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THE PROSPECTS FOR UHF RECEIVERS: How about uhf receivers? When will they come? At what cost? With what performance characteristics?

We checked major set manufacturers and tuner makers this week, found virtually everyone has a uhf unit in the works. But it's obvious that only demand -- meaning stations actually on air or imminent -- will bring full answers.

If one big manufacturer took the leap now, of course, and built uhf in new lines, he might precipitate industry into such production -- despite inescapable fact uhf stations are still long way off.

But Zenith's resumption of old "obsolescence" campaign this week, with full-page ads across country (see pages 9-10), doesn't look like the "precipitator".

Heavy developmental programs, on part of both the set manufacturers and the tuner makers, have produced number of acceptable devices, but --

It will be years, rather than months, before more than merest handful of uhf stations can possibly get on air. Even if FCC finds it can lift the uhf freeze before vhf (Vol. 7:12-13), it can't conceivably start granting stations before late summer or early fall -- since it has promised 2-3 months' hiatus while applications for stations are prepared and filed.

Thus, 2 or 3 stations on air this year are about all that can be hoped for. And accretion next year is bound to be very slow, regardless of number of construction permits granted, because the only uhf transmitters any manufacturers have for possible delivery are experimental.

Many applicants are enthusiastic about uhf possibilities in non-vhf areas, but obviously none would order transmitter until he knew final score on allocations. Then manufacturer, after receipt of firm order, needs at least same 9-12 months it takes to make vhf transmitters (Vol. 7:11).

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Uhf receiver situation is fairly well in hand as far as most manufacturers are concerned. They feel they have units for uhf ranging from "so-so" to "good" now, will have even better ones when people are willing to buy them.

Biggest tuner maker of all, Standard Coil Products (over 4,500,000 built to date, for Admiral, et al), plans to test latest tuner in Bridgeport next week. [For Standard's answer to Zenith claims, see pages 9-10.]

Sarkes Tarzian, who says he's next to Standard, seems quite happy with tuner he has up his sleeve. He says it's continuous type, covering whole band, claims it gives performance comparable with vhf. It's expected to cost 75-100% more than vhf-only, which costs manufacturers about \$10.

S.M.A. Co. plans continuous tuner, covering vhf-uhf, estimates it will increase set cost some \$20-\$30.

Mallory, maker of continuous tuner for DuMont, et al, says it has "several good solutions," with converter now designed and tuner well on way.

Crosley will be first to unveil a new tuner in "full-dress" press demonstra-

tion. New "Ultratuner" will be shown off at Bridgeport's Barnum Hotel April 11. Crosley group of top engineering and sales officials will be headed up by v.p. John W. Craig. Describing Ultratuner briefly, Crosley says:

"It can be attached to TV receivers using continuous-type tuners. It is low-cost, simple-to-operate and can be installed without special tools or technical knowledge. It offers possibilities for quickly and economically extending uhf telecasts to the public when uhf stations are authorized to go on the air."

All set makers using turret tuner say they can give same answer as Zenith -- namely, addition of uhf "strip".

Hallicrafters says it has achieved satisfactory performance with strip in Bridgeport tests, but calls it only an "interim answer" for uhf reception.

Philco says that slight alteration can adapt its sets, which have "dual chassis," with space between units for later insertion of tuner.

Most others have left space for tuner -- Motorola, GE, DuMont, etc.

RCA hasn't disclosed latest plans. However, during allocations hearing (Vol. 6:47), it told FCC it intended to build vhf-uhf sets, vhf-only, and uhf converters. It said vhf-uhf would cost about \$25 more than vhf, that vhf-only would have room for later addition of uhf at some \$50, and that uhf converter would run about \$50, besides installation and antenna.

EVERYONE STUDYING ALLOCATION ANGLES: Industry is still mulling proposed vhf-uhf allocation plan (Vol. 7:12-13), but no one has filed comments on it yet. Actually, deadline date of April 23 is likely to be extended, perhaps for 10 days, as requested this week by NARTB.

Many stations and applicants are waiting to exchange views at April 15-19 NARTB convention in Chicago, before filing comments, and FCC is expected to take that fact into account, grant postponement. Other deadline dates -- May 8 for counter-comments, May 23 for start of city-by-city hearing -- would also be extended.

