallas 51,689, up 5089; Omaha 49,908, up 7908; Miami 45,000, up 5000; Norfolk 44,545, up 5845; Erie 42,576, up 7576; Fort Worth 40,188, up 4188; Greensboro 35,901, up 5401; Utica 30,200, up 2300; St. Louis 221,500, up 14,500.

Merger of TBA with NAB-TV (Vol. 6:46-47) is in the cards, probably will become actuality at Jan. 19 meeting of NAB-TV convention in Chicago's Hotel Stevens, which chairman Harold Hough (WBAL-TV) has announced will be open to all telecasters whether or not they're NAB members. TBA board majority has agreed that consolidation is desirable, qualified acceptance on 2 counts: (1) That "autonomous" NAB-TV board of directors will really be autonomous, not limited in any way by present "AM" board. (2) That dues of TV members of NAB will not be spent for AM matters, or for any other purpose, except by direction of the telecasters through their board. Meanwhile, TBA reelected all its officers: Jack Poppele, WOR-TV, president; Ernest Loveman, WPTZ, v.p.; Will Baltin, secy.-treas.; Paul Raibourn, Paramount, asst. secy.-treas.

Compromise on allocation of intercity TV circuits by AT&T, which was protested by ABC and DuMont and led FCC to schedule hearings (Vol. 6:42, 44, 46), is in works, may obviate need for hearing—first set for Nov. 20, then postponed to Dec. 11, now postponed again to Dec. 18. Networks and phone company officials met Dec. 6-7, meet again next week, to try to work out formula satisfying everybody. Meanwhile, FCC has not yet set hearing date on proposals to limit hours stations in 1, 2, 3-station cities may take from single network (Vol. 6:46,48).

Christmas demand for TVs in Havana is so great that Hallicrafters' distributor there last week ordered 200 sets (retail value, \$100,000) shipped via air freight, and 2 Coastal Air Cargo planes with 25,000 lb. loads left Chicago Nov. 29 after appropriate ceremonies.

**Personal Notes:** E. C. Page, consulting engineer, back from Tangier, where he supervised installation of Voice of America relay stations; partner Joseph Waldschmidt still there . . . Lloyd E. Yoder, since 1939 mgr. of NBC's KOA, Denver, onetime Carnegie Tech All-America grid star, promoted to mgr. of KNBC, San Francisco . . . Arden X. Pangborn quits as business mgr. of KGW, Portland, to be gen. mgr. of WOAI & WOAI-TV, San Antonio . . . I. E. (Chick) Showerman, recently resigned as NBC Chicago v.p., joins Free & Peters, station reps, as TV sales chief, headquartering in New York . . . Eugene Halliday promoted to sales mgr., KSL-TV, Salt Lake City . . . Ralph E. Dennis now mgr. of ABC-TV spot sales, Earl M. Salmon mgr. of radio spot sales, in splitup into 2 divisions effected this week; reporting exclusively to Dennis are T. H. Black and John Fenster . . . Robert F. Holtz has given up his consulting engineering practice, Great Notch, N. J., and with Mrs. Holtz has left for Indonesia to consult on modernization of that Republic's broadcasting and communications . . . Bernard Musnik named Eastern sales mgr., Crosley stations, succeeding Warren Jennings, resigned to join ABC spot sales . . . N. Ray Kelly, ex-NBC, promoted to business mgr., TV-radio dept., Wm. H. Weintraub agency . . . Gil Babbitt, ex-WCAU, named TV-radio director of J. M. Korn & Co., Philadelphia agency . . . Kenneth L. Carter, gen. mgr. of WAAM, Baltimore, named a director of National Conference of Christians & Jews . . . Jules Bundgus, ex-Kastor, Farrell, Chesley & Clifford, joins Sherman & Marquette as TV-radio program supervisor.

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# Television Digest

WITH AM FM REPORTS

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December 16, 1950

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**OUR No. 1 TASK IS NOW DEFENSE:** Nothing is more important, now, than defense mobilization. It will be the policy of this publication to report faithfully on the war roles of the electronics and broadcasting-telecasting industries. We will, of course, continue our intensive coverage of their civilian activities.

Accordingly, we have expanded our news staff for fuller news coverage and analysis of the electronics activities of the defense and war production agencies.

President Truman himself spelled out the magnitude of the electronics industry's role when, in his grim Friday night speech, he said:

"Within one year, the rate of production of electronics equipment for defense will have multiplied 4½ times." It's sheer guessing to interpret that in volume and dollars, yet, but a \$5 billion electronics-communications rate (out of \$50 billion military budget) is not out of reason.

So it's official now, and all talk about business as usual, huge civilian production and bigger profits, TV freeze, color-in-a-hurry, fades into relative insignificance. The great achievements of the laboratories, the magnificent records of the electronics and broadcasting industries in the last war, are sufficient proof that they can once again fully meet their emergency obligations.

**MOBILIZATION SPEEDUP & ELECTRONICS:** Capped by declaration of national emergency, mobilization of industry stopped walking this week and broke into a run.

No immediate results were evident to naked eye, but National Production Authority spent week in consultation with more than 20 industry groups -- including committees from electronics fields and their suppliers -- a prerequisite for issuance of new directives and materials limitation orders.

Emergency declaration paves way for Govt. to award defense contracts without observing peacetime regulations such as competitive bidding. Mr. Truman's selection of GE's Charles E. Wilson, one of nation's leading production men, to head new over-all mobilization agency, indicates stress Govt. will put on speedy and efficient conversion of industry to military production. In new setup, NPA will be division of Office of Defense Mobilization, with Administrator William H. Harrison responsible to Wilson instead of to Commerce Secy. Sawyer. Price-wage agency will also take orders from Wilson.

\* \* \* \*

Controls over end products are definitely in works -- and this week NPA said so for first time. Assistant Administrator H. B. McCoy said in Chicago that NPA is drawing up orders to conserve critical materials by:

- (1) "Specification controls", cutting quantity of materials in certain uses.
- (2) Prohibiting use of scarce materials where less critical materials are available as substitutes. In other words, NPA will spell out in forthcoming orders the uses to which scarce materials may be applied.

DEC 18 1950

Electronics industry was in thick of this week's govt. activity. Two meetings directly affecting the industry were held, third scheduled. These were the developments:

(1) "Considerably less" cobalt next month. Assistant NPA Administrator Glen Ireland told loudspeaker and permanent magnet manufacturers in 4-hour meeting Dec. 14 that third monthly stopgap order will pry loose some cobalt for across-the-board civilian use in January, but amount may be very small. (For list of manufacturers attending meeting, see page 11.)

January's cobalt ration probably will be less than one-third of average amount used by civilian industries during first half of 1950, Ireland said, compared to 50% during December (NPA Order M-10), 30% in November (Vol. 6:46-49). Although percentage figure hadn't been decided at week's end, one official said he wouldn't be surprised to see it set as low as 20% or even 10%.

"Essentiality of end-product use" will be key to overall cobalt allocation plan, now scheduled to go into effect Feb. 1. General expectation is that NPA will ban cobalt use in magnetic novelties and toys, as well as blue pigment (Bromo-Seltzer bottles, vases, etc.), but dole out some for TV-radio, appliances and porcelain-enameled products (in which cobalt compound is used to make enamel adhere to metal).

Magnet and speaker manufacturers pointed out to NPA that military orders haven't come through in any quantity; that continued operation still depends on civilian production. They made this oft-repeated point:

No cobalt, no magnets. No magnets, no electronics industry. No electronics industry, no military electronics. The manufacturers pleaded for enough cobalt to keep them going through transition from civilian to defense production.

Increased cobalt supply in 1952 was predicted by Bureau of Mines spokesman, but he foresaw "no substantial increase" in 1951.

Mushrooming defense requirements, including rapidly-expanding jet plane program, will leave less and less (or no) cobalt for civilian electronics, NPA officials explained. However, they feel manufacturers will be receiving defense contracts at rapidly increasing pace in near future, with civilian cobalt requirements diminishing as rearmament orders roll in.

\* \* \* \*

(2) Heavy unemployment in electronics industry was foreseen by RTMA's Electronics Parts Mobilization Committee unless quick relief from materials curbs is granted in hardship cases. Meeting with Director John Daley of NPA's Electronic Products Division Dec. 12 (Vol. 6:49), committee estimated electronics industry may have to lay off as many as half its workers during first quarter 1951 as result of shortages. To prevent this, committee asked NPA to:

(a) Expedite processing of appeals from individual firms. At present, appeal forms are available only for aluminum and copper orders (Vol. 6:49).

(b) Aid applicants for increased amounts of raw materials by permitting them to use the amount requested pending final NPA action on their appeals.

(c) Help manufacturers get all raw materials to which they are entitled under the limitation orders. As an example: Nickel users will be limited in January by NPA Order M-14 to 65% of nickel they consumed during average month in first-half 1950, but many of them were unable to obtain even that much in November.

Representing RTMA at meeting were: Indiana Steel Products' A. D. Plamondon and General Instrument's R. E. Laux, co-chairmen; RTMA president Robert C. Sprague; Lenz Electric v.p. Raymond Zender, RTMA Parts Division chairman; attorney H. G. Beauregard, secretary of Joint Electronics Industry Committee (Vol. 6:32-33,36); Sylvania's L. G. Taggart and A. L. Milk; General Instrument's Robert G. Klabin, and RTMA gen. mgr. James Secrest.

\* \* \* \*

(3) Paving way for distribution controls, NPA's Office of Civilian Requirements (Vol. 6:49) will meet with TV, radio and appliance wholesalers Dec. 20 to form wholesalers' advisory committee.

Inventory controls, and possibly end-product limitations, will be brought up

at meeting, reactions of distributors sought. Agenda proposed by NPA: "Inventory & supply; distribution; maintenance of production for essential home & shop appliances; effect of defense orders on suppliers; problem of critical areas."

Wholesalers' role in defense production system will be explored at meeting. Some distributors are doing big military business. For example -- when a military base needs certain parts or tubes in hurry, it often buys them from local wholesaler on priority order. NPA wants to know how this is working out.

\* \* \* \*

Add shortage headaches: cadmium.

Like cobalt, the "DO" priority orders for cadmium exceed the total available supply. Cadmium plating is used in TV-radio to prevent corrosion of metal parts (chassis, tube shields, screws, brackets).

Defense priority orders of cadmium were slashed 50% by NPA this week pending long-range program to stretch supply. Officials said they will set up specific list of permitted uses of the material, citing list used by War Production Board in World War II. Radio-TV uses were not permitted by WPB.

Cadmium has substitutes. Best ones are nickel and tin-lead alloy, already critically short. NPA's Order M-15, limiting use of zinc, provides that zinc may be used in unlimited quantities where it replaces cadmium in electroplating. Zinc, though far inferior to cadmium, probably will be used as last resort.

\* \* \* \*

First curb in field of scrap metals, where heavy demand has pushed prices fantastically high (Vol. 6:48), was NPA's ban this week on "conversion deals" in copper scrap (NPA Order M-16). Intended to insure "continuous flow of copper scrap into normal channels of distribution," the order will keep the material going into hands of defense producers, keep it away from non-essential civilian users who pay premium prices for it and then under agreements with custom smelters, have it re-melted for their use.

**TRANSMITTER TUBE SUPPLY PROMISED:** RCA assures all TV stations they won't be forced off air for lack of camera tubes, which it alone makes -- and other transmitter tube makers assert no station, AM, FM or TV, need fear it won't get tubes needed to keep going. So despite present scarcity, due to get more acute with tightening of raw materials (Vol. 6:49), station operators can breathe easier -- for a while at least.

Most critical now are iconoscope tubes for film cameras, due to drying up of sheet mica supplies. High quality mica, only kind usable, comes from India, where it's said British are stockpiling and Soviet has been buying up all it can get for transparent dielectrics. There's said to be no satisfactory substitute. And tight supply of image orthicons also stems from critical nature of manufacture; rate of rejects is very high.

Current tube shortages arise from rush of orders by broadcasters and telecasters last few weeks -- mostly to stockpile against possible wartime curtailments. Since tubes are produced in single runs, tube makers were left without normal inventory, and said they had none when subsequent orders came in.

Demand for all kinds of transmitter tubes is at peak now. During World War II many broadcasters were hard put for replacements, so they're taking precautions.

FCC plans no move to permit reduced powers, which might give tubes longer life. This has been suggested, but situation isn't regarded serious enough yet. FCC engineers also point out that possibly half of the 107 TV stations aren't now driving their transmitters at peak power, so that reduction would make no appreciable difference in tube life.

**AGREEMENT ON NETWORK TV CIRCUITS:** What might be called "stagger system" for dividing existing intercity coaxial-microwave circuits, which aren't yet sufficient in number to enable all 4 networks to provide fulltime service, was devised amicably by network executives this week -- with an assist from FCC Chairman Coy.

If plan works out, it's good bet there won't be any FCC hearing on disputed AT&T allocation of circuits, postponed for third time to Jan. 15 -- nor even on FCC

proposal to limit amount of time stations in 1, 2 or 3-station markets may take from single network (Vol. 6:42-49).

Plan goes into effect second quarter 1951, since it's too late to start it first quarter and since sales departments of networks must now go out and tie up sponsorships and affiliates for allocated periods. Highly ingenious and elaborate formula works out roughly like this:

(a) AT&T divides existing circuits into 4 groups. (b) Each network gets priority on 25% of time on each group. (c) If network gets as few as only one station to accept its programs, it can hold on to 12½% of its priority time on any circuit. (d) If it gets plurality of stations in its group, it can retain full 25%. Networks rotate groupings.

Example: Network A is given option on 7 of weekly 28 hours from 7-11 p.m. on a circuit in Group 1. It reports only one station signed up (could be its own) 21 days before quarter starts. It therefore gets priority up to 3½ hours on its circuit in Group 1. But if it reports in with plurality of stations in group, it has right to whole 7 hours for which it has priority.

Both ABC and DuMont, whose original complaints started FCC looking into situation, were reported pleased with outcome. NBC, with most sponsors now, most affiliate-hours, most to lose, takes view it had to agree to "give and take" for sake of healthy industry, according to president Joseph McConnell. DuMont's Comdr. Loewi said it vindicates his contention AT&T must treat all networks alike.

In effect, plan does put all networks on equal footing prior to beginning of each quarter, with premium on time salesmanship, program quality, appeal to affiliates to accept programs. It was generally agreed Coy and able FCC counsel Stratford Smith rendered yeoman service in conducting negotiations bringing about agreement.

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AT&T reveals extension plans for more intercity circuits in 1951 include linking of Rochester-Syracuse, Memphis-Birmingham, Charlotte-Atlanta (direct via radio relay); also, Binghamton tying into present Schenectady-Utica link. Only firm date is Binghamton -- March 1951. Times of others not yet decided.

**NBC STUNS AMs WITH RATE-CUT PROPOSAL:** This is no time to cut radio rates -- on eve of what looks like repeat of lush days of 1939-45.

That's general reaction of NBC affiliates in TV cities to this week's network request that they reduce their night-time AM rates.

What hurt and shocked affiliates was fact proposal comes so soon after quietus was put on ANA suggestions for lower rates last July (Vol. 6:29-31,39). Now leader of their own industry reopens subject.

NBC first asked affiliates to "adjust" rates effective Jan. 1, but station clamor by Thursday caused it to call meeting Jan. 10 in New York.

NBC offered no reason for such move at this time, declined to disclose details, but stated its proposed plan "takes into account the changed values of network radio in cities where TV viewing by radio families has become an important factor." Formula is based on TV set count compared with BMB radio audience figures.

Affiliates and trade generally speculate along these lines:

(1) NBC is not doing so well in radio since CBS began its talent raids (for latest comparative dollar volume figures, see p. 12, Vol. 6:48). Hence it wants to cut rates to underprice competition, particularly CBS.

(2) Special deals, inclusion of production charges, etc. have been rife in radio, giving it black eye. One way to stabilize radio would be to lower rates, then stick to rate cards.

(3) Openly discussed, but vehemently denied by NBC, is RCA hierarchy's pre-occupation with TV. It's said RCA-NBC want to make TV primary medium, force radio into "second class" position.

AM station operators say their business is good now (borne out by latest figures, Vol. 6:48), and some see even greater dollar volume in era of inflation, loose advertising dollars, higher costs of other media (particularly TV).

**EMERGENCY MEANS FREEZE UNCERTAINTIES:** Outwardly, FCC's end-of-freeze procedures continue on business-as-usual basis -- though commissioners are just as uncertain as everyone else when it comes to estimating impact of emergency on future station construction. Here's how one member puts it:

"We've got to go about our business until told to do otherwise. It's not our job to run other parts of the Govt. NPA, NSRB, Munitions Board, etc. will tell us what we're supposed to do when they want to."

In fact, Commission looked forward to specific-cities portion of hearing this week when it announced that all parties will get 30 days notice of beginning of those sessions, if no changes in allocation plan are made. However, if changes are made, parties will be permitted to file comments and oppositions -- just as they did with presently-proposed plan (see TV Directory No. 11). Actually, there's every indication that brand new allocation will be issued.

Windup of general issues hearing resumes Jan. 15, when educators come back for testimony they believe will take 3 days. NAB also wants to come in then, but Commission hasn't yet given it nod.

\* \* \* \*

Former happier FCC-industry relations seemed to be coming back this week as national emergency continued quenching color-generated bitterness and as Chairman Coy showed old skill in mediating coaxial allocation squabble (see page 3).

Rumored FCC clampdowns on industry, with regard to oscillator radiation and ownership of stations by manufacturers, are discounted at commissioner level -- despite expressed opinions and known plans of some high-level staffmen (Vol. 6:47). And there's good reason to believe that network program "equalization" proposal (Vol. 6:40-48) is due for shelf or discard.

Now on vacation till first of year are counsel Harry Plotkin and chief engineer Curtis Plummer. Coy had planned to vacation in Phoenix, decided to remain in town but ease up on work during holiday season.

**WAR & RESEARCH SETTling COLOR ISSUE:** If war emergency hasn't been enough to kiss off color as an academic question -- and we've long believed it has been -- RCA's smash hit performance of its enormously improved all-electronic color system in Washington's Trans-Lux Bldg. has pretty well blocked threat of incompatibility.

That's virtual consensus of some 2000 invited observers who've seen the RCA demonstrations, which ended Dec. 15 after 2 weeks of daily showings.

But color war isn't over by any means. There's still an FCC to "sell" and court case pending. Nevertheless, crisis probably has passed. Reason is simple:

The people who make TV work -- manufacturers, telecasters, merchandisers -- have seen enough to keep them from putting any weight behind an incompatible system.

Real variety of observers were on hand for this week's daily showings: telecasters, broadcasters, consulting engineers, attorneys, military, distributors, retailers, moviemen, more Congressmen. Typical reactions from each group are recorded or summarized in this article.

\* \* \* \*

FCC remains mum, kept away for same reason RCA didn't invite members and staff: Court case might be prejudiced.

Court decision is expected any day now, with FCC still confident of victory -- which actually would be Pyrrhic, a mere legalism supporting its authority rather than its decision.

For nobody now expects any manufacturer to build non-compatible apparatus, in quantity, even if Commission were upheld or if there weren't a war emergency.