Educational channel reservations remain most objectionable feature of allocation, in industry's eyes. Real showdown will come during city-by-city hearing when educators show up and state intentions. Failure to make good case, in face of commercial opposition, might conceivably result in loss of reservations -- though Comr. Hennock, prime mover, actually seeks more such channels.

Educators are hustling to "get out the vote," insure presentation of well-prepared cases. Joint Committee on Educational Television, which carried ball during hearing, is setting up permanent headquarters at 1785 Massachusetts Ave., NW., Washington, to coordinate, advise, etc.

A political "assist" for educators came from Rep. Emanuel Celler (D-N.Y.) this week, when he introduced H.R. 3547, which would force commercial stations to donate 25% of their time to non-commercial education programs.

He parts company with Comr. Hennock when it comes to channel reservation, terming idea of setting aside 25% of channels "unworkable and untenable."

Educators have approached big philanthropic foundations for funds to support JCET activities. Presumably, these include Ford, Kellogg and Carnegie Foundations, Whitney Fund. We gather that individual schools or groups are going directly to private donors for money to build and operate stations.

Meanwhile, existing stations generally are quite happy with allocation plan -- very happy over proposed increases in powers and heights, and are busily exploring availability of new transmitters, amplifiers, towers.

The 31 who have to shift channels (see Allocation Report) haven't yet complained loudly to FCC, though a few may. Some have informally told Commission they have no objections. Some hope to increase power to maximum same time they shift. In Ohio, which has many shifts, stations are considering plan to swap equipment, meaning purchase of very little new gear. Others may follow suit.

Engineers for new-station applicants are racking their brains, hunting holes in allocation where new vhf stations could be squeezed in. But chances of getting FCC to relax minimum station separations are awfully slim.

WIDENING BREACH BETWEEN FCC & INDUSTRY: Once again, FCC put its foot into it -- provoking the film industry to bitter anger, impelling even the staid New York Times to comment: "The FCC evidently aspires to be the Pooh-Bah of the electronic age."

Its incredible dictum in movie "anti-trust opinion" last week (Vol. 7:13) virtually threatens that industry with exclusion from telecasting licenses if it doesn't come across with its first-run films for TV.

By itself, the opinion might be laughed off as mere words -- but actually it's just another reflection of the Big Stick attitude, the master-slave philosophy, that has already alienated from FCC the esteem and respect of:

(a) Virtually the entire electronics manufacturing-distributing industry -- because it sought to impose untested, unproved "bracket standards," within a ridiculous one-month deadline, in connection with its hell-in-a-hack quest for color (Vol. 6:35, et seq).

(b) The great body of TV-aspiring radio broadcasters -- because it sliced off a big chunk of the scarce vhf channels, and even more uhf, to meet nebulous demands for "educational stations" (Vol. 7:12-13).

(c) Most existing telecasters -- because it plans, though hasn't yet scheduled, a probe into program content that some fear has Blue Book implications, albeit such motive is vehemently denied (Vol. 7:3-5). But telecasters can't forget attempt, which may be renewed, to dictate how many hours of time a station may or may not take from any particular network (Vol. 6:40-48) -- though in this case it must be noted that 2 networks actually asked FCC for such regulation.

These are only a few facets of the disaffection that unfortunately now prevails between this Commission and industry. Nor has this widespread feeling of mistrust been mitigated by artificial prolongations of a freeze, now 31 months old, which has hamstrung one of the most fabulous industries of all time.

[The color issue, of course, was main cause for protracted freeze; and there's scant doubt that, should Commission win clearcut decision in Supreme Court case, effort will immediately be made to implement its choice of field-sequential system by (a) requiring existing broadcasters to telecast certain number of hours of color as condition of their licenses, and (b) extracting promises to telecast color as condition of post-freeze new station grants.]

* * * *

But leave aside the broadcasting-telecasting fraternity, who are licensed and who with their lawyers must pay lip service, sometimes abject obeisance, to the agency holding power of life and death over their business:

There are political overtones to what FCC is doing that are unmistakable.