Observers are betting neither FCC nor RCA will make any move, except to appeal, when decision comes down -- doubting either will initiate new hearing immediately. Not only are there superior considerations of defense, but RCA would like nothing better than time for further perfection of its system.

Any idea that color TV will be available to public "for the duration" can be dismissed as sheer romancing. Actually, that was so from start of Korean aggression

when it became evident electronics industry was bound to be converted to war.

As for RCA's "dual standards" pitch (Vol. 6:49), that has met with flat "no" from at least one influential commissioner. It might be face-saving device, and it remains to be seen whether other commissioners won't go for it.

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Demonstrations were about same as last week's (Vol. 6:49), reactions much the same -- only more so and from more diverse groups. RCA's Dr. C. B. Jolliffe gave out a few new details, in response to questions:

All receiver components are standard. Next size tri-color tube planned is 17-in. Later demonstrations may be made to show additional improvements. Off the record, RCA engineers tell of developments, before long, "which will show as great an advancement over these pictures as these are over those of April."

Question of mass-producing tri-color tube, and its cost, is answered this way by D. F. Schmit, RCA Victor engineering v.p.:

"Take the color picture on cover of the Saturday Evening Post. It has a lot more dots than our tubes do -- probably millions. That's quite a registration job. But they turn out millions of copies weekly. It will simply take time."

\* \* \* \*

CBS brass came to see Dec. 15, including Stanton, Goldmark, Murphy, Lodge, Salant, Gammons, Christiansen. Attending same showing were NBC president Joseph McConnell and RCA counsel John Cahill, giving rise to speculation, unsupported by any statement yet, that conciliation may be in wind.

CBS officials wouldn't comment individually, but president Frank Stanton said before demonstration, in answer to question, that "it will make no difference to CBS's plans" even if showing were as good as reported. And v.p. Adrian Murphy said they're continuing plans to add new cities to public demonstration series (including Philadelphia which started this week).

Official CBS statement was issued couple hours after showing. Full text:

"In view of pending litigation, we do not believe it is appropriate to comment on the RCA demonstration we saw this morning. The FCC report explicitly provides for consideration of new or improved systems. If RCA believes that its system has been sufficiently improved to warrant adoption, it can ask formally for further consideration.

"If in fact the RCA system proves by this procedure that it is so improved to qualify for further consideration, various claims and observations which have thus far been reported can be dealt with in an orderly manner and through witnesses under oath and subject to cross-examination."

\* \* \* \*

Senator Johnson himself finally appeared Dec. 14, said: "I'm very well pleased with the progress. I've followed these developments from the first, so I'm well able to note the tremendous progress." Asked whether he thought FCC should see demonstration, he carefully said he couldn't comment because of pendency of case in court. He gave same answer to question whether he'd recommend dual standards if Commission finds RCA system satisfactory. He's the original drum-beater for multiple, or "general," standards -- once advocating "limited commercialization" of CBS, CTI, RCA systems (Vol. 5:46).

Navy Secretary Matthews, one of owners of Omaha's WOW-TV, was quite enthusiastic: "Excellent quality. Great promise for the future. The sooner it's made available to the public the better. Great improvement over what I saw in April. All they need to do now is to make it to sell for \$100." Comparison with CBS? "Since I've been working with the military, I know better than to compare services."

Possibly most profuse kudos of all came from Dr. Robert Sarbacher, noted scientist, former dean of Georgia Tech graduate school, now director of Wedd Laboratories, Washington, doing military electronics research. Said he: "These pictures are beautiful. They're approaching such perfection that anything else would be like going back to the horse and buggy age. This is a significant achievement in the electronics art."

Engineers, consulting and operating, seemed even more enthusiastic than laymen, generally stressing system's potential. Some of their comments:

Stuart L. Bailey, member of famed Condon Committee, now disbanded: "This shows that the Condon Committee recognized capabilities of the dot-sequential system, and this demonstration proves the correctness of the committee's evaluations. It's a tremendous improvement over what was shown before. Color fidelity over long periods of time is good; fidelity problems have been cleaned up. I'll reserve judgment on resolution; after all this was a closed-circuit demonstration. But there's no question resolution is still not up to the optimum permitted by the system."

Dr. Newbern Smith, Bureau of Standards, member of Condon Committee: "Considerable improvement over the performance last spring." He wouldn't be drawn into technical evaluation, comparison with CBS, discussion of public acceptability, etc.

E. K. Jett, former FCC commissioner and chief engineer, now director of Baltimore's WMAR-TV, basic CBS-TV affiliate: "Very good. A tremendous improvement. If you put this side by side with CBS picture, CBS's would probably show up better, but this needs only a few months of development to make it perfect. Besides compatibility, the most important distinction this system can claim is its complete absence of flicker. It's commercially acceptable now. If they've done this in just a few months, just think what they'll be able to do in a few more."

T. A. M. Craven, former commissioner, now engineering consultant: "This is 1000% better than the last show. It isn't up to CBS for fidelity, however. It would be interesting to see what CBS would look like with the tri-color tube. The importance of this demonstration is that it's commercially acceptable and compatible. I don't know what the FCC will do but I know what I'd do -- adopt this in addition to CBS. This would win out."

\* \* \* \*

J. R. Poppele, WOR-TV, TBA president: "This is the answer. Tremendous improvement. Just shows what research can do."

Frank Marx, ABC chief engineer: "CBS has a better picture but this has infinitely more possibility of improvement."

Neal McNaughten, NAB engineering director: "Whale of a difference since April...I'd like to see the April pictures besides these, just to see the progress."

Robert Kennedy, consultant: "This is more like it. It needs some cleaning up, but there's no question about doing it."

E. C. Page, consultant: "This has no flicker. Pictures are vastly better but the color values aren't as good as Columbia's. They're sort of pastel, but that's merely a matter of getting right phosphors. There's no doubt RCA has done the job."

James McNary, consultant: "Very impressive. Superior...it has no flicker whatever."

A. D. Ring, consultant: "Mighty good, and tremendous progress for such a short time. In its present state, this is good enough."

Millard Garrison, consultant: "No doubt about it...on the right track."

\* \* \* \*

From Washington's radio attorneys, savvy as to care and feeding of commissioners, but preferring to remain unidentified, we distilled this consensus:

- (1) System isn't so perfect yet that FCC simply has to adopt it.
- (2) CBS system is unquestionably stymied by RCA's great improvement.
- (3) Feelings are so high that Commission will let things ride, 6 months to year, reexamine situation critically then, adopt RCA system if it's fully matured.
- (4) War makes whole subject moot, anyway.

Sample quotes: "This is the end of the argument." "Tremendous improvement. I don't see how CBS can stand up against this. The few defects are bound to be cleaned up." "Too much green in there for me. They've got a lot of work to do yet."

Most frequent questions: Can tube be mass-produced economically? How does it look on coaxial? How about interference, ghosts, weak signals?

John McCoy, who was chief of FCC's TV legal section during whole color

fracas, and is now with Storer stations, was clearly impressed:

"RCA is not fooling this time. The colors are stable, faithful and the same hue on each receiver. Resolution of color pictures seemed greatly improved over the April demonstration. There was little or no color contamination."

\* \* \* \*

"This is commercially acceptable color," was the reaction of some telecasters and broadcasters, including CBS affiliates, who came to see Dec. 13. There were, however, a few discordant notes, mainly with respect to comparisons with CBS color. Observers like I. R. Lounsberry, WGR, Buffalo, chairman of CBS affiliates advisory board, and Hoyt Wooten, WREC, Memphis, basic CBS outlet, neither with TV outlets but both applicants, said RCA color "isn't nearly as good" as Columbia's -- Wooten, an ex-motion picture exhibitor, likening it to Cinecolor as against Technicolor.

But they conceded it was great improvement over what RCA showed before, perhaps would be improved more, certainly had virtue of compatibility. On other hand, WFIL-TV's Roger Clipp said: "It's great. Now let the public decide." WMCT's Henry Slavik said, "Terrific." WCPO-TV's Mortimer Watters asserted: "It's it -- what else do we need?" WDSU-TV's Lt. Edgar Stern Jr., an MIT graduate, now on duty with Signal Corps, remarked:

"The color is very good, but not quite right. But there's nothing basic in the system that says you can't get it right." Owner Stern's general manager Robert Swezey added: "Pictures are acceptable. I think I could sell it in New Orleans."

Telecasters were inclined to be more restrained in their comments than others, less willing to be quoted. Several remarked that, while color was wonderful, it now seems unimportant in light of national emergency.

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RCA distributors literally beamed during demonstrations for them Dec. 12, burst into applause several times. Their reaction was epitomized by Philadelphia distributor Raymond Rosen's question from the audience:

"When can we have them?"

"Do you want them?" replied Dr. Jolliffe.

"Right away," Rosen shot back, amid round of applause.

Later, various distributors said much same thing. "Guys at our level," commented one of most important in RCA family, "know instinctively what we can sell, once we've seen it. I realize that this is still in the development stage, and I know that it may never get into production while this emergency is on. But let me have this RCA color set, just as they showed it, and I'll sell it."

"I'm going to preach the gospel of compatibility more vigorously than ever among my dealers when I get home," said another. Surprising number said they had contacted their Congressmen to protest FCC's decision.

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Vendors, or suppliers of the materials that go into TV-radio receivers, were as enthusiastic as distributors at their Dec. 14 demonstration. Said Harry Ehle, International Resistance Co.:

"This was the most beautiful piece of research ever tackled in the industry. You can argue all you want about relative merits of the RCA and CBS pictures, but this system has got to work if we want color. If RCA has made this much progress in the last 6 months, think what 6 or 8 months more of concentration and development will bring forth. I certainly am satisfied."

American Structural Products Co. (Kimble) president Stanley McGiveran said he thought the color pictures were flattering to "everything but people" -- felt colored packages had truer values than skin tints. "From compatibility standpoint," he said, "there isn't any doubt that this is right, but some work needs to be done yet. The black-and-white pictures, while good, look flat in comparison with color."

Corning Glass Works' John L. Ward, like Kimble a supplier of tube blanks, remarked on "definite reddish haze" in the pictures of people. But he called RCA's color "wonderful, with tremendous appeal, especially when seen alongside black and white." He foresaw color eventually dominating TV.

Nearly 75 retailers were on hand Dec. 14 -- mostly big dept. store TV-radio buyers and merchandise counselors, sprinkling of group buyers. They were well convinced of pictures' salability, naturally most curious about prices, particularly interested in compatibility and convertibility from standpoint of what to tell current black-and-white customers.

Typical reaction was that of A. A. McCarty, of Cavendish Trading Corp., buying group for major stores throughout country: "This is marvelous. What's most significant is that my people can tell the public that they needn't fear any loss of investment if they buy a set today. It can be converted or at least receive a black-and-white picture from the colorcast."

Edward Mattlin, Jordan-Marsh, Boston, which recently bought CBS-type equipment from Remington-Rand (Vol. 6:49): "CBS colors are more dramatic, but this is more realistic. It's a more practical system and compatibility, of course, is one of its strongest features."

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Moviemen, including engineers and exhibitors, had their own angles. For example, M. J. Comerford, of Pennsylvania Comerford chain, asked whether tri-color tube could be used in theatre TV. Dr. Jolliffe replied that now, and for some time to come, 3 kinescopes would be used. H. J. Schlafly, 20th Century-Fox engineer, noted: "Even this demonstration shows that the dot-sequential system has not yet reached its limits." And an unidentified Baltimore exhibitor shrugged his shoulders: "If they keep this up, we'll be out of business sooner than I expected."

Frank J. Moch, president, Television Installation Service Assn., Chicago firm that was intervenor on RCA side in Chicago court case, asserted:

"This demonstration impresses me with the need for reappraisal by the FCC of its decision. Servicing this system would be far simpler and easier, whereas the CBS system requires major circuitry changes, and the possibility of conversion to CBS system is highly controversial."

**Network Accounts:** Holiday specials on CBS-TV include Longines-Wittnauer Watch Co.'s sponsorship of *Christmas Day Festival*, 5-6; Chevrolet Dealers' *Challenge of the '50s—Years of Crises*, New Year's Day, 1:30-2:30 . . . National Dairy Products Corp. (Scaltest) Jan. 27 starts sponsorship of CBS-TV's *The Big Top*, Sat. noon-1 . . . Hudson Pulp & Paper Corp. (paper napkins) Jan. 25 starts *Bride and Groom* on CBS-TV, Thu. 3-3:15 . . . Norwich Pharmacal Co. (drugs) Jan. 14 begins sponsoring *News in Review* on CBS-TV, Sun. 11-11:15, replacing Arnold Bakers' *Robert Q. Lewis* being dropped Jan. 7 . . . Oldsmobile's new *Sam Levenson Show* on CBS-TV, Sat. 7-7:30, starts Jan. 27 . . . Admiral Corp. will sponsor National Professional Football League title play-off game on ABC-TV, Sun. Dec. 24, 1:55 . . . Schenley Industries Inc., Wine Division (Cook's champagne & Dubonnet) Dec. 18 starts sponsorship of *Andy & Della Russell* on ABC-TV, Mon.-Fri. 7-7:05 . . . B. T. Babbitt Inc. (household cleansers) will sponsor *Ruth and Eileen* on ABC-TV, Sat. 12:30-1, starting Jan. 20 . . . Brown Shoe Co. Inc. (Naturalizer shoes) Jan. 6 starts *Say It with Acting* on NBC-TV, alternate Sat. 6:30-7 . . . Kellogg Co. to sponsor *Victor Borge Show* on NBC-TV, Sat. 7-7:30, starting Feb. 3, replaces Peter Paul's *Hank McCune Show*, dropped Dec. 2 . . . Brunswick-Balke-Collender Co. (bowling & billard equipment) and Pabst Sales Co. (Pabst Blue Ribbon beer) sponsored *All-Star Bowling Tournament* from Chicago on ABC-TV, Thu. Dec. 14, 11:30-midnight, Sun. Dec. 17, 11-11:30 . . . R. J. Reynolds Tobacco Co. (Cavalier cigarettes) reported buying three 15-min. segments weekly of CBS-TV's *Garry Moore Show*, Mon.-Fri. 1:30-2:30.

**Station Accounts:** Richfield Oil Co. sponsoring *Success Story* on KTTV, Los Angeles, Fri. 9-10, featuring a different local industrial concern each week, with remote pickups from such plants as General Control Co. (heat-

ing control units), Van de Kamp Bakeries, *Los Angeles Times*, and with only opening and closing mentions of firm's industrial petroleum products . . . News telecasts gaining favor indicated in sponsorship by Colgate-Palmolive-Peet (shave cream) of *News of the Night* on WCBS-TV, New York, Mon. thru Fri. 11-11:10; by Sears Roebuck, *Fleetwood Lawton Analyzes the News* on KTSN, Los Angeles, Mon.-Wed.-Fri. 9:55-10 . . . Gillette sponsoring Jan. 1 *Rose Bowl Game* on CBS-AM and TV hookup of KTTV, KPIX, KFMB-TV; *Orange Bowl Game* on WTVJ, Miami. CBS films of games will be syndicated day or two later . . . Sponsoring *Tournament of Roses Parade* on KTTV-KPIX will be Prudential Insurance Co.; on KFI-TV, West Coast Paeking Co. (tuna & tomato paste); on KECA-TV, Kaye-Halbert (TV sets) . . . Advertisers currently using or planning to use TV are: National Sugar Co., thru Young & Rubicam, N. Y. (WCBS-TV); Sperti Inc. (sun-lamps), thru Ruthrauff & Ryan, N. Y. (WCBS-TV); Pond's Extract Co. (cold cream), thru J. Walter Thompson Co., N. Y. (WCBS-TV); National Biscuit Co., thru McCann-Erickson, N. Y.; S. X. Graham Co. (Rolla-A-Painter), thru Walters & Heekinger, Chicago; Wm. Schwartz & Co. (Chips & Twigs boys' apparel), thru Leonard F. Fellman, Philadelphia.

**Personal Notes:** Hubbell Robinson, CBS program v.p., due to wed musical comedy star Vivienne Segal in Stamford, Conn., Dec. 17 . . . Theodore C. Streibert, president of WOR & WOR-TV and chairman of MBS, elected to board of New York Better Business Bureau, and Charles H. Crutchfield, gen. mgr. of WBT & WBTW, Charlotte, named president of that city's Better Business Bureau . . . Wm. K. Treynor, ex-WTOP, Washington, named asst. director of station relations, NAB . . . W. M. Witty, ex-consulting engineer, now gen. mgr. of Continental Electronics Mfg. Co., Dallas, headed by James Weldon, of Weldon & Carr.

**OUTPUT HEAVY BUT TURNOVER SLOW:** TV receiver advertising bustin' out all over -- and more of same to come -- currently reflects unseasonal slump in TV retail trade.

Though improving a bit this week, business is still reported "only fair." Pessimism is general, Retailing Daily summing up:

- (1) That business today shows no signs of approaching pace of last Xmas.
- (2) That retailers fear overloading, particularly with higher-price sets.
- (3) That talk of higher prices for sets next year is paradoxical in view of fact so many dealers are loaded with big higher-priced combinations and current demand is largely for cheaper table models.
- (4) That distributors fear some of their dealers will begin dumping, unloading to pay bills. Most aren't financially able to hold out too long.

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These dark views are offset by fact that telecast programs are enjoying healthy popularity, making for continued (even if slowed down) demand from non-TV homes; that second sets in homes are becoming more and more popular (many old ones being kept rather than traded in when new one is bought); that new models with 20 & 24-in. tubes are "getting a good ride" from carriage trade; that promotion is being stepped up by manufacturers who, according to New York Times, intend to keep 1951 advertising budgets up despite inevitable decreases in next year's production.

Inclination is to lump TV-radio with major appliances, and fact is that for this year such combined sales will run considerably ahead of 1949. But, says Times, that's because of "accrued advantage" prior to Nov. 1. Newspaper reports Dec. 14:

"For the first 10 days of December, TV sales are 30% behind the like period last year, store executives reported. Major appliances are down 15 to 20% and combined volume has dropped 20 to 25%...

"Prior to Nov. 1, buyers reported that monthly gains of 200 to 500% in TV receiver sales were the rule." (Which may really mean the stores were being "spoiled" for the day when things might not be so good.) Times writer continues:

"Regulation W is blamed for the debacle in appliance and TV set sales which began Nov. 1 and which shows no signs of lessening despite intensive holiday promotion campaigns. Tight credit terms, merchants said, have prevented more sales than the color TV controversy, the imposition of a 10% manufacturers' excise tax on TV sets or any other factor."

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What's ahead post-Christmas? Nobody can really answer that -- not even the Washington authorities, whose materials, wage and price controls will inevitably determine flow of civilian goods during emergency. New models will attract some buyers, no doubt, and it looks now like the up-to-\$350 items will largely dominate, particularly 14 & 17-in. receivers; former have shown surprising gains lately.

At factories, the sets are still coming out in huge quantities. First December week (ending, for statistical purposes, Dec. 2) ran 198,031 TVs, 342,534 radios, somewhat ahead of November weekly average (Vol. 6:49).

Some distributors are being offered special deals to accept receivers, and in turn are offering special deals to retailers, in order to move stock. Deals are mostly special allowances, including more advertising-promotion funds.