FCC may not give a hang what licensees and their lawyers and engineers think and say about it behind its back, but its ears would burn if it could hear what the movie exhibitors and their spokesmen are saying -- and there are some 18,000 of them, most of them business leaders in their communities.

Just as many of the 30,000-odd TV-radio manufacturers-distributors-retailers throughout country have come to believe there's "dirty work" behind some of FCC's curious recent actions, notably in the color imbroglio, so the movie people are now apparently convinced there's something rotten in Denmark.

Actually, nothing venal is involved. Simplest explanation is that the power complex (you-do-as-we-say-or-else) has become ingrained -- notably at higher staff levels. Despite Chairman Coy's disavowals in this connection before House committee this week (see p. 4), their extraordinary influence as policy initiators and opinion drafters is matter of common knowledge.

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The local merchandising folk may not comprehend Washington's peculiar power complexes, but the protracted freeze, the attempt to foist an unwanted color system on them against advice of preponderant engineering opinion and in midst of a war economy, unwonted attacks like Comr. Jones' on the integrity of the industry that created TV-radio (Vol. 6:35 et seq), and such bumbling acts as an official demand

that RCA "lend" rival its tri-color tube (now called the DiMaggio, see Vol. 6:44-45, 49) -- these they do understand and don't like.

Movie trade press is filled with bitter recriminations -- and it's our guess that not only FCC, but an Administration already sore-beset by scandal, have not heard end of things yet from an industry far more adept at politics and far more articulate in publicity than TV-radio. An indignant writer to New York Herald Tribune, for example, states "this particular bureaucracy has gone off half-cocked again and is simply proposing to rob Peter of Hollywood to pay Paul of coaxial cables."

First political reaction came from Senator Wiley (R-Wis.), who bitingly wrote Chairman Coy that FCC seeks to intimidate the film industry with a "gratuitous attack...worthy of Russia's 'courts' but not ours."

New York Times editorial April 3 is calmest, most detached, yet most pointed we've seen. It tells the whole story; full text below.

'Pooh-Bah of the Electronic Age'

Editorial in the *New York Times*, April 4

THE FCC has overreached itself. Its warning to the Hollywood producers that they turn over their films and stars to TV, lest they jeopardize their own chances to enter video broadcasting, is an arbitrary and capricious action that flouts the elementary principles of a competitive economy and raises serious questions of law.

In what it calls "a statement of policy" the commission in effect is insisting that Hollywood must come to the aid and succor of its chief competitor. The stars, directors and other craftsmen in whom the film capital has built a substantial investment over the years, the commission suggests, now should be made available to the industry's growing rival. The one thing which television does not have—the up-to-date, full-length picture which may cost millions of dollars—Hollywood now is expected to furnish on television's terms.

The FCC ignores completely in its statement the economic realities which today separate Hollywood and television. The only reason that the motion-picture industry can afford to make its feature films is because it has the box office to pay for them. Even the least expensive film requires a gross of \$1,000,000 or more to show a profit. The most expensive show on television today, including the cost of talent and time on the air, runs to \$85,000.

Apparently the FCC is unconcerned, however, whether Hollywood goes broke in serving as the involuntary sugar daddy of television. Its statement merely notes that the motion picture companies "refuse to make copies of their films available for use by television stations." Would a brand-new picture have to be released immediately to TV? Or after it had been seen in the second-run houses? Or when? Whatever the answer, the practical result would be for a governmental agency and not the producers to run the private film industry. That is a bleak and fearsome prospect.

The legal reasoning behind the commission's action may give cause for even greater concern than its peculiar economic thinking. Superficially, the FCC merely is saying that if a motion-picture concern has been found in violation of the anti-trust laws in its own field it will take that fact into consideration should the company ask for a television license. Indeed, the FCC has no alternative in this regard.

But the commission then takes the extraordinary step of superseding both Congress and the Department of Justice in deciding without benefit of any public hearing what may constitute an anti-trust violation. Whether or not the refusals of the film companies to turn over to television their films and players is a violation of the law, the FCC says in so many words, the commission will consider them

HEARINGS on McFarland Bill (S. 658) this week, before House Interstate & Foreign Commerce Committee, had FCC Chairman Coy most vehement about provision to keep commissioners from consulting with staff members other than their own assistants.