But next year's probable shortages are causing many distributors to tread cautiously, hang onto stock they can afford to hold and think they will have no trouble moving a few months hence. Fact is that new "1951 models" will generally be so little different from those now being shown, hardly different at all in chassis, that stockpiled receivers need not lose vogue during 1951 days of reduced supply.

**Topics & Trends of TV Trade:** DuMont has sliced dealer outlets some 20%, and Bendix called off its Dec. 15 sales meeting due to pricing uncertainties growing out of components situation. Meck raised TV prices about 10%, and others are doing much the same but without public announcements. Hallcrafters reports 6 new models to be added to line, showing them first at meetings Dec. 27-28 in New York's Park Sheraton and Chicago's Edgewater Beach. Bigger producers like Admiral, Philco and RCA maintain discreet silence about new models, except to hint at "very slight changes," the former 2 holding usual winter meetings in Chicago Jan. 4-6 (Vol. 6:49).

Foregoing are scattered and diverse news straws in the slow-blowing but shifting TV-radio trade wind—and if they betoken any definite trends, we can't pin them down yet. TV-radio industry, like so many others, is at mercy of many elements—but with added disadvantage that higher food and clothing prices, payments due on that car or refrigerator or washer, higher taxes due, seem to be impelling too many people still without TVs to decide "the TV set can wait." Or else, to buy cheap.

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CIO's International Union of Electrical Workers has asked wage increases "immediately" from GE, Sylvania, Westinghouse. In telegram Dec. 13, IUE says, "In view of the extraordinary profits your company has made and is making, it is our firm conviction that the wage adjustment can be put into effect without any price increases in your products."

Revival of Detrola trade-name on TVs, radios and other electronic equipment is proposed by Harry Cohen, who operates Hershel Radio Co., 5249 Grand River Blvd., Detroit. He reports he has purchased all stock of Detrola Division of Newport Steel Co., along with tools, dies, etc., of old International Detrola Corp., and plans factory operations in building at 4850 Seventeenth St., Detroit.

"This is a mail order Christmas," said Dec. 16 *Chicago Journal of Commerce*, but while it found toys, winter clothing, etc. gaining it had this to say about TV: "... television continues to drag its feet. And it takes a great many \$1, \$2, \$5 & \$10 sales to make up for a decline in a big ticket item like TV."

"Investigation of TV service racket" by Attorney General and Postmaster General is objective of resolution (H. Res. 881) introduced Dec. 13 by Rep. L. G. Clemente (D-N. Y.). He says he was prompted by complaints involving "false, fraudulent or deceitful" sales contracts.

**Trade Personals:** Jack M. Williams, ex-aide to John K. West, now Hollywood NBC v.p., appointed adv. mgr. RCA Victor Home Instrument Dept., succeeding James M. Toney, who took Mr. West's place as director of public relations . . . Sol Prediger, ex-Garod & Majestic purchasing v.p., appointed v.p. in charge of purchasing for Tele King . . . RCA Victor Record Dept. sales, merchandising & promotion moving from Camden to New York, with following shifting: L. W. Kanaga, gen. sales mgr.; David J. Finn, adv. & sales promotion mgr.; Robert M. Macrae, msg. mgr.; Edward O. Walker, sales planning mgr.; Edward Dodelin, field sales . . . Harry E. McCullough promoted to mgr., Crosley TV-radio sales section . . . Kenneth D. Turner, Admiral v.p. & director, has retired and sold his 72,000 shares . . . Hallcrafters board elects Rollie J. Sherwood sales v.p., appoints A. D. Gaines gen. mgr., Hallcrafters-Chicago, Ollie Helmer continuing there as sales mgr. . . O. O. Schreiber, asst. secretary of Philco, also appointed asst. to the president . . . R. D. Burnett, new president of Starrett, announces appointment of Herbert A. Frank, ex-Farnsworth and Tele King, as sales mgr.

Henry M. Shaw, 80, pioneer radio inventor, founder of Shaw Insulator Co., died in St. Petersburg, Fla., Dec. 2.

**Financial & Trade Notes:** RCA board has extended contract of president Frank Folsom to Dec. 31, 1954 (was Dec. 31, 1953), boosted his salary \$25,000 to \$165,000, amended contract to protect salary from cuts while permitting increases to be voted any year prior to March 1. Board also granted stock options to Mr. Folsom and Chairman Sarnoff to buy 50,000 & 100,000 shares respectively at \$17.75 per share, purchasable on or before Nov. 3, 1955.

International Resistance Co. this week called for redemption of all remaining shares of 6% cumulative convertible preferred stock, par \$5, to be paid off Jan. 31, 1951 at \$5.50 per share plus accrued dividends of 7½¢ a share. About 30,000 such shares are outstanding out of original issue of 175,000. Preferred is convertible into common until Jan. 20 on basis of 2 common for one.

**Dividends:** Corning Glass, extra \$1 with regular quarter 25¢, payable Dec. 26 to holders of record Dec. 16 . . . Trav-Ler, 10¢ payable Dec. 28 to holders of Dec. 18—third 10¢ dividend since company became publicly owned in May . . . Meck, 10¢ payable Dec. 28 to holders of Dec. 15 . . . WJR, The Goodwill Station Inc., 40¢ payable Dec. 27 to holders of Dec. 18 . . . Tele-tone, 12¢ on common, 16¼¢ on Class A payable Jan. 2 to holders Dec. 18 . . . Packard-Bell, 25¢ payable Jan. 25 to holders Jan. 15 . . . Sylvania, \$1 payable Jan. 2 to holders Dec. 19.

\* \* \* \*

Faulty defense planning is "messing up our economy," Stromberg-Carlson president Robert C. Tait told American Bankers Assn. Chicago credit meeting Dec. 15. Major disruptions of industry are taking place through forced stockpiling, he said. He cited recent NPA cobalt orders (Vol. 6:46-49), said one company had to shut down because no military business was available. "We are going about this in a way that may kill the goose that lays the golden eggs," he said. Obviously referring to electronics-communications industry, as well as others, Tait made point so far just hinted at (Vol. 6:49): Many industries have so expanded to meet post-World War II civilian demand that "a fairly sizeable chunk of our defense expenditure would merely absorb excess capacity."

**Loudspeaker and permanent magnet manufacturers** listed by NPA as attending Dec. 14 industry-govt. meeting on cobalt (see page 2) included: O. H. Hofman, General Magnetic; W. G. Scharnberger, Crucible Steel; A. D. Plamondon, Indiana Steel Products; E. L. Hubbard, GE; Robert Arnold, Arnold Engineering; James C. Skinner, Thomas M. Skinner Steel Products; Thomas A. White, Muter Co. (Jensen & Rola); Richard A. O'Connor, Magnavox; David Rogers, Stromberg-Carlson; Matt Little, Quam-Nichols; John A. Proctor Jr., Oxford Electric; Ben E. Schwartz, Perfection Electric; L. M. Heineman, Permoflux; W. E. Bahle, RCA Victor; W. Dumke, Zenith; Mr. Cromartie, Best Mfg.; Mr. Carbonneau, Carbonneau Industries; and representatives of Allegheny Ludlum Steel, Allen-Bradley and General Motors' Delco Radio Div.

Airborne Instruments Laboratory, Mineola, L. I., has been purchased from Aeronautical Radio Inc. by Laurance S. Rockefeller, American Research & Development Corp. and a group of Airborne's executives and employes headed by president Hector Skifter. Airborne has \$6,000,000 backlog of military and commercial orders, did \$2,868,000 business last year.

Westinghouse received \$20,000,000 Air Force order for electrical equipment to be used in testing jet planes. Pacific Mercury Television president Max Stetner announced his firm has been awarded Air Force contract to produce \$1,000,000 worth of electronic equipment.

NPA's new Communications Division is headed by Brig. Gen. Calvert H. Arnold (retired), former Signal Corps chief procurement and distribution officer.

**Telecasting Notes:** Newhouse Newspapers, which own Syracuse's 2 dailies and WSYR-TV there, have purchased *Portland Oregonian* for \$5,000,000, but deal doesn't include its AM station KGW; *Oregonian* once had TV permit but dropped, then reapplied . . . Edgar B. Stern, New Orleans cotton broker and a major stockholder in Sears Roebuck, has sold his 90% interest in WDSU & WDSU-TV for \$1,185,000 to new corporation, to be owned 67% by Edgar B. Stern Jr. (now in Army), 20% by gen. mgr. Robert D. Swezey, 10% by commercial mgr. Louis Read, 3% by counsel Lester Kabicoff . . . Theater pickups of Rose Bowl game telecast are specifically forbidden by CBS, holding exclusive TV-radio rights, according to letter to Los Angeles area exhibitors from Howard S. Meighan, CBS v.p. . . . San Francisco's KPIX and Los Angeles' KTTV have agreed former should carry entire daytime program from latter Jan. 1, including Gillette-sponsored Rose Bowl game, Prudential-sponsored Tournament of Roses Parade, etc. . . . "TV Sets for Vets" is slogan of fund-raising campaign for VA hospitals being conducted by KPIX . . . WCBS-TV, New York, Dec. 24 starts Sun. a.m. operation with 2½ hours of children's shows beginning 10 a.m. . . . ABC's WXYZ-TV, Detroit, has moved up daytime schedule from 10 to 7 a.m., operating until 1 a.m. . . . WHEN, Syracuse, now starts day at 11 a.m. . . . RCA reported investing \$50,000 for 12½% interest in new musical show, *Make a Wish*, staff v.p. Mannie Sacks handling; it owns 35% of smash hit *Call Me Madam*, in which it invested \$225,000 . . . DuMont's *Captain Video* series to be made into 15-episode movie serial by Columbia Pictures . . . ABC's Hollywood AM operations to be consolidated in modern building, 1539 No. Vine, giving 58,000 sq. ft. space; TV operations continue separately at old Warner lot on Prospect & Talmadge.

Broadcast Advisory Council spent Dec. 14 seeing top Govt. leaders—President Truman, State Secy. Acheson, Defense Secy. Marshall, Commerce Secy. Sawyer, NPA Administrator Harrison, others. Council, comprising broadcasters and telecasters (as well as RTMA president Sprague, NAB officials), were told of importance of broadcast medium in bringing news and information to people, its value for morale purposes.

First intervention into sale of Don Lee Network to General Tire & Rubber Co. (Vol. 6:42-43, 45) came this week. Oilman Edwin Pauley's Television California (operator of experimental TV station in San Francisco) petitioned FCC to declare Don Lee TV application for San Francisco not for sale. Pauley held that legally applications can't be sold. He wants FCC to put that city's Channel 2 (which had been reserved for Don Lee since 1948) back into the pot if it approves sale. He also suggested FCC hold open hearings before approving transfer, alleging various inconsistencies. Pauley and TV-radio manufacturer H. Leslie Hoffman were unsuccessful bidders for Don Lee package, and latter also has been reported considering intervening.

Purchase of 5-kw AM station WSAI, Cincinnati, by George Storer for \$225,000 plus \$25-35,000 net quick assets, means another TV application for that city. Fort Industry, owned by Storer, will put application in next week. If FCC approves sale, it means Storer will probably sell one of his present 7 AM stations (WJBK, Detroit; WSPD, Toledo; WAGA, Atlanta; WLOK, Lima; WGBS, Miami; WWVA, Wheeling; WMMN, Fairmont). Storer also operates TV stations in Detroit, Toledo, Atlanta, is TV applicant for Miami and Wheeling.

Atlantic City Press and Union, with their stations WBAB & WBAB-FM, sold this week to group headed by R. L. Adams, publisher, *Bethlehem* (Pa.) *Globe-Times*; retiring publisher Albert J. Feyl interests have been applicants for TV since early 1948 (*TV Addenda 3-L*).

Fact that NSRB chief Stuart Symington is known to be seeking top executives for Washington defense agency posts lends to belief that may have been purpose of his White House visit with CBS Chairman William S. Paley Dec. 13. They left by side door, evading reporters, and no comment was available from office of either. During World War II, Paley served as colonel in psychological warfare division of SHAEF.

ASCAP broke off negotiations with TV broadcasters' committee this week, sent out per-program contracts to TV stations calling for fees on its own terms. One of major reasons for negotiation failure was ASCAP's insistence that music fee be paid not only on program using music of its members but also on announcements following such programs. Temporary agreement with TV stations was extended for 30 days following receipt of contract. Subject undoubtedly will be aired by telecasters at Jan. 19 NAB-TV Chicago meeting.

Negotiations between NAB and TBA on merger of 2 organizations into an NAB-TV (Vol. 6:46-47, 49) have begun, will continue in effort to come to agreement before Jan. 19 NAB-TV Chicago meeting. Representing NAB are Robert D. Swezey, WDSU-TV; Eugene S. Thomas, WOR-TV; William Fay, WHAM-TV. Representing TBA are Jack Poppele, WOR-TV; George B. Storer, Fort Industry Co.; Lawrence W. Lowman, CBS; Joseph A. McDonald, ABC; Paul Raibourn, Paramount (KTLA).

Can states censor TV films? U. S. Supreme Court has been asked to decide by Pennsylvania Board of Picture Censors. Appeal followed ruling by U. S. District and Appeals courts that State censors have no authority over televised films (Vol. 5:44, 50). Contesting State's appeal are WPTZ, Philco; WFIL-TV, *Philadelphia Inquirer*; WCAU-TV, *Philadelphia Bulletin*; WDTV (DuMont), Pittsburgh; WGAL-TV, Lancaster.

Big Ten, which banned telecasts of all its grid games this season, will lead fight against live football telecasts at National Collegiate Athletic Assn. meeting in Dallas next month, athletic directors indicated at Chicago conference. Eastern College Athletic Assn., at recent New York meeting, heard special committee call TV a "threat," citing 14.88% drop in attendance at its football games this year. But Notre Dame athletic director Edward Krause told Chicago dinner that telecasts have made millions of friends for university, which will continue them if NCAA permits.

Theatre telecasting of Big Ten football was "outstanding success," United Paramount Theatres secy.-treas. Robert H. O'Brien told Big Ten athletic directors at Chicago conference last week. He gave these figures on total theatre attendance during 6 Saturdays that games were telecast vs. figure for same Saturdays last year: State Lake, Chicago—11,708 vs. 7252; Tivoli, Chicago—7952 vs. 1709; Michigan, Detroit—7359 vs. 3694.

WCAU-TV isn't telecasting color during CBS showings in Philadelphia. Signals are sent from New York to Philadelphia terminal via coaxial, thence to viewing room at 1118 Chestnut St. by microwave. Receivers used include industrial sets made by new entrant in color field, Gray Research & Development Corp., 16 Arbor St., Hartford, makers of TV studio equipment.

**Television Map in Color**

We have a few copies left of RCA Victor's 40x25-in. TV map, in color, showing locations of all stations and actual and projected coaxial-microwave interconnections, prepared with data furnished by *Television Digest*. Single copies are still available to subscribers who haven't already asked for them.

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OF THE  
VISUAL BROADCASTING  
ARTS AND INDUSTRY

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# Television Digest

WITH AM FM REPORTS

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December 23, 1950

**In This Issue:** { To Spread and Speed War Contracts, page 1.  
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Count of TV Sets-In-Use as of Dec. 1, page 12.

(With This Issue: Special Supplement With Full Text of Chicago Court Decision in Color Case)

**TO SPREAD AND SPEED WAR CONTRACTS:** Defense Dept. took big step this week to spread and speed war contracts -- facing up to complaints of electronics and other manufacturers that they're ready and willing but aren't yet getting orders (Vol. 6:48-49).

Secretary Marshall ordered Army, Navy, Air Force procurement officers "to spread contracts across industry as widely as possible in order to broaden the scope of the military procurement program, to obtain urgently needed goods faster and to take up the slack in industries now facing cutbacks because of materials shortages."

President's emergency proclamation last week means military services can negotiate more contracts, thus spread orders more widely.

Specific procurement recommendations by Gen. Marshall, as detailed in Dec. 18 memorandum released as No. 1539-50 by Defense Dept. Office of Information:

- (1) Greatest possible integration with industrial mobilization program (which involves more than 10,000 companies).
- (2) Equitable distribution among a number of competent suppliers, concentration among a few suppliers to be avoided.
- (3) Use of open industrial capacity -- meaning additional contractors should be used instead of fewer contractors put on multi-shift or overtime production.

Gen. Marshall also encouraged use of small business and subcontractors, economies in costs and transportation, consideration of manpower problem areas.

Note: Report in New York Times Dec. 20 that one large TV manufacturer was now devoting 50% of his capacity to war orders is unconfirmable. Industry and military officials contacted were sure it isn't one of top 20 TV-radio producers.

**COLOR EDICT UPHELD—BUT STAYS ON ICE:** Chicago court's color decision upholding FCC authority to choose CBS color system doesn't change present "academic" nature of color issue -- in fact, keeps whole business under legal and technical wraps for good while longer.

Each side claims victory -- with reason -- but simple fact is that court's split decision Dec. 22 amounted to a reluctant acknowledgement of Commission's legal authority and an expression of lively skepticism about wisdom of ignoring post-hearing developments.

Withheld until April 1, unless U.S. Supreme Court acts sooner, were real fruits of victory -- commercialization of CBS color. Court continued its restraining order in effect until then.

Throughout both majority opinion of Judges Major and Sullivan and dissent of Judge LaBuy (see full texts in Special Color Report herewith) runs same rejection of FCC-CBS philosophy of haste they manifested during court arguments (Vol. 6:46).

Progress of defense mobilization, meanwhile, makes it clearer than ever that decision was really rendered in a vacuum, for all practical purposes.

Critical national emergency was called forcibly to attention of Commission by the judges -- something FCC has deliberately ignored through whole color issue. Decision took careful note of Comr. Sterling's opinion on that score, then said:

"It is a matter of common knowledge that the situation [described by Sterling] becomes more acute with each passing day, and the prospects are that it will be far worse before it is better. It is hardly conceivable that either the Commission or the government would under such circumstances desire, much less insist, that the order in controversy be made effective."

\* \* \* \*

Worth noting, too, is court's unusually strong opinion that manufacturers won't hurry into color set production and that public won't spend \$1½ billion for adaptation and conversion of 9,000,000 existing sets until Supreme Court decides.

"It does not square with common sense," said court majority, "to think that manufacturers would rush into the business either of manufacturing adapters and converters for existing sets or manufacturing sets with built-in adapters and converters while this controversy is pending. And to maintain that the public in any considerable number would purchase adapters and converters, assuming they were available, under the existing state of doubt and uncertainty, is to cast a reflection on the intelligence of people."

Nor did court make any bones about tossing ball to Supreme Court, where case is headed anyway, or about its desire to avoid going into complete trial.

"We have been unable to free our minds," it said, "of the question as to why we should devote the time and energy which the importance of the case merits, realizing as we must that the controversy can only be finally terminated by a decision of the Supreme Court...In other words, this is little more than a practice session where the parties prepare and test their ammunition for the big battle ahead. Moreover, we must give recognition to our limited scope in reviewing an order of an administrative agency..."

Court majority also observed, quite aptly: "In our view, the public interest in this matter has been magnified far beyond its true perspective...We think [that] the contest is mainly between two great broadcasting systems for a position of advantage in the rapidly developing field of television."

\* \* \* \*

RCA's post-hearing reports greatly impressed court, which said:

"It is pertinently pointed out, however, that a number of critical findings are based upon evidence [taken in] the earlier stage of the proceeding which is not representative of the situation as it existed at time the findings were adopted..."

"As we view the situation, the most plausible contention made by plaintiffs is that the Commission abused its discretion in refusing to extend the effective date of its order so that it might further consider the situation." But, court concluded, RCA's argument on that score, "appealing as it is, must be discarded" since it was something court couldn't legally consider.

Dissenting Judge LaBuy got sold on compatibility, also denounced FCC for adopting CBS system in "hope and speculation" it could be improved (through use of tri-color tube, long-persistence phosphors, horizontal interlace). Said he:

"It is conceded by all and it is self-evident that the best system of color TV is a compatible one...Indeed, compatibility is the coveted goal of all engineers and scientists in the TV industry..."

"The Commission recognized and the record before the Commission is replete with evidence that rapid strides are being made toward perfection of a fully compatible system. There is ample basis for the conclusion that the scientists laboring in the laboratories of the industry may soon resolve the problem of compatibility.

"In view of the admittedly fluid state of the art, it is difficult to understand why the Commission refused to hear additional evidence and chose instead a course of action, using its own words, based 'on speculation and hope rather than on demonstrations'..."

"If hope and speculation may lawfully be substituted for evidence as a foun-

dition for an important part of its decision, it was an abuse of [FCC's] discretion not to have indulged this speculation and hope in the public interest."

Next possible legal moves are these:

(1) FCC and CBS can ask either Chicago court or Supreme Court to permit CBS to go commercial before April 1.

(2) RCA and intervenors can appeal to Supreme Court; they have 30 days.

FCC-CBS will scarcely go back to Chicago court in attempt to get restraining order lifted earlier. But it's considered extremely unlikely Supreme Court will throw out Chicago court's ruling now, before studying whole case.

RCA, for one, will appeal, said so in statement following decision. The 7 intervenors on its side haven't said what they'll do.

\* \* \* \*

Each major litigant found sustenance in decision:

FCC: "Highly gratified by the decision [which] clearly settles the question of whether or not the Commission exceeded its authority and acted capriciously in approving the field-sequential standards [CBS] for color TV. It is a great victory and the Commission is confident that the temporary restraining order...will be dissolved, and [the decision] will be sustained by the Supreme Court, thus ending the controversy." (Comr. Hennock was absent when release was drafted and issued.)

CBS: "This is a great victory. The Commission's adoption of the CBS system as the best and most practical means of bringing color TV to the public has been completely upheld. There is no question in our minds that the Supreme Court will also uphold the Commission's order, if RCA insists on carrying its case further. In any event, we are now assured that the matter will finally be disposed of within a few months." (CBS at week's end sent wires to newsmen inviting them to view a "new development in color TV" at 401 Fifth Ave., New York, at 12:30 p.m., Dec. 26; speculation is that it's Lawrence tube and/or telecast of horizontal interlace.)

RCA: "By staying the execution of the order until it has been subjected to further review by the Supreme Court, the court has clearly indicated its awareness of the great public interest at stake. Ever since the FCC adopted the only incompatible color TV system, we have maintained that this would compel the American public to pay a tremendously expensive and unnecessary price for color TV.

"An incompatible system actually is an 'unready' system. Compatibility is of first importance to color itself. Compatibility must be achieved in the laboratory...We will, of course, appeal the decision, confident that the Supreme Court will recognize that the public should not be denied compatible color TV. In the meantime, we shall continue with the scientific development of RCA's compatible, high-definition, all-electronic color TV."

\* \* \* \*

Background battling continued, but no one could get really worked up about it. In normal times, some of it would have been sensational.

Admiral's Ross Siragusa, with the air of a man letting revelatory cat out of the bag, said that CBS's Frank Stanton had asked him, shortly before early June 1949 medical color demonstration, why Admiral and/or other manufacturers didn't "bail us out of this color development." In speech Dec. 20 before Investment Analysts' Club of Chicago, Siragusa said: "We turned that offer down flatly because we did not then think it was the answer to color for TV and we have seen nothing since to change our opinion." He said figure quoted was \$3,000,000.

Stanton whipped out total denial, saying that he was in Europe at time Siragusa said offer was made, that he never talked to Siragusa on any subject during 1949, that he has never made any offer on color to Siragusa at any time.

Vehemence of argument is presumably due to implication that CBS wanted to get rid of system, had little faith in it.

At least two other major manufacturers also claim CBS offered to sell its color system to them.

\* \* \* \*

National Production Authority found itself pulled into color fracas in unusual manner. On Dec. 20, a task group, comprising 7 members of Radio, TV & House-

hold Appliance Wholesale Industry Advisory Committee (see p. 11 for membership), passed its first resolution. This asked that "all consideration of production of components or devices intended for the receiving equipment to be used for color TV reception be postponed until such time as materials and components shall be in safe and adequate supply to meet the requirements of the present emergency."

Group estimated that color sets would require "at least double" number of tubes used in monochrome sets. Spokesman said stoppage of color development wasn't intended. Distributors have been among most vehement opponents of CBS system.

Whether NPA will ignore this hot potato isn't known, although Retailing Daily excitedly reported that NPA "will soon approve" group's recommendation.

\* \* \* \*

From practical standpoint, attitude of Dr. Allen DuMont is probably typical, quoted from his year-end statement on TV prospects for 1951:

"Where color TV is concerned, the recent demonstration [by RCA] of a vastly improved all-electronic and compatible system of color, coming on the heels of statements that such a system wasn't feasible and an FCC decision in favor of mechanical color, has thrown the whole color situation into a state of complete confusion. It will take considerable time to settle this question. In any case, the abundant problems now facing the industry make it evident that the color question for 1951 will be mostly an academic one."

Emerson's Benjamin Abrams feels much the same: "The inevitable scarcity of black-and-white receivers next year has driven the color TV problem to the very bottom of the manufacturer's active worry list."

**HOW EXCESS PROFITS TAX BILL HITS TV:** TV-radio industry fares quite well, as growth business, in excess profits tax bill finally agreed upon by House-Senate conferees Dec. 22. Senate passed bill (H.R. 9827) same day, with House scheduled to approve after Xmas holidays. Tax is retroactive to last July 1.

"Couldn't have had it better," was consensus of those handling industry's case. Here are details as they apply to TV-radio industry:

Excess profits tax rate is 75%. Liable to excess profits tax are earnings that are more than 85% of best 3-year average during 1946-49. Alternative is this rate of return on invested capital, including borrowed funds: 12% on first \$5,000,000, 10% on next \$5,000,000, 8% on remainder.

Regular corporation tax is boosted from present 45% to 47% for taxpayers' fiscal year after July 1, 1950. This means most corporations will pay the extra 2% on 1951 earnings, since most are on calendar year basis.

Exempted are corporations earning \$25,000 or less annually.

Maximum to be paid in both excess profits and corporation tax is 60% of year's earnings.

Growth companies -- and this is victory for RTMA committee -- figure base for excess profits tax on 50% of 1949 and 40% of 1950 earnings. A company may qualify regardless of total assets if it meets all 3 of the following criteria, all directly applicable to TV-radio:

(1) Total sales first 6 months of 1950 multiplied by 2 equal or exceed 150% of average 1946-47 sales. (2) 40% of 1950 sales are attributable to a product not generally available to the public before Jan. 1, 1946. (3) Sales of such new product in 1946 must have been one-twentieth or less of such sales in 1949.

A company may also qualify as a growth company if: (1) its gross receipts last half of 1946-49 base period are 150% or more of first half of base period, or (2) if its total payroll last half of base period is 130% or more of the first half of such base period. But, company's total assets can't exceed \$20,000,000.

Foregoing provisions cover virtually every TV-radio manufacturer, in the opinion of tax experts. But those close to tax picture warn not to underestimate tax legislation bound to come from 82nd Congress, which meets Jan. 3. They see higher taxes all around -- excess profits, corporation, income, excise, even possibility of general sales tax.

**TV-RADIO STATIONS WON'T BE CLOSED:** Newspaper headlines and radio broadcasts this week gave utterly disproportionate importance to Defense Dept. request to House and Senate Armed Service committees that they pass legislation giving the President power to "control or use electro-magnetic radiations in such a manner as to minimize or prevent navigational aid to any foreign country in an attack upon the U.S."

Closing down or commandeering TV-radio stations is not contemplated at all in present emergency, say the military, echoed by FCC Chairman Coy who reiterates that there's no thought of shutting or curtailing any broadcast services.

In crisis, President and military could act summarily anyhow, but proposed legislation would spell out further the provisions of Section 606c of Communications Act to embrace radiations from TV and radio receivers, electric motors, power transformers, etc. Bill would also legalize military "use" of broadcast stations or other electronic devices to thwart enemy planes or guided missiles.

Newspapers and broadcasters made much ado about transmitting stations being used as "homing" aids for enemy aircraft, subject of dispute among radio engineers.

**NEW TV FACTBOOK AND AM-FM DIRECTORY:** Now in the works, due for distribution to our subscribers first few weeks in January, are 3 important reference documents:

(1) TV Factbook No. 12, containing listings of all telecasting stations, applicants, present & proposed vhf-uhf channel allocations, receiver manufacturers, CR & receiving tubemakers, TV production and sets-in-use figures, film & program syndicators, associations, unions, etc. Besides bringing up-to-date previous features, new Factbook will carry full network rate cards and condensed versions of rate cards of all telecasting stations (most changing rates as of Jan. 1, 1951); data on present and projected Latin American stations; lists of network, newspaper, manufacturer, theatre, multiple ownerships.

Semi-annual Factbook goes only to full-service subscribers, and begins new series of weekly Addenda (blue sheets) to keep its station-application listings current. Extra copies available to subscribers at \$2.50.

(2) 1951 AM-FM Station Directory, in loose-leaf format, listing all North American broadcasting stations by states & cities and by frequencies; all AM-FM applications pending before FCC as of Dec. 31, 1950 by states & cities and frequencies; all stations by call letters. This Directory also goes to full-service subscribers only, and begins new series of weekly Addenda (yellow sheets) to keep it up-to-date with latest FCC reports. Extra copies to subscribers, \$7.50.

(3) Index to Television Digest, 1950 (Vol. 6), handy reference to important Newsletter items and Supplements published during year. Goes to all subscribers.

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**Station Accounts:** Big Allied Stores, with 15 out of 19 stores in TV areas already using TV, 10 of them regularly, is "definitely committed to using TV advertising on an increasing scale," according to Walter L. Dennis, TV-radio director, quoted in BAB's Dec. 21 *TV Pitch* . . . W. T. Grant Stores are reported getting good results with shopping program in Syracuse, wrestling in Houston and San Antonio, spurring home office interest (J. R. Rowan, adv. mgr.) in collecting more information about TV . . . Tellier & Co., New York stockbroker specializing in low-priced securities, used 3 spots on WPIX's *Movies at 7:15* last week, reported it sold more than 500,000 shares of Trad Television Cabinet Co. stock at 25¢, continued with more spots this week . . . Not so good news to WPIX was cancellation by Local Chevrolet Dealers Assn. sponsorship, effective Jan. 16, of sports telecasts from Madison Square Garden; same sponsor Jan. 10 drops *Famous Jury Trials* on WABD. Both cancellations due to expected cutbacks in automobile production . . . Busch's Credit Jewelers, New York & Chicago, using spots on WJZ-TV, WABD, WPIX & WNBQ; parent firm is Kappel's Jewelers, Pittsburgh, using films on WDTV, thru Wasser, Kay & Phillips, Pittsburgh . . . Chesapeake & Potomac Telephone Co. using spots on *Shadow Stumpers* on WBAL-TV, Baltimore, thru

N. W. Ayer, Philadelphia . . . Among other advertisers currently reported using or planning to use TV: Hats by Leeds, thru Moss Associates, N. Y.; Breakstone Brothers Inc. (dairy products), thru H. C. Morris & Co., N. Y. (WABD); Chase Candy Co., St. Louis (bulk candies), thru Dancer-Fitzgerald & Sample, Chicago (testing on WTCN-TV, Columbus).

**Network Accounts:** Sponsored Christmas Day specials on TV networks are: *Uncle Miltie's Christmas Party* on NBC-TV, sponsored locally in 23 cities, 3-4; Coca-Cola's *One Hour in Wonderland* (Walt Disney film) on NBC-TV, 4-5; Longines-Wittnauer Watch Co.'s *Christmas Day Festival* (children's stories), on CBS-TV, 5-6; Lutheran Laymen's League's *Bringing Christ to the Nation* on ABC-TV, 5:30-6 . . . Only New Year's Day special thus far reported, aside from Gillette-sponsored Rose Bowl game on 3 Pacific Coast TV outlets via CBS, is Chevrolet Dealers' *Challenge of the '50s—Years of Crisis*, 1:30-2:30 on CBS-TV . . . R. J. Reynolds Tobacco Co. (Cavalier cigarettes) Jan. 1 starts sponsorship of 3 segments of CBS-TV's *Garry Moore Show*, Mon.-Wed.-Fri. 2:15-2:30 . . . Best Foods Inc. Jan. 5 moves its *Penthouse Party* on ABC-TV from 10-10:30 to 8:30-9 Fri.

**Personal Notes:** James Lawrence Fly, 52, ex-FCC chairman, now practicing law in New York, was married Dec. 19 to Mrs. Phyllis Beekman, 54; they're honeymooning at Mr. Fly's ranch near Daytona Beach, Fla. . . Mortimer Hall, son of Mrs. Dorothy Schiff and an executive of her station, KLAC-TV, Los Angeles, was married Dec. 17 to actress Ruth Roman . . . Dixie B. McKey, Washington consulting engineer, is closing out his practice, and after Jan. 1 joins RCA Victor, Camden . . . Millard M. Garrison has taken over Washington consulting engineering practice of Chambers & Garrison, continuing under own name with same staff; Joseph Chambers has joined Defense Dept.'s Research & Development Board on part-time basis, due to wife's illness . . . Capt. Robert H. Alford, FCC broadcast attorney, recalled to active duty with Army JAG . . . Charles E. Thompson leaves law firm of Baker & Thompson to join Justice Dept.; Philip M. Baker continuing practice . . . Arnold Wilkes, ex-WSYR-TV, Syracuse, now program director of WBAL-TV, Baltimore . . . Roger Carlin, ex-MCA TV executive, joining Robert Maxwell & Associates . . . William Gernant succeeds Russ Johnston (now with Ward Wheelock agency) as national sales mgr., Jerry Fairbanks Productions . . . Arthur Pryor Jr., BBDO v.p., named chairman of radio-TV committee for 1951 Heart Fund . . . James D. Shouse, Crosley, due back next week from inspection of European Voice of America operations for State Dept.

Authoritative spokesman for radio broadcasting industry, *Broadcasting Magazine* Dec. 18 reports "total radio expenditures of major national advertisers will be increased next year, offsetting widespread claims that sponsors might abandon the medium in favor of TV." It goes on: ". . . advertiser plans for 1951 [indicate] that nearly every company whose plans are well under way will remain with the broadcast medium despite organized efforts to beat down radio rates because of TV's impact." Magazine says few intend to increase TV by taking away from radio, but reports Walgreen Drug again spending about \$600,000 on radio and adding perhaps \$100,000 to this year's \$50,000 TV budget; Benrus Watch planning to spend \$500,000 on radio spots, \$750,000 on TV spots; RCA Victor upping both TV-radio 25%; Borden stating "radio expenditures will be up slightly and TV up materially"; Arthur Murray Studios spending about \$1,000,000 on radio, \$2,000,000 on TV; Toni devoting half budget to daytime radio, 10% to TV (double 1950); Falstaff Brewing upping TV-radio budgets 50%; Fitch enlarging both TV-radio.

"Great year for TV" in 1951 is seen by all station operators covered in survey by *Radio Daily*, reported Dec. 19. Nobody sang the blues over 1950, either, these being some of more significant quotes: "I am convinced that TV in '51 will be beyond all predictions, just as set sales for 1950 extended beyond predictions."—U. A. Latham, WKRC-TV, Cincinnati. "By the end of 1951 TV will be tripled or better."—Miller C. Robertson, KSTP-TV, St. Paul. "How's business? I don't see how it could be any better."—Campbell Arnoux, WTAR-TV, Norfolk. "Many stations have resorted to double and triple spotting and it is not anticipated WLWT will take this step. Expenses will rise . . . but unless some catastrophe occurs, 1951 should be a tremendous year."—Robert Dunville, Crosley stations.

Operation costs for average TV station were \$564,000 in 1949, or \$47,000 a month, NAB employee-employer relations director Richard P. Doherty estimates. Payroll was largest single item, taking nearly 50% of total station expenses, with depreciation and amortization amounting to 16%. Expenses were itemized as follows for average station: Technical 29%, program 35%, selling 6%, general & administrative 30%.

Guide to applicants in construction of TV-radio antennas as they constitute air navigation hazards was finalized by FCC and released Dec. 22. Revision of Part 17, new *Rules Concerning the Construction, Marking and Lighting of Antenna Towers and Supporting Structures* become effective Feb. 15, 1951. They spell out when applicants must get CAA approval and, if necessary, what criteria they must meet. Guides are contained in FCC Public Notices No. 57274, 57275, 57276 & 57498.

New license renewal procedure was proposed by FCC this week—TV affected only slightly. Commission aims to: (1) Make licensee's AM and FM licenses expire simultaneously. (2) Require that AM-FM-TV license renewal applications be filed 90 days before expiration, rather than 60. (3) Extend initial FM licenses from present maximum of 23 months to 3 years. (4) Make AM and FM licenses expire simultaneously in each of 18 geographical areas. TV licenses would remain one year, but would also expire geographically, in each of 6 areas. Current FCC practice is to let licenses expire according to frequency. Commission's purpose is to distribute its workload throughout year, ease licensees' paperwork, "facilitate the consideration" of "common problems" of stations in contiguous areas. Proposal is Docket No. 9873, FCC Notice 50-1509. Comments may be filed until Feb. 15, replies thereto by March 1.

Back-to-the-movies trend was indicated in third annual poll of TV families by Southern California Theatre Owners Assn. Survey of 200 families first quizzed in 1948 found monthly theatre attendance was back to 3.2 times, only slightly less than the 3.8 of pre-TV days. Average was 1.8 times in 1948, 2.3 in 1949. Report called Phonevision and other pay-as-you-see systems "greatest of all threats to the theatre," recommended that exhibitors explore this field as supplement to theatre exhibition. In another survey, Motion Picture Research Bureau (Dr. Leo A. Handel) reported 73% of San Francisco TV families sampled prefer films to live or kine shows.

Programming changes are being made by KPRC-TV, Houston, as result of survey of viewers' likes and dislikes. *Houston Post* station was told in 1542 replies to November survey that: (1) 97.4% view TV at least 3 hours a night, with 65% watching sets every night; (2) 89% stay home more since they got TV, 91% listen to radio less, 79% go to movies less, 53% read magazines less; (3) average of 3 adults, 2.3 teenagers and children and 7 guests per week view TV in each home; (4) viewers want more straight dramatic programs, mysteries, westerns and feature films. Meanwhile, *Milwaukee Journal* discovered in its 1950 fall TV-radio survey, conducted by telephone, that considerably larger percentage of people called were at home than in previous January 1950 and May 1942 [radio] surveys, credited "at home" increase to TV.