"As far as we can determine," he said, "the effort to place the commissioners in a kind of isolation ward is based upon the calumny, all too often repeated, that the commissioners are unduly influenced by the Commission staff, and that this staff is in turn prejudiced and irresponsible. I should like to say categorically that these assertions, or rather insinuations, are completely unfounded. These attacks on the Commission's staff are, in reality, attacks upon the integrity and ability of the commissioners . . ."

Coy also objected to: (1) "Legislative time-table" which would require action on applications within certain deadline, with reports to Congress on reasons for delay. (2) "Protest" procedure "under which an existing station could demand and secure a hearing on any application . . . the grant of which might cause economic injury to it." (3) Changes in criteria for granting license renewals. (4) Changes in transfer-of-licenses procedure which "would permit a person to secure a valuable broadcast license and then auction it off to the highest bidder, thereby making a mockery of comparative proceedings." (5) Changes in criteria in granting applications to those involved in anti-trust violations.

Hearing resumes April 9, with questioning of Comrs. Coy and Jones—latter favoring separation of Commission and staff. Others scheduled to testify for bill are Joseph Ream, CBS executive v.p.; Frank Roberson, FCC Bar Assn.; Justin Miller, NARTB chairman. Opposing, in part, will be Robert Ramspeck, chairman, Civil Service Commission.

Metropolitan Opera is setting up new TV dept. to prepare special operatic programs for sponsored telecasts, to be booked through Wm. Morris Agency. "We will attempt to develop special TV techniques rather than using stage techniques," said gen. mgr. Rudolf Bing April 2. "The Metropolitan is not only thinking of the possible added revenue but also of the fact that TV as a new mass medium has come to stay and offers unlimited possibilities for opera." Heading department will be Dr. Herbert Graf, Met stage director; Reginald Allen, business mgr.; John Gutman, artistic asst.

relevant in granting a TV license. The FCC evidently aspires to be the Pooh-Bah of the electronic age.

The commission on its own initiative should reconsider its latest statement of policy. Failing that, it is a matter which should commend itself to the prompt attention of Congress.

NICKEL THREATENS REAL BOTTLENECK: Sporadic stoppages in receiving and cathode ray tube plants provide forewarning that nickel crisis may come sooner than anticipated.

And make no mistake about it -- nickel shortage is most serious problem facing electronics industry today. Here are the facts:

Nickel is used heavily in receiving, picture and transmitter tubes, where there are no known substitutes for it. It's also ingredient in ferrite transformer cores (10-20% nickel) and alnico permanent magnets (14% and up). Like cobalt and tungsten, it's vital to jet plane program and many other military projects.

NPA "permits" civilian use of nickel at 65% of first-half 1950 rate (Order M-14, Vol. 6:48), but --

This month, 85% of U.S. supply of nickel is earmarked for defense orders and govt. stockpiling. Govt. metal experts say that within 30 days -- probably less -- defense orders and stockpiling will require 100%.

Past experience in shortage crises, however, indicates Govt. certainly isn't going to let electronics industry wither and die. Undoubtedly NPA eventually will siphon to tube industry enough nickel to keep it in at least minimum operation -- probably not much more than half the 200,000-250,000 lbs. a month which industry estimates are its rock-bottom requirements. This may be accomplished by rescreening military orders, cutting down wherever possible, as was done in case of cobalt.

But hard times are ahead, any way you look at it -- because even the most ingenious conservation measures (Vol. 6:49, 7:6-7) apparently don't come anywhere near eliminating tube industry's heavy dependence on nickel.

No increase in nickel production is in sight before end of year. By then, Govt. will have reactivated World War II Nicaro Nickel Co. plant at Oriente, Cuba, which can turn out 25,000,000 lbs. yearly -- mere drop in bucket compared with requirements. Nickel now comes from 2 sources, both Canadian: International Nickel, 240,000,000 lbs. a year; and Falconbridge Mines, 30-40,000,000 lbs.

It's estimated civilian electronics industry (mostly TV-radio) used slightly more than 2,500,000 lbs. of nickel last year -- about 1% of total supply.