"Hoffman Plan" telecasting of Pacific Coast League football games (Vol. 6:35) resulted in one of best seasons financially for 4 out of 5 teams, Hoffman Radio president H. Leslie Hoffman reports. Plan guaranteed the gate if TV holds ticket sales back, promotes attendance through such schemes as non-profit Gridiron Club, which sold 10% of all tickets to conference games this year. UCLA, California, Stanford and Washington wound up ahead financially. USC, with disastrous season, ended 5% under 1948 gate receipts. In all, 30 games were televised.

Margaret Truman definitely is joining NBC as exclusive TV-radio guest artist, but at "nothing like the figures reported." Trade papers had her getting \$4000 per guest appearance, with potential annual income of \$200,000, but network executives scoff at this. No sponsored series is in prospect.

**PRICE FREEZE DOESN'T HIT TV—YET:** TV-radio industry is exempt from voluntary pricing standards issued this week by Economic Stabilization Agency -- because all "rapid growth" industries are exempted. That's best word from still unorganized ESA on effect on TV of voluntary order (ESA-GPR-21) prohibiting price rises after Dec. 1.

Nevertheless, TV-radio manufacturers are expected to cooperate in "holding the price line," an ESA spokesman added.

It's pretty well agreed that mandatory price controls are around the corner -- just as soon as wage freeze can be imposed. Wage controls, however, are a touchy subject, being threshed out right now between union leaders and Administration. Labor officials (particularly CIO) are fearful wage freeze will upset cost of living clauses they have in big industry contracts. Defense Act of 1950 provides that prices can't be controlled unless wages in same industry are also controlled.

ESA price standards are hinged on profits, indicated in its "clampdown" on the automobile industry. Wage freeze was ordered in auto industry Dec. 22 -- until March 1 at least. It's probable precursor of others to come.

Order asks no prices be increased after Dec. 1 if company is making profit equal or more than 1946-49 average. If it isn't, ESA says company may raise prices to equal that average.

Company making equal profits, however, but selling an individual item at loss -- due to higher materials or labor costs -- may raise price of item by amount necessary to make it profitable or by amount equal to what increased materials and wages have risen since June 24, whichever is lower.

Other admonitions in ESA's first pricing order: (1) Distributors may not increase prices because of higher replacement or market costs. (2) Margins may be hiked on part of inventory where higher costs actually were paid. (3) Manufacturers are asked to continue same proportion of lower-priced items as in pre-Korea period. (4) Increased profits via greater volume or operation economies are not "verboden".

**THE 1951 OUTLOOK—FACTS & FORECASTS:** Higher prices for 1951 receivers...shortages after first 1951 quarter, when manufacturers will be well into war production...possible black market then for receivers, to say nothing of parts...ersatz components forced by civilian raw materials restrictions.

"Now is the time to buy that TV, or you may not be able to get it at all."

Stripped of trade ballyhoo and mere wishful thinking, foregoing gists of opinion from industry sources we regard best-informed, just about size up outlook.

Beyond first-quarter "twilight period", nobody can predict TV-radio prospects with any degree of certainty. Everybody agrees that military orders by then will occupy primary demand, and civilian production will have been heavily curtailed -- up to 50% by mid-year, RTMA general manager James D. Secrest estimated this week when it became known Govt. might place as much as \$5 billion orders for electronics-communications equipment.

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All big manufacturers and many small ones, meanwhile, are buying all supplies they can get. TV-radio industry as whole is continuing to produce at enormous rate that may last through month, despite Xmas holiday with its usual absenteeism.

Second December week's output (statistical week ending Dec. 9) ranked right up there with October's records -- 202,151 TVs (of which only 8323 were for private brands) and 405,095 radios, postwar record (of which 250,773 were home radios, 138,982 auto, 15,340 portables). First December week figures were 198,031 TVs, 342,523 radios (Vol. 6:50).

Total TV output for year to date thus reached 7,029,797, radios 13,533,544

-- indicating, with 3 weeks yet to be counted, virtual certainty that 1950 TV production will exceed 7,500,000 TVs, 14,000,000 radios.

\* \* \* \*

This Christmas week's business was good, as against fair-to-bad preceding week, according to our informants. Only higher-priced receivers are hard to move, due mainly to Regulation W and prospect of higher income taxes. Retail conditions are spotty, ranging from "exceptionally good" in Pittsburgh to "not too good" in Washington. Nevertheless, to quote one major company's sales chief:

"Dealers are buying, and if they're buying they're selling sets." This executive also notes that dealer "bank paper" shows pre-Christmas business holding up -- "definitely as good as last year." That might be disputed in some localities, but it seems to reflect consensus of the larger manufacturers who turn out much more than half the industry's sets.

New 1951 receivers, as indicated in first major line to be announced (by RCA, see Topics & Trends, p. 11), are to carry somewhat higher prices, though they won't be much different in design from this year's. "Wrapping new prices in new models" is only way TV producers say they can meet higher costs forced not only by materials and labor but by expected lower volume.

\* \* \* \*

First quarter 1951 is expected to be down maybe 15 or 20%, with January a sort of "stabilizing period" as public resumes buying on news that sets may later be hard to get. While Admiral says it hopes to equal output of third and fourth 1950 periods during first quarter 1951, few others are quite as sanguine. It all depends on how fast the defense orders are placed and how rigid the materials controls.

Most of the key executives we contacted prefer not to be quoted, but a few have made public statements. Emerson's Ben Abrams thinks 50% cutback in last 6 months of 1951 almost inevitable, predicts first 2 or 3 months will be heavy, with manufacturers' inventories exhausted by fourth month.

"Big problem for TV in 1951," said Allen B. DuMont, "is production. Full impact of the defense effort will not be felt until spring or early summer [but] figures will have to be cut drastically. There will also be a growing shortage of TV technicians who will be concentrating on govt. work...it may be that 25% fewer sets will be made than in the 1950 Sept.-Oct. period when rate was 9,000,000 a year." Dr. DuMont added shortage situation should not affect sets already made "because there are sufficient replacement parts for all sets now in existence."

John Meck sees shortages stepping up trade-ins and sale of reconditioned sets -- already a big factor in some areas, because of price appeal. Personnel, he says, will be released from new installations and available for reconditioning used sets. He sees this business as "silver lining in the war-shortage clouds."

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Frank A. D. Andrea foresees "austerity models", stripped of gadgets, with a black market in new receivers and a boom in used sets. "Govt. curtailment of materials for which no substitutes have yet been found will drastically reduce the production of parts for home receivers," said he. "The scarcity of new TV sets and their increased price will cause an unprecedented demand." He once again urged standardization of models by agreement on one or 2 picture tube sizes "rather than the more than 61 types and sizes now in use."

GE's new president Ralph J. Cordiner, on other hand, takes dim view of any "austerity" models for either appliances or TV-radio sets. Substitutions for critical materials will be used, he told newsmen this week, only "if the quality of the product is not lowered."

Motorola's Paul Galvin, writing to stockholders Dec. 18, states: "We are able to see the first quarter of 1951 fairly well at this time, and it appears that our combined military and civilian billings for that period will be about equal to sales volume in the first quarter of 1950. At present, it is too early to make any estimate regarding profits for 1951. This will be influenced greatly by the amount of our military billings and the final form of excess profits tax legislation."

RCA and Emerson introductions of new 17-in. models seem to be forerunner of far more new models than originally anticipated. Emerson's 17-in. are 2 tables at \$290 & \$300, one console at \$370. RCA's are detailed on p. 11. Others who have already announced new sets are Bendix, Capehart, Meck, Packard-Bell, Sparton, Tele King, Tele-tone, Transvision. Due to show new models in next few weeks are Admiral, Air King, GE, Hallicrafters, Motorola, Philco, Sylvania, Trav-Ler, probably others. Admiral, Motorola and Philco hold Chicago conventions starting Jan. 4; Sylvania in Buffalo, Jan. 12.

**WHOLESALEERS HAVE THEIR SAY AT NPA:** TV-radio and appliance wholesalers, through advisory committee set up by NPA (for membership, see page 11), this week heard govt. officials give discouraging account of shortages affecting their industries -- with emphasis on cobalt, aluminum, steel, copper (Vol. 6:45-50).

Military needs and priorities were discussed in detail, as sort of preliminary to inevitable moves toward full-scale control over production.

As outlined to wholesalers, order of govt. production aims is (1) defense, (2) maintenance and repair of equipment now in use, (3) equitable distribution of new equipment made available for civilian use.

Then govt. men listened as wholesalers gave out with a few ideas of own.

Serious shortages of TV-radio tubes are being felt at wholesale and parts distribution levels, they said. In future planning, they urged provision for:

(1) Immediate halt in production of color TV equipment for duration of emergency (see story, pages 1-4).

(2) Equitable distribution of scarce products.

(3) Protection of dealers' interests in case of orders "freezing" appliance sales, as in World War II when Govt. banned refrigerator sales.

(4) Provision for furnishing appliances to disaster areas.

\* \* \* \*

Seven-man "task group," headed by Washington Motorola distributor James H. Simon, was set up to make recommendations to NPA on these problems. Task group scheduled Jan. 9 meeting in Chicago's Palmer House to discuss:

(1) Proposed survey of 1500 TV-radio-appliance distributors to determine amount of floor space and personnel that could be converted to defense production in all-out stage of mobilization.

(2) Maintenance of appliances and sets now in use, including question of whether repair technicians should be classified as "essential" personnel.

Possibility that low-priced lines may disappear from market is worrying some wholesalers, who told NPA they fear manufacturers may concentrate production in higher-priced, slower-moving items and models.

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Every pound of cobalt for use in civilian products will have to be cleared with Govt., beginning in February, according to present plans. Under forthcoming allocation scheme, NPA will tell each user how much he can have for each end use.

Essentiality ratings for various cobalt uses are now being determined jointly by primary cobalt-using industries and NPA.

Hand-to-mouth nature of cobalt supply situation is graphically illustrated by reports that NPA men have increased their estimates of amount that will be available to civilian industry next month. Last week we heard predictions that civilian industry may be restricted in January to as little as 10% of average monthly amount used first half of this year (Vol. 6:50). Then, unexpectedly, one shipload of the Congo-mined metal arrived early. Now odds are that civilian users will be allotted 35-50% when January quota is announced next week.

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Smaller TV and radio manufacturers will benefit from NPA Order M-17, issued Dec. 19, placing ceiling on amount of "D0" priority orders which must be filled by manufacturers of electronic tubes, fixed composition resistors and steatite ceramic

(heat resisting insulating) products. It was first NPA order dealing directly with finished products. Earlier ones applied only to raw materials.

First official move toward centralized allocation plan similar to World War II Controlled Materials Plan (Vol. 6:26) came Dec. 21 when NPA Administrator Wm. H. Harrison appointed Walter C. Skuce (ex-GE, now Owens-Corning-Fiberglas official) to organize Production Controls staff. He bossed War Production Board's Controlled Materials Plan Division.

"Conversion deals" in copper scrap, originally scheduled to be banned Jan. 1, 1951 (Vol. 6:50), were outlawed Dec. 19 (NPA Order M-17, as amended) when NPA found "scrap dealers and converters were accelerating their activities" to beat deadline.

Tin came under govt. distribution order Dec. 19. Consumption of tin-bearing materials will be limited in February and March to 80% of rate they were used during first 6 months of 1950 (NPA Order M-8, as amended). Makers of solder are expected to increase amount of lead, decrease tin used in alloy.

Red China's ban on exports to West may hit industry squarely in the tube filament. Until Chinese entered Korean war they supplied about half U.S. tungsten. Forthcoming distribution order is expected to divert some of tungsten formerly used in steel cutting tools to vacuum tube makers.

To satisfy most common complaints in nearly 1000 appeals for adjustment of aluminum distribution order (M-7, see Vol. 6:46-49), NPA has extended through first quarter 1951 some of base period modifications permitted during December (Vol.6:48).

**Financial & Trade Notes:** Admiral president Ross Siragusa, addressing Investment Analysts Club of Chicago Dec. 20, stated Admiral's 1950 sales will approximate \$230,000,000, TV accounting for \$173,000,000; that year-end statement will show capital and surplus of approximately \$36,000,000, of which less than \$2,000,000 came from outside financing; that company has no borrowings of any kind; that capitalization consists entirely of 2,000,000 shares of common. He foresaw "sound investment characteristics" in the TV industry over the long haul (noting only about one-third of homes in TV areas as yet with TVs), but said military program will probably make the industry less profitable in 1951 than in 1950. He revealed company went beyond 300,000 goal for refrigerators and ranges this year, appliances becoming profitable business this year and accounting for 19% of all sales. Company is opening new \$5,000,000 appliance plant in Galesburg, Ill., spent \$17,000,000 on advertising in 1950, has 87 distributors, 30,000 dealers.

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Reeves Soundcraft Corp. president Hazard E. Reeves, in Dec. 18 "progress report" to stockholders, states company is now operating at a profit, details that: Soundcraft's TV tube plant at Springdale, Conn., acquired from Remington Rand, is selling at rate of \$150,000 per month; magnetic tape and film manufacture is expanding, and production moved to Springdale; Tele-Video Corp., owned two-thirds by Reeves Soundcraft, has been "static thus far this year with very few sales of Tele-Video sets" but Tele-Video's subsidiary Airdesign Inc. has grown substantially, showing profit, expects to handle substantial war orders for transformers; Light Metals Corp., over 90% owned by Reeves Soundcraft, now operating at "substantial profit"; Cinerama Inc., new film process, more than 50% owned by Reeves Soundcraft and with largely same management, financed with increased working capital for expanding activities.

Collins Radio Co., Cedar Rapids, Ia., has current backlog of more than \$80,000,000 in orders, predominantly military, some secret, as against peak rate of \$47,000,000 achieved during World War II, reports Dec. 21 *Wall Street Journal*. In fiscal year ended July 31, 1950 its sales were \$12,600,000 and during current fiscal year they should exceed \$25,000,000.

Dividends totaling \$452,400 on the 560,000 shares of Class B and 43,200 Class A held by Paramount Pictures in DuMont are expected to swell its fourth quarter earnings above the \$1,441,000 earned first quarter, \$1,385,000 second, \$1,745,000 third. This was indicated in Dec. 21 letter to stockholders from president Barney Balaban, following authorization by Paramount directors for placing of bid on N. Y. Stock Exchange to buy 500,000 Paramount shares at \$21.50. DuMont 75¢ dividend this month follows 25¢ earlier in year, on which Paramount got \$150,600.

General Instrument Corp., to finance acquisition of 72,000 sq. ft. plant in Joliet, Ill., requiring \$750,000, is recommending to stockholders issuance of 121,715 shares of common to be purchased by stockholders at rate of one-quarter share for each share held. Meeting has been called Jan. 12, 1951 to authorize plan for issuance of options to executives and key administrative employees. Proxy statement reports president Richard Laux's salary for fiscal year ended Feb. 28, 1950 as \$46,184, Monte Cohen's (v.p. of F. W. Sickles Co., subsidiary) as \$24,800.

Webster-Chicago's offering of 103,158 shares of common at \$14.25 went on market Dec. 21 through Eberstadt & Co. and Shillinglaw, Bolger & Co., and was immediately sold out. Proceeds are to be used for additional working capital. Capitalization after this financing and after stock dividend of 57,807 shares will consist solely of 450,000 shares of \$1 par common.

Hoffman Radio's 1950 earnings should exceed \$4 a share on 569,098 shares now outstanding, as against \$2.24 a share in 1949, according to president H. Leslie Hoffman. This year's sales are about 3 times those of last year. Military orders should offset expected reduction in TV receiver output next year, though good production rate is expected first quarter, Mr. Hoffman stated.

Packard-Bell reports sales of \$13,894,713, net income of \$1,308,510 or \$2.61 on 500,000 shares of common stock for year ended Sept. 30. This compares with \$5,436,586 sales, \$183,630 profit, or 36¢ a share on 482,000 shares, for preceding fiscal year.

Hallicrafters reports \$451,636 net income for Nov. 30 quarter, equal to 55¢ per share, compared with \$229,766 (34¢) for same 1949 quarter. Sales were \$11,881,263, up 114% from \$5,560,206 for same period 1949.

**Topics & Trends of TV Trade:** RCA was first major to reveal new line and prices, featuring (a) fewer models, (b) price revisions upwards but embracing tax and resuming standard discount structure, (c) only slight changes in exterior or interior design, notably abandonment of 12½ & 16-in. tubes in favor of 14 & 17-in. rectangulars but retention of 19-in. rounds. This is almost certain to be pattern, too, when Admiral, Philco and Motorola reveal their new lines at their Chicago conventions, all starting Jan. 4—except that they are expected also to feature 20-in. rectangulars.

RCA's new line totals 14 models—two 14-in., eight 17-in., four 19-in. It will be ready for delivery shortly after Jan. 1. It compares with three 12½-in., eleven 16-in., four 19-in. in old line. Old names are retained but with new model numbers. List prices generally are up \$20-30 per set (for old models and prices, see Vol. 6:43). These are the new items:

14-in.: Model 4T101 (Bentley), plastic table, \$219.95; 4T141 (Somervell), mahogany or walnut console, with AM, \$379.50, oak \$389.50.

17-in.: 7T103 (Newport), metal table, \$269.95; 7T104 (Kent), mahogany table ensemble with wood base, \$299.95; 7T112 (Highland), mahogany or walnut open-face console, \$359.50, oak \$379.50; 7T122 (Fairfield), mahogany or walnut console, with top doors, \$389.50, oak \$409.50; 7T123 (Regency), mahogany or walnut console, full doors, \$415; 7T124 (Modern), mahogany, walnut or oak console, full doors, \$425; 7T132 (Winston), mahogany or walnut console, lowboy styling, with 45rpm phono, \$495; 7T143 (Rutland), mahogany or walnut console, with AM-FM, 78 & 33rpm and 45 rpm, \$595. Note: Style-wise, all these models are same as their 16-in. counterparts, except for Winston, which is new, and Fairfield, which is housed in new-style cabinet.

19-in.: 9T105 (York), mahogany or walnut table, \$389.50, oak \$399.50; 9T126 (Hillsdale), mahogany or walnut console, top doors, \$475, oak \$495; 9T128 (Provincial), mahogany, walnut or maple console, full doors, \$495; 9T147 (Sedgwick), mahogany or walnut console, with AM-FM, 78 & 33rpm and 45rpm, \$825. Note: Provincial is only new model in 19-in. line.

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Westinghouse has decided to set up electronic tube division as "one step in the company's plans to realign its facilities for maximum production of needed military equipment in view of the emergency." Plant site has not yet been determined. President Gwilym A. Price said first production will be for military, after which it will make tubes for industrial and X-Ray, radio transmitting and receiving, TV pictures. Heading new division is E. W. Ritter, ex-RCA and Corning Glass, now headquartering at lamp division plant in Bloomfield, N. J.