That's the situation as it stands today, and that's No. 1 problem being pondered by Govt.'s high-level Electronics Production Board (Vol. 7:11-12).

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Emergency appeal by tube makers for temporary aid (Vol. 7:11,13) has as yet received no action. There's strong possibility it will be delayed -- some govt. people pointing to current sales slump and asking blandly why TV production should be kept going at all.

Real crux of problem, of course, is that tube and other electronic plants must stay in business, keep their working force -- against time they'll be called on to produce the electronic nerve centers for Uncle Sam's military machine.

By June, NPA will place nickel under all-out allocation, doling out every pound of available nickel among the hundreds of thousands of users -- according to essentiality of end-product.

Representatives of whole electronic industry will be summoned by NPA to discuss entire problem in Washington in about a week.

Users of nickel have felt shortage for many months -- but they say it's snowballed now so that it's cutting heavily into production, forcing stoppages.

Timing of TV sales slowdown, however, has softened the blow. Actually, tubes are easier to get now than they've been in months, as TV manufacturers cut back schedules due to sales letdown. But demand is still lively -- distributors' orders to fill depleted replacement stocks believed accounting for much of it.

Picture tubes are reported "softest" item, so far as demand goes. Indeed, DuMont this week cut its prices to manufacturers by \$1.50-\$11. In second reduction

this year (Vol. 7:5), its 17-in. picture tubes were cut from \$26 to \$24.50; 19-in. from \$43.75 to \$32.50; 20-in. from \$43.75 to \$37.50. RCA says it won't follow suit, and so far as we're aware no general CR price-cutting is in view.

This sidelight graphically illustrates severity of nickel shortage: There's no cobalt problem now. Despite reduced allocation of cobalt for April (Vol. 7:13), it's now lack of nickel that's big hold-up in production of Alnico V magnets (24% cobalt, 14% nickel).

NPA STEEL ORDER MADE TIGHTER: With a neat twist of the wrist, NPA April 5 converted its steel durable goods order (Vol. 7:10-11) from a hairshirt to a straitjacket for TV-radio industry.

Last escape hatch in M-47 was locked, sealed and boarded shut with the publication of amended list of product categories and groups covered by the order.

Order's basic provision remains unchanged: Manufacturers are limited in their use of steel during second quarter to 80% of their rate of use during first six months of 1950.

But new amendment, seeking to assure output of durable goods in same proportion as during first-half 1950 base period, has effect of "freezing the mix" of TVs, radios and phonographs that any manufacturer can produce this quarter.

It divides consumer durables into 9 categories, subdivides categories into groups of closely-related items. Steel quotas can't be shifted from one group to another within a category.

Radios, TVs and phonographs comprise one category, which is broken down into these groups: "(1) Radio receivers, home, portable, and broadcast band automobile receivers. (2) Radio-phonograph combinations. (3) TV receivers. (4) Radio-TV receivers, TV-phonograph combinations and radio-TV-phonograph combinations. (5) Phonographs and record players."

Thus a manufacturer can't cut down on radios and put extra steel into TVs.

TV receivers are a group by themselves; TV manufacturer, therefore, isn't allowed to use this quarter more than 80% of the steel he used in TVs during average quarter of first-half 1950 -- can't juggle proportion of TV steel to radio steel.

Radio classification is more lenient. Manufacturer who turned out no portables durable first-half 1950, for example, could put entire radio steel allotment into portables this quarter, eliminating auto & home radios entirely, if he chooses.

Classification 4 permits some flexibility. Manufacturer could cut down on combinations -- saving steel by eliminating phono -- and increase his output of TV-AM or TV-FM sets. But he couldn't use this steel for TV-only sets, which are in different classification group.

NPA vetoed a proposed change which would have eliminated discrimination in M-47 against "assemblers," who buy all their steel parts ready-made. "Assemblers," therefore, won't be permitted to produce this quarter more than 80% of units in each group that they turned out during average quarter of first 6 months of 1950.

Best hope for "assemblers" -- and any others who can't live with current order -- is to ask NPA for individual adjustments, backing up their cases with concrete evidence of conservation measures.