New CR tube manufacturer is Pioneer Electronics Corp., 2230 Broadway, Santa Monica, Calif. Production started Dec. 1. Plans are to produce 500 a day by next March from 15,000 sq. ft. plant. Principals are Lawrence M. Parrish, president; Bernard Rodkin, v.p. & gen. mgr.; Melvin Glass, secy.-treas. Parrish is reported to be ex-Seattle real estate and investment executive; Rodkin, ex-Guardian Electronic Corp., New York tube maker. Heading engineering is Victor E. DeLucia, ex-Northeastern Research Co., Norwich, Conn., and ex-American Research Corp., Springdale, Conn.

Crosley Division, Avco, for fiscal year ended Nov. 30 more than doubled 1949 sales, with Shelvadors alone surpassing volume for all products in 1949, according to sales v.p. W. A. Blees. TV production capacity has been tripled in last 5 months, and output of refrigerators, freezers and ranges doubled, Mr. Blees adds, but all products remain on allocation.

"Task group" formed by NPA's Radio, TV & Household Appliance Wholesale Advisory Committee (see page 9): James H. Simon, Simon Distributing Corp. (Motorola), Washington, chairman; Benjamin Gross, Gross Distributors (Stromberg-Carlson), New York; Lealis L. Hale, Hale & McNeil, Monroe, La.; George N. Tobias, Radio Distributing Co. (Zenith), Detroit; Harry Williamson, Williamson & Davis (service & parts), Washington; Sam Rosenthal, Hyland Electric Co. (Sentinel), Chicago; W. G. Peirce, Peirce-Phelps (Admiral), Philadelphia. Other advisory committee members: Harry Alter, The Harry Alter Co. (Crosley), Chicago; Marvin N. Bray, General Appliance Storage Co. (gas ranges), Alexandria, Va.; R. J. Brown, GE Supply Corp., Bridgeport; K. G. Gillespie, Jenkins Music Co. (Hoffman, Stromberg-Carlson), Kansas City; J. R. Straus, Straus-Frank Co. (RCA), San Antonio; A. K. Sutton, A. K. Sutton Inc. (Philco), Charlotte; Adolph Ullman, Northeastern Distributors (Zenith), Boston; John Urban, Westinghouse Electric Supply Co., New York; John Bohning, George Worthington Co. (gas ranges), Cleveland; Titus B. Schmid, Crescent Electric Co., Dubuque, Iowa.

Plant expansions: Corning Glass Works holding formal showing of new TV bulb plant in Albion, Mich., Jan. 11, arranging for large gathering of visitors coming by train and plane . . . GE has approved new \$1,000,000 plant in Auburn, N. Y., 100,000 sq. ft., for manufacture of TV set parts, but construction may be delayed due to war emergency . . . Packard-Bell has started construction of first 50,000 sq. ft. addition to Los Angeles plant, designed solely for manufacture of TV-radios, to be ready next Feb. 15; 120,000 sq. ft. expansion has been blue-printed, . . . Westinghouse constructing new 27,750 sq. ft. office, warehouse and manufacture-repair plant about 15 miles from downtown Richmond, Va., to be completed in 1952 and to consolidate all its activity in that city except wholesale distribution.

Govt. ordered \$104,885,332 worth of transmitting equipment from RTMA members during third 1950 quarter, association reports. This compares with \$61,701,467 second quarter, \$41,305,390 first. Figures represent unknown fraction of total govt. orders, since they cover only members of RTMA's transmitter division, don't include many other categories of orders. Radar orders accounted for lion's share of third quarter's volume, \$64,869,886.

What became of World War II electronic equipment? Dec. 15 *U. S. News and World Report* gives this breakdown: Of \$850,000,000-worth declared surplus, \$286,000,000 was given away or scrapped, \$524,000,000 sold for \$62,900,000 and \$40,000,000 reclaimed by armed forces.

Trade Personals: Capt. David R. Hull, USN ret., former asst. chief, Electronics Bureau, promoted by Raytheon from asst. mgr. to v.p. in charge of electronics equipment division, succeeding Wallace L. Gifford, who continues as v.p. and director in an advisory capacity . . . Vice Admiral Dorsey Foster, retiring Navy chief of materiel, due to join RCA Victor, Camden . . . Brig. Gen. Frank L. Howley, ex-military governor of Berlin, who was considered for post of RTMA president, has joined Aitkin-Kynett Co., Philadelphia ad agency, in administrative capacity . . . F. J. Hughes, Crosley mgr. of contract-builder sales, transferred to Washington to handle Crosley's govt. contracts . . . Duane Larrabee, ex-Stromberg-Carlson, recently Los Angeles manufacturers representative, appointed national sales mgr., Kaye-Halbert, under gen. sales mgr. Myron Blackman . . . Robert B. Barnhill named mgr. of mobile radio sales, Bendix . . . Casper M. Bower, ex-J. & W. Seligman Co., elected president-treasurer of Facsimile & Electronics Corp. (formerly Finch Telecommunications) . . . Edward Weisl Jr., adv. mgr., Tele King, resigning Jan. 1.

**Telecasting Notes:** CBS circularized all its 2500 employees this week, including TV-radio performers, with memo asking them to sign same type of loyalty statement required of applicants for Federal jobs, attaching Attorney General's list of subversive organizations and asking for explanations of membership, if any . . . CBS also began posting armed guards at transmitter sites and in master control rooms—both moves being prompted by President Truman's declaration of national emergency . . . Besides buying *Portland Oregonian* (Vol. 6:50), Newhouse newspaper interests hold 18-month option to acquire newspaper's 5-kw KGW, NBC outlet, for \$350,000 . . . CBS employees got Xmas bonus of extra week's pay; none of other networks gave bonus this year . . . Union Radio TV, Havana (CMUR-TV), planning satellite outlet in Santa Clara, linked via microwave . . . WBAP-TV, Ft. Worth, filmed 25 complete Southwest Conference football games this season, turning out 65 prints at average of 2400 feet of film per game—some 130,000 feet—and supplying prints also to other stations . . . Sarkes Tarzian's factory and telecasting operations in little Bloomington, Ind., are subject of big article in Dec. 25 *Newsweek* titled "How TV Affects Small-Town Living and Vice Versa."

**More Jan. 1 rate raises:** WPTZ, Philadelphia, base hourly rate up from \$700 to \$1000, one-minute rate from \$150 to \$200; WXYZ-TV, Detroit, \$800 to \$1000 & \$150 to \$200; WXEL, Cleveland, \$590 to \$725 & \$80 to \$125; WRGB, Schenectady, \$350 to \$500 & \$60 to \$100; WMCT, Memphis, \$300 to \$450 & \$60 to \$90; KMTV, Omaha, \$250 to \$350 & \$50 to \$70; WFMV-TV, Greensboro, \$230 to \$350 & \$30 to \$50; WKTV, Utica, \$150 to \$275 & \$24 to \$45. Note: These and previously reported new rate schedules of majority of the 107 operating stations will be detailed in *TV Factbook No. 12*, due off presses in early January.

Sylvania is establishing "Sylvia" awards which it hopes to make counterparts in TV of annual "Oscars" of films, the statuettes to go to program, writer, producer, director, actor, cameraman, scenic designer, lighting expert, makeup man judged to have made greatest contribution from Jan. 1 to June 30 each year; Deems Taylor will head judges . . . Majestic Radio setting up "Mighty Monarch of the Air" TV awards committee for outstanding contributions to TV programming; details are lacking, but it's understood awards will be made monthly on basis of polls of TV critics and editors, first to be in January.

Three more applications for TV stations were filed with FCC this week. Cincinnati's WSAI, owned by Marshall Field interests but under option to George Storer, asked for Channel 2. Sunflower Television Co., Wichita, asked for Channel 3; its principals include E. V. Yingling, oilman and auto dealer, and Coca-Cola distributor Virgil S. Brown Jr. Oilman Bill M. Tomberlin, recent applicant for Casper, Wyo., also filed for Channel 11 in Cheyenne. Honolulu applicant KPOA, seeking Channel 2, had application returned as incomplete. [For details about these applications, see *TV Addenda 11-X* herewith.]

Phonevision tests haven't started yet, but Zenith is well stocked with films (not all first run, however) and may start off-delayed Chicago experiments this week end (Xmas Eve or Xmas Day). At latest, plan is to start Jan. 1. In order that experiment run full 90 days, Zenith will have to ask FCC for fourth extension (Vol. 6:44,46,48). Present authorization runs to Feb. 28, 1951.

FCC Comr. Walker will continue with Commission, even after he reaches statutory retirement age of 70 Jan. 11. President Truman Dec. 22 signed order exempting senior FCC commissioner from Civil Service retirement requirements.

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

As of December 1, 1950

TV set sales slipped back to summer levels in November—676,000 going into homes during month to reach grand total of 9,845,300 sets-in-use as of Dec. 1, according to NBC's monthly "census" report estimating TV receivers within 40-mi. service areas (.5Mv). November sales compare with October's 899,900 (Vol. 6:46), September's 739,700 (Vol. 6:42), August's 587,700 (Vol. 6:38). December trade reports tend to indicate year-end total will go well over 10,500,000 sets-in-use. 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	30,200
Atlanta	2	233,000	81,800
Baltimore	3	732,000*	252,000
Birmingham	2	196,000	36,600
Bloomington, Ind.	1	104,000*	13,000
Boston	2	1,175,000*	609,000
Buffalo	1	323,000*	160,000
Charlotte	1	171,000	43,500
Chicago	4	1,438,000	765,000
Cincinnati	3	384,000*	209,000
Cleveland	3	695,000	372,000
Columbus	3	225,000*	111,000
Davenport-Rock Island	2	133,000	33,000
Dayton	2	291,000*	101,000
Detroit	3	839,000*	377,000
Erie	1	112,000*	37,500
Grand Rapids	1	182,000*	67,700
Greensboro	1	165,000	35,900
Huntington	1	132,000	30,000
Indianapolis	1	281,000*	87,000
Jacksonville	1	94,000	23,000
Johnstown	1	250,000*	54,500
Kalamazoo	1	143,000*	29,500
Kansas City	1	275,000	83,500
Lancaster	1	85,000*	72,000
Lansing	1	168,000*	32,500
Louisville	2	188,000	66,000
Memphis	1	177,000	64,400
Milwaukee	1	327,000	190,000
Minneapolis-St. Paul	2	333,000	188,000
Nashville	1	151,000	16,700
New Haven	1	557,000	121,000
New York	7	3,597,000*	1,935,000
Norfolk	1	196,000	43,400
Omaha	2	132,000	48,200
Philadelphia	3	1,184,000*	725,000
Pittsburgh	1	742,000*	190,000
Providence	1	1,011,000*	107,000
Richmond	1	130,000*	51,700
Rochester	1	208,000*	61,100
Schenectady	1	258,000*	125,000
St. Louis	1	474,000	222,000
Syracuse	2	199,000*	88,100
Toledo	1	241,000*	60,000
Utica	1	127,000*	30,200
Washington	4	691,000*	206,000
Wilmington	1	183,000*	51,500
<b>Total Interconnected</b>	<b>80</b>		<b>8,337,500</b>

### Non-Interconnected Cities

Albuquerque	1	22,000	6,100
Binghamton	1	131,000*	28,600
Dallas	2	277,000*	51,700
Fort Worth	1	269,000*	40,200
Houston	1	217,000	53,900
Los Angeles	7	1,372,000	764,000
Miami	1	117,000	45,000
New Orleans	1	225,000	43,600
Oklahoma City	1	138,000	61,700
Phoenix	1	49,000	22,900
Salt Lake City	2	93,000	34,000
San Antonio	2	130,000	34,200
San Diego	1	113,000	67,000
San Francisco	3	825,000	147,000
Seattle	1	307,000	55,600
Tulsa	1	125,000	52,300
<b>Total Non-Interconnected</b>	<b>27</b>		<b>1,507,800</b>
<b>Total Interconnected and Non-Interconnected</b>	<b>107</b>		<b>9,845,300</b>

\* 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.

MARTIN CODEL'S

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OF THE  
VISUAL BROADCASTING  
ARTS AND INDUSTRY

# Television Digest

WITH AM FM REPORTS

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(New Department Starting in This Issue: Mobilization Notes—see page 9)

**THE YEAR AHEAD—OUTLOOK CLOUDY:** Out of a year noteworthy for the production of some 7,500,000 TV receivers -- while only 9 new telecasting stations were put into operation to bring nation's total to 107 -- we enter a New Year that promises:

- (a) Prolonged national emergency, with diminishing TV-radio output as the industry swings over to defense production (see p. 3 & 7).
- (b) Prolonged station freeze, with its prolongation of monopolies of the now-profitable telecasting facilities (see story, p. 2).
- (c) Prolonged arguments about color TV, now a chimera without even the proverbial chinaman's chance of emerging commercially during the emergency (see p. 4).

\* \* \* \*

There you have the lugubrious 1951 prospects of an industry which, though hamstrung by internal bickering and snail's-pace regulation hampering expansion, has shown such remarkable health during 1950 that:

- (1) Its tradesmen sold well over \$2½ billion worth of TV-radio goods and services to the American public.
- (2) Its telecasters sold about \$100,000,000 worth of time to sponsors.
- (3) Its radio broadcasters at least equalled, may surpass, their 1949 record of more than \$400,000,000 in time sales to advertisers (see item, p. 10).

[The \$2½ billion figure is a conservative retail projection of estimated factory sales of more than \$1,700,000,000 worth of TV-radio receivers during year, of which some 78% of dollar volume now comes from TV. The \$100,000,000 telecasting figure derives from reliable trade estimates that the 4 networks alone sold \$45,-000,000 worth of time during 1950, and it's well known that aggregate spot & local station time sales always exceed network.]

\* \* \* \*

If TV can flourish so well, despite its growing pains and squabbling parents; if mere 107 telecasting stations can do about 25% of the dollar volume in TV's fourth full year of existence that 2000-plus AM stations are doing in broadcasting's 30th year; if about 100 factories can produce and sell some 7,500,000 TVs in addition to more than 14,000,000 radios; if telecasting services are now within reach of only 62.2% of the nation's families (Vol. 6:48), with far less than half of these as yet equipped with receivers -- you may well ponder what this industry will achieve when normalcy returns to the American economy.

Offspring of prodigious AM, television has indeed been the prodigy of American industry -- possibly the fastest growing major new industry of all time.

\* \* \* \*

Note: In this space last year's end, we forecast "not less than 4,000,000 TV receivers, probably more" during 1950; "not more than a dozen new vhf stations" to be built during year; "end of freeze in autumn or early winter of 1950"; "lots

more talk-talk about color TV...with FCC shelving non-compatible color proposals"; uhf experiments proving "those channels can do reasonably good but essentially local coverage job"; networks extending as more coaxial-microwave links are installed; continued inroads of TV on radio and movie audiences; many small manufacturers giving up ghost or merged; more TV network and station sponsors; more stations operating in the black.

Most of these predictions were realized, and more, but we must admit that we erred in estimating end of freeze, in selling non-compatible color short, in being too bearish about demise of small manufacturers. But we think our record for calling the shots has, on the whole, been pretty good. And we can assure you that succeeding issues will report and evaluate 1951 developments and trends, week by week, as diligently and honestly and independently as in the past -- with special emphasis henceforth on the industry's role in the national emergency.

To our friends and subscribers, as we prepare to embark on our seventh year of publication...our best wishes for a Happy and Prosperous New Year.

**IS THE FREEZE FROZEN FOR DURATION?** Will end-of-freeze mean anything when it finally does come? Question is impossible to answer because of the emergency, yet it's worth exploring in terms of present production prospects and World War II experience.

First, it will be a miracle if freeze ends by FCC Chairman Coy's most recently predicted date -- July 1, 1951 (Vol. 6:39).

Even if you cut to bone every step FCC is committed to take -- even excluding a new proposed allocation plan -- no final action on now 27-month-old hiatus can be expected before July.

Then, Commission has promised 60 more days for filing of new applications, after final freeze decision, before it will start making grants and setting hearings. Actually, it will be a big surprise if any new CPs are authorized before Labor Day, 1951, or full 3 years after freeze began.

That's the minimum. If you try weighing possible and probable freeze-lengtheners -- such as educational TV (which, as a time-consumer, is developing all the earmarks of another color issue) and new proposed allocation plan -- you're almost ready to throw up your hands and conclude that it's fortunate freeze didn't start earlier. There never would have been any TV industry in that case.

\* \* \* \*

But assume freeze is over next fall. What then? Bear these facts in mind:

(1) Now in manufacturers' warehouses is enough gear to equip number of new stations fairly well, or quite a few more with skeleton facilities. There are an estimated 25-35 transmitters that could be delivered now. But associated equipment, such as camera and film chains, is scarcer. Existing stations are buying them as they expand; they're also hedging against shortages (Vol. 6:49-50).

(2) Maintenance of existing facilities ranks high with NPA. But it's impossible to say what this may mean in terms of new stations when freeze is over.

(3) Grants in non-TV areas, where the new stations are needed most, would be meaningless if there's no set production then. If there's only limited set output, to build or not to build would be tough question for both applicants and FCC.

(4) In TV areas, competition for channels will be so rough that hearings will shove starting dates of new stations far into nebulous future.

\* \* \* \*

(5) In World War II, partial AM construction freeze was begun Jan. 30, 1942. This permitted construction where no primary service was available and when equipment was on hand. On April 27, 1942, absolute freeze was put into effect. In latter part of war, there was slight relaxation of freeze, principally on low-power stations (100 & 250 watts). Generally, applicant had to show great public need, equipment on hand, negligible manpower requirements for either construction or operation.

Only one station was granted from June 1942 to June 1943, but there were 16 next year, 33 following year.

"Equipment on hand" factor could again prove very important. Matter of fact, even pre-Korea, number of confident applicants had placed firm orders for equipment. Now, presumably, applicants have more incentive than ever to sew up gear.

(6) Manpower became very critical factor during last war. FCC relaxed operator requirements, permitted fewer hours of operation, but allowed no station to go off air and retain license even though some stations wanted to. For conservation of components, particularly transmitting tubes, station power was dropped 1 db (21%) across the board.

(7) Govt. may want TV equipment now in warehouses. Last time, it asked for, and got, AM transmitters from manufacturers and stations, even took auxiliaries from some of latter. Same thing could happen in TV.

\* \* \* \*

Talk of authorizing some stations right now, to begin service in some non-TV areas while receivers are still plentiful, gets quick brush-off at FCC. Commissioners say that construction of any TV station, under any conditions, would jeopardize final allocation plan. Only exception considered, by one commissioner, would be Hawaii. It's too far to cause any trouble, he said.

Thus, not even Denver, Portland, El Paso, to name a few, are likely to get TV outlets in near future -- thanks, actually, to delays forced by color imbroglio and prolonged by present emergency. Colorado's color-thumping Senator Ed Johnson can take just as much credit for that as FCC and the color hearing participants.

**NPA SMOOTHING GRADUAL TRANSITION:** Anything can happen in a war economy -- but despite materials shortages, despite govt. restrictions, it looks now like TVs and civilian radios will continue to roll off production lines while electronics industry is gradually converted nearly 100% to defense.

This became evident this week as National Production Authority ground out new materials distribution orders, capped by an all-out cobalt allocation and an order clamping end-use restrictions on copper.

Prominent newspaper headlines, after cobalt order was announced Dec. 29, implied cobalt allocation would force immediate drastic TV cutbacks -- but stories didn't bear this out, nor do facts (see below).