Mobilization Notes: Controlled Materials Plan (Vol. 7:3,12-13) is definitely in the books, said both Defense Mobilizer Charles Wilson and Production Chief Wm. Harrison at hearing of Congressional Joint Committee on Defense Production April 4. Details haven't been announced, but starting date may be pushed from July 1 to Sept. 1. CMP will allocate nation's supplies of steel, copper and aluminum for military and essential civilian production, but bulk of materials control orders are expected to remain in effect, and so-called "non-essential" civilian production won't come within scope of CMP, according to best information. NPA Administrator Manly Fleischman is strong proponent of CMP, while DPA Administrator Wm.

Harrison is reported as feeling all-out controls aren't necessary now. It's generally believed that Harrison, in ill health, will resign within 30-60 days, regardless of decision on how far CMP will go. It's good guess that if he does, assistant W. W. (Wally) Watts, RCA v.p., will follow suit.

Westinghouse's \$20,500,000 in new defense contracts, announced this week, include 4 totaling \$12,000,000 for TV-radio division for radio test, transmitter and other equipment, one for \$8,500,000 worth of Navy radar equipment for its appliance plant. F. M. Sloan, TV-radio division chief, announced new plant at Raritan, N. J. (Vol. 6:35, 39), will be completed by mid-July and ready for defense output.

Copper, aluminum and lead restrictions were modified in 3 new NPA orders. Prohibitions on use of copper and aluminum were relaxed with an amendment to Order M-7 postponing for one month (until May 1) ban on use of aluminum in manufacture of about 200 civilian products. "Home radio cases" is only category on list which applies to TV-radio industry. Copper end-use order M-12 (Vol. 6:52, 7:10) was amended to permit purchase and sale of copper parts for use in prohibited items, provided they're not suitable for use in permitted items. Sole TV-radio item on copper ban list is auto radio antennas. Amendment to lead order M-38 limits consumers to 100% of their rate of use during first-half 1950, a period of low lead consumption, and reduces permitted lead inventories from 60 to 30 days' supply.

Revised "essential activities" list, issued by Commerce Dept. "for the guidance of Defense Dept. in scheduling calls on reservists to active duty, and for information of Selective Service in determining draft deferments," is much more rigid than tentative list released last August (Vol. 6:31). Only electronic-communications activities listed are: production of military equipment, central switchboard, printing telegraph equipment and coaxial cable; telephone, telegraph, radio-telegraph service. Missing are broad classifications of telecasting, broadcasting, TV-radio manufacturing, wholesaling and retailing which appeared in earlier list. Labor Dept.'s companion list of "critical occupations" will be forthcoming in next few weeks.

Mobilization Personal: Brig. Gen. George Irving Back, Gen. MacArthur's Signal Officer in Tokyo since 1947, World War II Chief Signal Officer of MTO, nominated as Army Chief Signal Officer, subject to Senate confirmation, succeeding Maj. Gen. Spencer B. Akin, who retired March 31 . . . Maj. Gen. Francis H. Lanahan, Ft. Monmouth (N. J.) commanding general, wartime Chief Signal Officer of Eisenhower commands, ordered April 4 to report to Gen. Eisenhower for duty at Supreme Headquarters Allied Powers in Europe, presumably as Chief Signal Officer . . . Thomas S. Nichols, on leave from Mathieson Chemical Co., Baltimore, ex-WPB, ex-State Dept., named NPA deputy administrator, succeeding Glen Ireland, who has returned to his post as Pacific Telephone & Telegraph Co. v.p.

Test equipment section—Robert B. McCurdy and George G. Hoyer—has been transferred from NPA Electronic Products Div. to Technical & Scientific Supplies Div., 5th floor, 801 E St. NW, headed by Howard Pringle.

Paul A. Porter, ex-FCC chairman and onetime Federal Price Administrator, named one of 4 public members of new Mobilization Policy Board named by President Truman April 7. Labor, agriculture, management and public comprise top-level board of 16 to serve under Defense Mobilizer Charles E. Wilson.