Industry men are now optimistic about smooth transition from civilian to military production -- convinced electronics-wise NPA topkicks understand their basic problem of maintaining working forces pending conversion.

They've been to Washington, talked to officials, served on advisory committees, made recommendations, seen them incorporated into official orders (see Mobilization Notes). They note there have been no severe stoppages, no unemployment, no business failures as result of shortages.

NPA has been sold on this axiom of TV-radio industry: If civilian production stops prematurely, military production will be hard to start.

TV-radio men now feel confident they will get trickle of scarce materials, which they can skillfully stretch into continued production, employment and sales until the now slow-moving military orders take over in big way.

\* \* \* \*

Turning point came when cobalt shortage in November threatened to blot out TV-radio production (Vol. 6:46). Industry men descended on Washington, NPA listened, then cut back some defense priority orders that weren't immediately essential, leaving some cobalt for civilian use.

Full-scale cobalt allocation program (NPA Order M-10, as amended), disclosed Dec. 29, "will hit radio-TV hard, but not hardest of all." Those are words of aide to NPA Administrator William H. Harrison. He said TV-radio production must be kept alive during transition to all-out mobilization (1) because of the industry's value to war electronics, and (2) for informational and morale purposes.

Beginning Feb. 1, Govt. will dole out cobalt to civilian industries according to essentiality of end-use. Each cobalt purchaser must apply to NPA (on form NPAF-15) for monthly ration. Govt. will then notify him (on form NPAF-16) how much

cobalt he will be allotted for month. As military production increases, civilian allotments will diminish.

Banned altogether are such non-essential cobalt uses as ornamental blue glass pigment and magnetic toys and novelties.

Stopgap cobalt distribution order for January 1951, issued along with M-10, may hold clue to future allocations beginning in February. In January civilian users will be permitted to buy a maximum of one-third amount they used in January 1950.

RTMA speaker section met Dec. 27 in Chicago, with estimated 75% of loud-speaker manufacturers represented, and voted to recommend to all speaker makers that alnico magnets (24% cobalt) used in speakers be reduced by at least one "RTMA weight unit" (about 30%).

CR tube focus and deflection units, which can't be cut down in size, contain about 4 times as much alnico as speakers.

Alnico magnets will continue to be almost universally used in speakers and CR tube deflection circuits, despite cobalt shortage. Substitutes, requiring vast amounts of scarce nickel or copper, are impractical. Moreover, many component manufacturers have discarded their coil-winding equipment and aren't equipped to make electromagnets even if they could obtain the required copper wire.

\* \* \* \*

TV-radio industry was scarcely touched by copper conservation order (Amendment 1 to M-12), issued Dec. 30. In list of more than 250 products in which use of copper will be banned March 1, TV-radio are not mentioned. (Examples of items affected: doorknobs, cuspidors, kitchen utensils, burial urns, paper clips.)

Copper use is banned in such household appliances as washers, vacuum cleaners, refrigerators, irons, shavers -- except where copper products are used in functional parts where "satisfactory substitutes are not available." In general, use of copper will be permitted wherever it is necessary for conduction of electricity. Copper and brass hardware on TV cabinets and chassis undoubtedly will disappear.

All copper users are still subject to Distribution Order M-12 (Vol. 6:48), which permits manufacturers during January and February to use up to 85% of average monthly amount of copper and copper products they used first 6 months of 1950.

\* \* \* \*

Aluminum Order M-7 (Vol. 6:46-51) was relaxed for third time Dec. 26 (by Direction 3 to M-7), permitting users to consume more in March 1951 than they were originally allotted -- provided aluminum components don't exceed 1% of end product's total weight.

Chassis will lose that bright silvery look next year. NPA Order M-19 lists "highly essential civilian needs" in which use of cadmium will be permitted. Use of corrosion-resistant cadmium plating on TV-radio chassis is banned. Less satisfactory, less eye-pleasing zinc (Vol. 6:51) probably will be used instead.

Specifically permitted are these electronic uses of cadmium: (1) Phosphors for CR tubes, which use extremely small amount. (2) Copper-base alloys containing 1% or less of cadmium in parts inside electronic tubes. (3) Plating on surfaces which require good conductivity for radio frequency current.

Most serious shortage items in TV-radio during 1951 are expected to be: (1) tubes, (2) resistors, (3) copper products, (4) magnets.

**COLOR LULL AS CBS SHOWS 17-in. IMAGE:** Color front was dullish this week -- with even CBS's enlarged picture, accomplished by means of color drum instead of disc, failing to stir up usual controversy and headlines.

Combatants continue to study Chicago court's decision (Vol. 6:51), each deriving whatever comfort he can from the dicta.

RCA and allies presumably will take their full limit of time in appealing to U.S. Supreme Court. FCC and CBS are waiting for RCA's next move, haven't yet asked courts to lift Chicago court's ban on commercial colorcasts.

Good guess is that it will be May or June before final decision from highest court. By then, everybody expects industry to be devoted largely to military output.

Meanwhile, black-and-white set sales showed unusual post-Xmas vigor -- color

evidently no depressant. Production lines also continued at top speed (see Trade Reports). If any manufacturers have firm plans for color production, they've certainly quit making a fuss about it.

Color has even lost "scare value" in promoting sales, symptomatic perhaps of lack of public interest. In Buffalo, Budget Furniture Stores advertised:

"Color Television. Scared to buy a TV set today? Because color TV may be here tomorrow? Let us solve your problem..." Company offered to exchange set bought today for color set if color arrived within a year, charging 33¢ rental for each day set was used. Response was "very disappointing," said company spokesman.

\* \* \* \*

CBS is still plugging away, despite cries of "academic" on all sides. Most ambitious color program yet will be telecasts of New Year's Day Tournament of Roses in Pasadena, using film flown to New York. Dudley Pictures Corp., Beverly Hills, is shooting the films, will have 3 cameras along route. CBS plans to show films in New York and Philadelphia beginning Jan. 3. CBS doesn't say whether or when it will expand color "network."

CBS also got excited about wholesalers' recommendations to National Production Authority that color set production be banned (Vol. 6:51). President Stanton wired Gen. Harrison, NPA chief, "we believe that it is possible for color TV to gain a start during the current emergency by being given an opportunity to share materials with standard black-and-white TV and other consumer products...If the NPA has the elimination of color TV under consideration, we would greatly appreciate an opportunity to discuss the matter with your representatives."

But NPA has clearly sidestepped issue. In press conference, aide to Gen. Harrison ventured "personal opinion" that color question is academic, that it's "common sense" for manufacturers to concentrate on "established items for which there is an established demand," that set makers will probably tend to concentrate on a few black-and-white models, further precluding color.

\* \* \* \*

CBS's newly revealed color-drum development was designed to meet criticism of picture-size limitation -- and did. Drum was used with 17-in. rectangular tube in New York showing to several score newsmen Dec. 26.

As we viewed it, same good quality picture was obtainable as with disc. Only question is: Why did CBS wait so long to develop it, since device has been known for many years and provides an answer to one of the most commonly heard criticisms of CBS color system?

Device has been in works since 1941, said Dr. Peter Goldmark. Regarding patents, he said he believes CBS is covered on drum.

No estimate of drum costs was made. CBS officials obviously still hanker for tri-color tube (it would remove stigma of "mechanical"), said future use of drum for bigger pictures depends on practicality and costs of tri-color tubes.

Drum is 20-in. in diameter, 18-in. wide, has 9 color "panes" (compared with 6 in disc), runs at 960 rpm (1440 for disc), employs 1/10 hp motor. Innards of set weren't shown, so actual mechanics are unknown.

Regarding ruggedness of drum in home use and maintenance problems, Dr. Goldmark said it's still too early to tell from experience, but he saw no reason why it should be more troublesome than disc. Drum diameter need be only about 15% greater than tube length, Dr. Goldmark said, adding that it can be used with 20-in. tube, but mentioning no larger sizes. Drum can't be used to convert existing sets. Of course, "slave" set can employ drum.

Set was console 34-in. high, 27-in. wide. Depth wasn't given, but it looked like 22-24-in. Absence of magnifying lens, along with bigger picture, undoubtedly enhances picture's viewing qualities.

Drum is an old idea. England's Baird is said to have used it many years ago, and RCA first showed it Dec. 13, 1945. In fact, RCA used polaroid filters on drum, at that time, to achieve tri-dimensional color. Equipment is described and pictured in June 1946 RCA Review.

**TELECASTERS & EXCESS PROFITS BILL:** Excess profits tax bill didn't give telecasters the deferment they asked (Vol. 6:43-49) -- but some of its general relief provisions can be used by some TV operators. According to tax experts who've watched excess profits bill in behalf of TV-radio broadcasters, some of the provisions relating to growth companies (Vol. 6:51), as well as section permitting extremely heavy recent losses to be deducted, for computing earnings in base period, can be used by telecasters. Also believed helpful is proviso granting permission to use return on invested capital (Vol. 6:51).

TBA tax committee hasn't given up hope yet, will try to get more specific relief in next Congress, due to meet Jan. 3. One point it hopes to get into any new bill is permission to deduct TV losses from earnings during base period. (This would aid earnings record of AM-FM-TV operators during 1946-49.)

Telecasters should get copy of Conference Report 3231 for lay explanation of excess profits bill, passed by Senate last week and due for passage by House Jan. 1.

**Network Accounts:** Liggett & Myers (Fatima cigarettes) Jan. 2 starts sponsoring *The Stork Club* on CBS-TV, Tue. & Thu. 7:45-8 (show currently is carried Mon. thru Fri. 7-7:30) . . . Army Recruiting Service Jan. 18 starts sponsoring *Roller Derby* on ABC-TV, Thu. 10-10:30 . . . Edgewood Shoe Co. (Friendly Teen shoes) Feb. 13 starts *Going Places with Betty Betz* on ABC-TV, Tue. 7:15-7:30 . . . Sam Smith Shoe Corp. (Little Yankee shoes) due Feb. 16 to start *Half Pint Party* on ABC-TV, Wed. & Fri. 4:45-5 . . . Seeman Bros. (Airwick) Jan. 20 moves *I Cover Times Square* on ABC-TV from Thu. 10-10:30 to Sat. 12:30-1 p.m. . . . Next *Jack Benny Show* on CBS-TV will be half-hour instead of 45 minutes, Lucky Strike sponsoring on an undetermined Sun. 7:30-8 spot in lieu of one of its regular *This Is Show Business* performances . . . Francis H. Leggett & Co. (Premier Food products) Jan. 1 extends *Johnny Olsen's Rumpus Room* from WABD to DuMont Network (Eastern segment), Mon.-Fri. 12:30-1.

**Station Accounts:** To protect against use of station for mail-order selling by unscrupulous promoters, Philadelphia's WFIL-TV has new contract requirement that every product advertised for mail order must be backed by reputation of an established firm or by certificate of approval from a recognized testing laboratory. New companies will be thoroughly investigated . . . It's hard to say whether it betokens a trend—but Cincinnati's WLWT reports that, despite increasing network inroads on afternoon time, 52.4% of its November schedule (averaging 117¼ hours weekly) was devoted to local originations, remainder being 44.1% network, 3.5% relays from WLWT's sister stations in Dayton (WLWD) and Columbus (WLWC). Of local originations, 7% were films, 1.3% remotes. Of total time, 78.8% was commercial . . . New spot business reported by WCBS-TV, New York, includes Cluett-Peabody Co. (Arrow Shirts) & Duffy-Mott Co. (Pomettes), thru Young & Rubicam; Sweets Co. of America (Tootsie Roll), thru Moselle & Eisen; Colgate-Palmolive-Peet Co. (Kirkman Soap Products), thru Cunningham & Walsh; National Biscuit Co., thru McCann-Erickson; Schieffelin & Co. (Pears soap), thru Cowan & Dengler . . . International Silver Co. to sponsor *Success Story* on WJZ-TV, New York, Tue. & Thu. 2:15-2:30, starting date not yet set . . . Max Factor (cosmetics) sponsoring *Sheilah Graham in Hollywood* on KNBH, Los Angeles, Wed. 12 noon . . . WFIL-TV, Philadelphia, reports J. Reisman & Sons (pretzels) sponsoring *Karlos the Magician* Sun. 2-2:15, thru H. M. Dittman Adv. . . Among sponsors currently reported using or planning to use TV: National Sugar Refining Co. (Jack Frost sugar), thru Young & Rubicam, N. Y.; National Health Products Co., Sarasota, Fla. (Marvilizer liquifier), thru Houck & Co., Miami; Sta Products Corp. ("Sta-Bo-K" for flowers & "Sta-X-Tree"), thru Jewell Adv. Agency, Oakland, Cal.

**Personal Notes:** Robert P. Heller, CBS director of AM programming, resigns to join Louis Cowan package firm; CBS denies published reports of resignation of Charles Underhill, gen. mgr. of TV dept. . . . Norman Cash promoted to director of NBC radio station relations under station relations v.p. Carleton D. Smith; he succeeds Easton Woolley, now executive v.p. of KDYL & KDYL-TV, Salt Lake City . . . Robert Ballin quitting as v.p. in charge of Hollywood office of Foote, Cone & Belding to head new creative program dept. for J. Walter Thompson, N. Y. . . . Irving Collin named v.p. of S. Duane Lyon Inc. ad agency, handling TV-radio . . . Harold P. See, KRON-TV, San Francisco, elected president of local chapter of Academy of TV Arts & Sciences . . . Robert Meeker, Robert Meeker Associates, elected 1951 president of National Assn. of Radio Station Representatives, succeeding Lewis Avery; other officers: Max Everett, Everett-McKinney Inc., v.p.; Eugene D. Katz, Katz Agency, secy.; J. F. Timlin, Branham, treas. . . . Arthur C. Schofield, ex-DuMont, joins Paul H. Raymer Inc. as head of sales promotion-research . . . Peter Finney, ex-Kudner, joins Erwin, Wasey as TV-radio account executive for Admiral . . . Wilson C. Swigart promoted by A. C. Nielsen Co. to TV-radio production v.p.

Phonevision tests start Jan. 1, more than 2 years after pay-as-you-look idea was first broached by Zenith president E. F. McDonald. Assured 75 Hollywood and European "first-run" films, experiment will be watched with more than casual interest by both TV and movie industries. In fact, Zenith has arranged to furnish film companies weekly reports on what pictures have been ordered, how many times, etc., by the 300 Chicago "guinea pig" families who will pay \$1 fee via phone company for each film they order.

New Year's Day starts with three 1948 features: Warner's *April Showers*, with Jack Carson & Ann Sothern; Paramount's *Welcome Stranger*, with Bing Crosby & Barry Fitzgerald; MGM's *Homecoming*, with Clark Gable & Lana Turner. There will be 3 showings daily—at 4, 7, 9 p.m. Pictures will be rotated each of 3 days, so that viewers can see each picture in series of 3 at same time each night. Film companies not participating are 20th Century, Republic, Universal, Columbia.

In statement announcing start of tests, Comdr. McDonald emphasized that Phonevision was to be considered only as a supplement to regular telecasts. Zenith, he said, does not intend to go into entertainment field, although it is interested financially through officers and stockholders in Teco Inc., underwritten through stock sales totaling \$1,000,000 (Vol. 6:15, 16, 21, 39, 40).

Meanwhile, WOR-TV, New York, asked FCC to extend experimental grant for continuance of tests of Skiatron system of fee-TV by means of punched cards (Vol. 6:47).

**TV-RADIO AND PRICE CONTROLS:** Price controls don't apply to TV-radio industry -- not yet -- just as we reported in this space last week (Vol. 6:51). But manufacturers shouldn't let themselves be lulled into false optimism by this fact, for it's no secret voluntary controls are to be followed sooner or later by mandatory orders.

Each company must get individual ruling from Economic Stabilization Agency on the voluntary price control policies that may apply to it. Exemption of TV-radio from voluntary price control order issued last week was officially confirmed by ESA Dec. 27 when it put out 14-section question-and-answer interpretation of last week's order. Do the standards apply to rapid growth industries, TV for instance? asks ESA's Question 10. Here's the reply:

"The standards are general ones, used for the purpose of guiding businessmen in their current pricing. While generally applicable to American business, they obviously do not specifically cover all types of situations. They do apply to industries or companies which have experienced normal or moderate rates of growth, but special provisions will have to be made for companies whose operations have experienced an abnormally rapid growth as a result of new products."

TV-radio manufacturers should get copy of ESA's original order prohibiting price increases after Dec. 1 (ESA-GPR-21) and the interpretation (ESA-GPR-30) as a guide to principles being followed by ESA on price controls.

**EVERYTHING DEPENDS ON THE MILITARY:** Nobody wants to risk guess as to 1951 TV-radio output -- but if fourth 1950 quarter's average 200,000-per-week pace is maintained through first quarter (as some think) we're likely to get up to 2,500,000 TVs during that pre-conversion period alone.

Thereafter, possibly even before end of first quarter, everything electronic will be in the lap of the military gods. From way things look, our own hunch is that industry will be lucky to be able to produce 2,500,000 to 3,000,000 TVs during whole of 1951.

Cutbacks already reported in automotive industry would tend to augur same in TV-radio, but fact is military orders are still slow in coming and electronics industry's enormous expansion for TV could permit absorption of great amount of these without affecting civilian production. That is, unless raw materials and components for civilian production are completely shut off.

RTMA president Robert Sprague, in year-end statement, reported 1950 output at close to 7,500,000 TV sets, more than 14,000,000 radios at factory value of \$1.7 billion -- 90% ahead of 1949, 125% ahead of 1948. Entire output of industry, including military production, transmitting and communications equipment, replacement parts, exceeded \$2.2 billion by good margin, he estimates -- and retail trade totaled more than \$3 billion.

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Good many of the major manufacturers are set for same rate of TV-radio production first quarter 1951 as booming fourth quarter 1950, saying they have the materials on hand or in sight. It's problematical whether this condition obtains among many smaller companies. As pointed out by GE's Dr. W. R. G. Baker, pre-emergency industry estimates went as high as 10,000,000 TV sets for 1951, now have been cut down to 4-5,000,000, which he frankly labels "blue sky guesses."

Third week December output maintained industry's pace -- 203,290 TVs (of which 9212 were for private labels) and 351,354 radios (232,938 home radios, 24,955 portables, 93,561 auto). TVs were slightly above first and second weeks, radios lower (Vol. 6:51). With 2 weeks yet to be reported, year's cumulative 7,233,089 TVs and 13,884,898 radios to Dec. 15 are certain to grow to totals indicated by Sprague.

Retail trade has shown considerable upsurge in last few weeks, leading some

to believe slump that began with Nov. 1 excise tax is past. There are even predictions usual January lull won't happen this year, as people begin to realize there may be shortages next year and prices aren't going down.

TV purchasers favor lower-priced models, but manufacturers still favor higher cost items in their new though shortened lines (for Philco's, see Topics & Trends). One of components leaders tells us he feels growing shortages will lead to concentration on higher-priced lines, scarce materials going into TVs instead of radios, into combinations instead of table models, so as to hold up dollar billings. He foresees fewer tubes, less powerful speakers as basic 1951 trends.

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"No one at this time can predict with accuracy what the civilian production of the radio-TV industry will be during the next 12 months, or perhaps during the next 3 months," said Mr. Sprague. "Certainly, civilian production will decline sharply due to growing shortages of vital raw materials needed both by the military and our civilian economy. The degree of this cutback, of course, will depend upon the extent of the increasing military requirements.

"The radio industry has frequently demonstrated its ability to adapt itself to rapidly changing circumstances, and I am confident it will do so now if given half a chance. Conservation measures and substitutions of less scarce materials for those in shortest supply will, no doubt, keep civilian production going...

"Our industry did a magnificent job in World War II, producing \$7.5 billion worth of radio and electronics equipment and parts. Due to postwar expansions, we are now prepared to do a much bigger job for the national defense."

\* \* \* \*

Though trade horizon is war-clouded, there's remarkable buoyancy among the tradesmen who live largely on day-to-day basis. There will be January conventions in Chicago as usual, though emphasizing white goods -- Philco at Palmer House, Admiral at Drake (and Eighth St. Theatre), Motorola at Congress, all Jan. 4-6, and many others during weeks of the furniture marts.

Exhibiting at Winter Furniture Mart Jan. 8-19 will be an even dozen manufacturers: Admiral, Arvin, Bendix, GE, Hallicrafters, Motorola, Olympic, Philco, RCA, Sparton, Starrett, Westinghouse. At the Merchandise Mart will be these exhibitors: Crosley, GE, Capehart, Bendix, Air King, Magnavox, Telequip. Among other showings during the mart weeks will be Tele-tone, Hotel Blackstone; Kaye-Halbert, Congress; Starrett, Stevens; Sentinel, Sheraton; Philharmonic, Blackstone.

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Trade Personals: Sylvania this week elevated to v.p. rank Arthur L. Chapman, gen. mgr., Radio-TV Div. & Parts Div.; Curtis A. Haines, gen. mgr. of operations, Radio Tube & TV Picture Tube Divs.; John B. Merrill, gen. mgr., Tungsten & Chemical Div.; Howard L. Richardson, director of industrial relations . . . Warren Ostreicher, ex-Western Electric and Tele-tone, appointed chief engineer of Tele King, Jerry Bresson, ex-Emerson, asst. chief engineer . . . Ray F. Sparrow, sales v.p. of P. R. Mallory & Co., upped to senior v.p. . . . Robert K. Roulston appointed asst. to president D. H. Cogan of Air King, coordinating new expansion program . . . Al Bauer, ex-Emerson, named purchasing director of Television Equipment Co. . . . Don Ferraro, executive v.p., has sold his interest in National Video Corp., Chicago, and has become sales v.p. of Fidelity Tube Corp., Newark; he's also president of Jewel Radio . . . Paul Southard, merchandising v.p. of Columbia Records, has resigned and some of his duties have been taken over by sales mgr. Paul Wexler; adv. mgr. Ken McAllister has also resigned to join Benton & Bowles, ad agency, his post being taken over by Albert B. Earl . . . Ed Berliant, ex-Tele King v.p., now gen. mgr., Air King Distributors Corp., New York . . . N. C. Henry promoted by Bendix to mgr. of TV-radio distribution, being succeeded as office mgr. by I. J. Macomber . . . Paul J. Larsen, ex-director of Civilian Defense, appointed asst. to president Roy C. Ingersoll, Borg-Warner Corp.

**Financial & Trade Notes:** Year 1950 was biggest in history of RCA, with TV accounting for approximately 75% of gross income, reports Chairman Sarnoff in year-end statement. Since RCA gross for first 9 months was nearly \$400,000,000 (Vol. 6:43), it's fair to assume it will exceed \$500,000,000 by considerable margin this year. So TV business—receivers, tubes, transmitters, etc.—will represent at least \$375,000,000 of RCA's 1950 gross. Subsidiary NBC will account for well over \$20,000,000 in TV, \$60,000,000 in AM time sales.

Stromberg-Carlson president R. C. Tait reports company will do approximately \$36,000,000 volume this year compared with \$28,355,944 in 1949. In deciding to pay 10% stock dividend on common, as it did in January 1949, cash will be conserved for working capital. Conversion of 4% preferred is affected; it is now convertible to common at rate of 2.2 shares of common for each share of preferred, but after payment of stock dividend rate will be 2.42.

Sprague Electric Co. has sold \$2,000,000 in new 3½% sinking fund debentures to Massachusetts Mutual Life Insurance Co. Issue due Nov. 1, 1965, replaces former \$1,300,000 of 3½% debentures due June 1, 1963. Sprague also has advised SEC that it has sold 3000 shares of authorized but unissued common stock to F. S. Moseley & Co. at \$29.50 per share. Net proceeds of both transactions are being used for new equipment and working capital.

**Topics & Trends of TV Trade:** Philco distributor convention in Chicago's Palmer House Jan. 4-6 will feature white goods, so it didn't wait until then to reveal its 1951 TV line. It has been narrowed down to 17 models—11 with 17-in. and 6 with 20-in. rectangular tubes, retaining also the present 12½-in. table model at \$199.95. Last July, Philco had 34 models in newly introduced line (Vol. 6:25). Only actual price increases since August price hikes (Vol. 6:31) are on 20-in., which range \$25-\$70 higher than comparable midsummer models.

Philco list prices do not include tax and warranty. These are the new sets:

17-in.: Model 1800, metal table, \$279.95; 1830, metal console, \$319.95; 1832W, walnut wood console, \$329.95; 1832M, mahogany console, \$349.95; 1832L, blonde console, \$375; 1834W, walnut console, doors, \$369.95; 1834M, mahogany console, doors, \$399.95; 1834L, blonde console, doors, \$425; 1835, mahogany console, doors, remote control, \$469.95; 1835L, blonde console, doors, remote control, \$499.95; 1871, mahogany console, phono, \$399.95.

20-in.: 2102, mahogany table, \$399.95; 2102L, blonde table, \$419.95; 2130L, blonde console, \$489.95; 2132, mahogany console, doors, \$499.95; 2133, mahogany console, doors, remote control, \$569.95; 2170, mahogany console, AM-phono, half-doors, \$599.95.

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Picture tube production continues high, with 851,872 sold in November for \$24,300,651, compared with 848,387 in October (Vol. 6:48). Sizes under 16-in. are now almost non-existent, except for replacement; 98% of sales for new sets were 16-in. and up. Rectangulars ran 60% of total; 20-in. rectangular now comprises 4%, compared with 2.6% in October.

Plant expansions: GE gives go-ahead for new plant at Auburn, N. Y. (Vol. 6:51), products originally intended to be TV receiver parts probably being military material instead . . . Two new RCA plants at Marion, Ind., one to produce components for receiving tubes, other for powder for phosphors in picture tubes, will be ready by summer 1951, Chairman Sarnoff reports.

Spiegel's 1951 line of Aircastle private label sets runs from 14-in. table at \$189.95 to 17-in. console with AM-FM-phono at \$429.50; sets are revealed in new spring-summer catalog now in mails. Also shown are TV chairs—"teeloungers" for toddlers \$9.98, two-passenger platform rockers \$59.95.

Bendix' new line of 7 sets (2 carried over from this year) was shown Dec. 20 to TV district merchandisers meeting in Baltimore. New line includes one new 20-in. model, remainder all 17-in. Prices haven't been set yet.

Among unclassified military contracts for electronics and related equipment (more than \$100,000) announced by Commerce Dept. for 3 weeks ending Dec. 28: Through Air Materiel Command, Dayton—Hoffman, \$2,761,725, radio receiver-transmitters. Through Navy Electronic Supply Office, Great Lakes, Ill.—GE, \$1,240,400, electronic tubes (93,500 units); Amperex, \$270,400, tubes (8,000); Raytheon, \$200,400, tubes (35,000); Kemtron Electronic Corp., Salem, Mass., \$144,000, tubes (80,000). Through Navy Bureau of Ships, Washington—Air King, \$600,000, wire recorders (1561); Federal Mfg. & Engineering Corp., Brooklyn, \$201,355, RF generators (365). Through Signal Corps, Philadelphia—Stromberg-Carlson, \$146,058, telephone equipment (300); Mallory, \$119,600, batteries (4000). Bendix received \$3,911,013 contract through Signal Corps for 70,033 radiosonde units, \$350,000 through Navy Bureau of Ships for 63 units of direction finding equipment. Sylvania received \$571,250 for 6500 electronic tubes through Army Ordnance, Springfield, Mass., and Navy Electronic Supply Office.

**Mobilization Notes:** Materials covered by govt. anti-hoarding legislation (Defense Production Act of 1950) were listed Dec. 28 by NPA (Notice 1). Law forbids accumulation of these materials "(1) in excess of the reasonable demands of business, personal or home consumption, or (2) for the purpose of resale at prices in excess of prevailing market prices of materials, the supply of which would be threatened by such accumulations." Materials used in TV-radio on NPA's list include polyethylene, steel, lumber, aluminum, cadmium, cobalt, copper, lead, mica, molybdenum, nickel, tin, tungsten, zinc. List contains same materials as NPA's inventory control order (Reg. 1), issued last September—difference being that new ban affects individuals as well as business firms. Action follows demands from congressmen, notably one-time radiophono maker Sen. Homer Capehart (R-Ind.) who charged steel was being hoarded for sale on black market. NPA men, however, said list was compiled merely to comply with law and not because of any discoveries of large-scale hoarding.

Defense Dept. has obligated \$9.2 billion in military orders from beginning of Korean war through November, with electronics-communications share amounting to \$410,000,000. However, additional electronic obligations are known to be included in \$4.6 billion for aircraft, \$900,000,000 for ammunition and guided missiles, \$165,000,000 for ships, \$1.060 billion for tanks-autos, among other items.

Playing major role in making equipment for \$300,000,000 North American radar screen are Bendix, GE, Western Electric, AT&T, Teletype Corp. and Hazeltine. Part of Air Force warning net has been in operation for year. Scientist Vannevar Bush caused considerable head-shaking when he said last week: "While we've been building TV networks, Russia has been building radar networks." Public generally missed these facts in considering Bush's "horrible example": (1) TV brought tremendous expansion to electronics industry, readily convertible to radar and other defense production. (2) TV is important medium for information and instruction in time of crisis.

To expedite plant expansion for defense, NPA Dec. 26 set up Facilities & Construction Bureau headed by ex-Federal Housing Expediter Frank R. Creedon. Bureau will: (1) help industries obtain materials and equipment for speedy construction; (2) make recommendations for tax amortization; (3) issue certificates authorizing RFC to make direct loans for expansion; (4) supervise all NPA activities relating to controls over building materials and construction.

New NPA field offices have been opened in 7 cities to give businessmen information and other services in connection with defense production. The offices, run by Commerce Dept., are in Trenton, N. J.; Manchester, N. H.; Worcester, Mass.; Columbus, O.; Columbia, S. C.; Fargo, N. D. This makes more than 50 such offices in major cities.

Copies of NPA orders may be obtained by writing Division of Printing Services, National Production Authority, Dept. of Commerce, Washington 25, D. C., or from any Commerce Dept. field office.

West Coast Electronic Manufacturers Assn. elected officers for San Francisco and Los Angeles councils recently. New San Francisco officers: Paul F. Byrnes, Sierra Electronic Corp., chairman; Noel Porter, Hewlett-Packard, vice chairman; Norman Moore, Litton Industries, secy-treas. Los Angeles council officers: Fred W. Falck Jr., Advance Electric & Relay Co., chairman; Leon Ungar, Ungar Electric Tools, vice chairman; A. C. Davis, Cinema Engineering Co., secy-treas. Through annual rotation scheme, 1951 state WCEMA officers will be: Byrnes, president; Falck, v.p.; Davis, secy.; Moore, treas.

**Telecasting Notes:** NBC-TV v.p. Pat Weaver is quoted by Bob Stahl in Dec. 27 *Variety* as saying "TV networks will be able to trade in their red ink for black by this time next year." Weaver bases belief, not shared by his RCA superiors, on expected leveling off of 1950's skyrocketing program costs, which would enable networks to operate within calculated budgets . . . *Broadcasting Magazine* projects PIB monthly network TV sales figures (see next column) to show time sales of \$45,000,000 this year, divided thus: NBC \$21,000,000, CBS \$12,750,000, ABC \$6,750,000, DuMont \$4,500,000 . . . Figure of \$4,500,000 gross for DuMont is verified by that network's director Mortimer W. Loewi, listing 37 national advertisers in 1950. During 1949, DuMont income from network plus its 3 stations totaled \$2,435,966, but costs ran \$5,000,457, resulting in loss of \$2,564,491 (Vol. 6:14) . . . CBS estimates radio billings for 1950 will be around \$71,000,000, highest ever in AM field; it gives no TV estimate, but foregoing \$12,750,000 is probably near right figure . . . Other AM network estimates for 1950, according to *Broadcasting*: NBC \$61,500,000, ABC \$35,500,000, MBS \$16,200,000—total for all 4 AM networks \$184,200,000 vs. \$187,800,329 for 1949 . . . All network-owned TV stations reportedly now in black, except NBC's KNBH, Los Angeles, but that's unverifiable; during November, one non-New York network-owned TV station is known to have grossed \$75,000, netted \$20,000, higher in both categories than highest ever achieved by its AM counterpart . . . Stromberg-Carlson's WHAM-TV, Rochester, went into black in March, just 9 months after it opened, and "has been improving ever since," reports president Robert C. Tait . . . Procter & Gamble is reported to have spent \$8,000,000 on TV in 1950—over and above the \$22,000,000 spent on time and shows on radio; as in radio, it's TV's No. 1 advertiser, *Variety* giving Lucky Strike second place, without estimating amount but noting that it also spent \$2,000,000 on spot TV whereas P&G accents programs . . . Francis I. DuPont & Co., broker, estimates TV expenditures (time and talent) went to \$150,000,000 this year, will reach \$250,000,000 in 1951—about one-third representing time, rest talent. Its study estimates median over-all cost of one-hour TV show at \$22,000 (some up to \$40,000), half-hour show \$9500, quarter hour \$3700 . . . DuMont's WABD raises base rate Feb. 1 from \$2000 to \$2200, minute announcements from \$350 to \$500.

Half of AT&T's 17,344 channel-miles of TV interconnections are now radio relay, other half coaxial cable. Phone company so reports in year-end review of TV services. Facilities for TV, valued at \$70,000,000, connect 72 stations in 40 markets. Also connected are 7 Los Angeles stations via radio relay with 3 in San Francisco. Report indicates Omaha-San Francisco radio relay link will be available for TV late in 1951; Binghamton-Cherry Valley (between Schenectady-Utica), radio relay, March 1951; Charlotte-Atlanta, radio relay; Memphis-Jackson-Birmingham, coaxial—dates for latter 2 circuits indeterminate.

Six-year TV rights to World Series and annual all-star baseball games have been bought by Gillette for \$6,000,000. No networking arrangements have been made, but Mutual stations with TV outlets (WOR-TV, WGN-TV, WNAC-TV) are expected to be on hookup. Gillette earlier agreed to pay \$1,370,000 for 6 years' radio rights for series and all-star games in deal with Mutual.

**Volume VI Between Covers**

We will book-bind and index only as many volumes of 1950 issues of *Television Digest* Newsletters, Supplements and Factbooks as are ordered by subscribers. The value of this volume for reference purposes is manifest. Orders will be taken (at \$25 per copy) until Jan. 6.

**Network TV-Radio Billings**

November 1950 & First 11 Months 1950

Network TV time billings went forward again in November, total being \$6,524,858 (new record) compared to October's \$6,374,548 (Vol. 6:48), September's \$3,516,897 (Vol. 6:43), August's \$1,855,361 (Vol. 6:38). Total for first 11 months of 1950, excluding non-reporting DuMont, went to \$33,799,150, compared to \$10,373,347 for same period 1949. (DuMont has separately reported \$4,500,000 TV time billings for this year.) Network (AM) radio for November was \$15,891,148, compared to \$16,303,325 for October (Vol. 6:48) and \$15,855,162 for November 1949; cumulative for 11 months was \$167,782,676 vs. \$171,391,445 for same 1949 period—CBS alone showing increase, all others down. The TV-radio figures, as compiled by Publishers Information Bureau:

**NETWORK TELEVISION**

	November 1950	November 1949	Eleven Months 1950	Eleven Months 1949
NBC	\$ 3,100,610	\$ 1,035,808	\$ 17,941,535	\$ 5,473,738
CBS	2,185,064	677,836	10,531,934	2,878,180
ABC	1,239,184	214,660	5,325,681	1,172,654
DuMont	*	124,435	*	848,775
<b>Total</b>	<b>\$ 6,524,858</b>	<b>\$ 2,052,739</b>	<b>\$ 33,799,150</b>	<b>\$ 10,373,347</b>

**NETWORK RADIO**

CBS	\$ 6,455,478	\$ 5,573,015	\$ 64,200,179	\$ 57,628,644
NBC	5,152,322	5,558,195	56,445,724	58,381,653
ABC	2,925,819	3,406,989	32,357,189	38,686,362
MBS	1,357,529	1,316,963	14,779,584	16,694,786
<b>Total</b>	<b>\$15,891,148</b>	<b>\$15,855,162</b>	<b>\$167,782,676</b>	<b>\$171,391,445</b>

\* Not available, but DuMont has officially announced total 1950 network revenues as \$4,500,000.

CBS gets ownership of KTSL, Los Angeles, with this week's FCC approval of sale of Don Lee properties to General Tire & Rubber Co. (Vol. 6:42-45). Resale of TV station to CBS is conditioned on network divesting itself of 49% interest in KTTV, 51% owned by *Los Angeles Times*. CBS will change call of KTSL to KNX-TV, will sell to *Times* its 49% interest in KTTV, and announced Dec. 28 it has started construction of CBS Television City on site near Beverly Hills known as Gilmore Island. This gives CBS 2 TV stations owned outright, plus 45% interest in WTOP-TV, Washington. CBS pays General Tire \$333,765, plus \$288,000 yearly for 10 years' rental of facilities. General Tire (Yankee Network), for \$12,320,000, got Don Lee Network and its stations: KFRC, San Francisco; KGB, San Diego; KHJ, Los Angeles; KDB, Santa Barbara. It is selling KDB to Lincoln Dellar (KXOA, Sacramento; KXOC, Chico; KXOB, Stockton) for \$25,000. Comr. Walker wanted hearings held on transfer of KTSL to CBS. FCC dismissed as "premature" Edwin Pauley petition to except Don Lee's TV application for San Francisco's Channel 2 from sale (Vol. 6:50), which had been "reserved" for pioneer applicant Don Lee.

Radio broadcasting gross revenues will be \$448,198,000 for 1950, NAB research director Kenneth H. Baker estimated Dec. 29. This compares with official 1949 FCC reports of \$425,357,133 for radio. Up from previous year are regional network, national spot, local retail sales; down \$4,300,000 is national network. Baker estimated TV grosses would run \$70-80,000,000 (much too low, in our opinion). Here's how estimated 1950 radio income is broken down (FCC 1949 figures in parentheses): national networks, \$124,688,000 (\$128,903,467); regional networks, \$6,500,000 (\$5,994,858); national spot, \$120,660,000 (\$108,314,507); local retail, \$196,350,000 (\$182,144,301).

Corley W. Kirby, 56, Crosley asst. gen. sales mgr. in charge of Eastern Div., died in Cincinnati Dec. 28.