Censorship of TV by FCC to exclude programs "offensive to public decency" is objective of H. R. 3482, introduced April 3 by Rep. Lane (D-Mass.). He's been lambasting TV for "lewd images and suggestive language," quoting warnings by Boston's Archbishop Cushing and Worcester's Bishop Wright (Vol. 7:9). Rep. Lane wants Communications Act to read: "No regulation or condition shall be promulgated or fixed by the Commission which shall interfere with the right of free speech by means of radio communication; but the Commission shall have authority to promulgate regulations for the purpose of preventing inclusion in television broadcasting programs of any language, sound, sign, image, picture, or other matter or thing which is obscene, lewd, lascivious, or otherwise offensive to public decency."

Financial & Trade Notes: Olympic Radio's 1950 record sales of \$21,937,175 compared with \$9,609,672 in 1949. Net earnings were \$1,577,484 after providing \$1,604,500 for taxes, or \$4.66 per share on 338,263 common shares outstanding, as against 1949 earnings of \$578,163 (\$2.24 on 256,667 shares then outstanding). *Wall Street Journal* reports Olympic's first 1951 quarter sales may top \$6,500,000, compared with \$4,700,000 in same 1950 quarter.

Raytheon showed profit of \$1,797,000 on sales of \$64,000,000 in 9-month period ended Feb. 28, reports president Charles Francis Adams Jr. This compares with profit after taxes of \$131,162 on sales of \$39,000,000 in corresponding 1950 period. Third quarter ended Feb. 28 accounted for \$23,000,000 sales, \$520,000 net profit vs. \$16,516,699 sales and \$752,863 profit for same 1949 period.

National Union Radio Corp. (tubes) reports \$14,799,107 sales in 1950 vs. \$7,455,105 in 1949, net profit \$1,268,851 in 1950 (92c a share) vs. \$70,845 in 1949. Company also announces purchase of 50 acres for new 130,000-sq. ft. plant in northeast Philadelphia costing \$6,000,000 and employing 1600. Construction starts immediately for completion by end of 1951.

Wells-Gardner 1950 sales were \$17,825,097, net income \$954,235, and consolidated earned surplus at end of year was \$2,394,227 after payments of \$307,725 (75¢ per share) dividend. Company last May 1 purchased Zangerle & Peterson Co. for \$621,593. Sales in 1949 were \$7,662,068, profit \$182,289; in 1948 sales were \$13,100,150, profit \$717,836 (Vol. 6:14).

P. R. Mallory & Co. reports 1950 sales of \$39,158,150, net profit \$2,553,758 (\$5.29 a share) vs. 1949 sales of \$24,647,429, net profit of \$1,124,090 (\$2.79). Backlog of orders Dec. 31 was \$11,002,375, working capital \$5,454,480.

American Phenolic Corp. reports sales of \$12,944,833, net profit \$920,833 (\$2.30 per share) for 1950 vs. \$10,082,819 sales, \$567,275 profit (\$1.42) in 1949.

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Reeves Soundcraft Corp. will ask stockholders, at April 10 annual meeting, to authorize 1,000,000 more 5¢ par common shares, to be added to the 2,500,000 presently authorized (2,308,495 outstanding, along with 5080 shares preferred). Company reports 1950 sales of \$1,513,470, net profit \$118,458, earned surplus at Dec. 31, 1950, amounting to \$79,052 (converted from \$39,406 deficit at start of year). Company operates disc, magnetic tape, tube divisions; owns 93% of Light Metals Corp.; owns approximately two-thirds of Tele-Video Corp., which in turn owns all capital stock of Airdesign Inc.; is majority stockholder in Cinerama Inc., new color film process; reports manufacture of color TV cameras under contract with Remington Rand in accordance with CBS designs.

Dividends: Tung-Sol, 25¢ on common, 20¢ on preferred, both payable May 1 to holders of record April 17; Hoffman Radio, 25¢ payable April 21 to holders April 7; Tele-tone Class A preferred, 16¼¢ payable April 1 to holders March 27; American Phenolic, 20¢ payable April 13 to holders April 27; Clarostat, 10¢ payable April 10 to holders April 16; Emerson, 25¢ payable April 16 to holders April 4; Olympic Radio, 10% stock and 25¢ quarterly dividends payable April 25 to holders April 12; RCA, 50¢ payable May 18 to holders April 20, 87½¢ on preferred payable July 2 to holders June 11 (with announcement semi-annual dividends will be declared hereafter in May & November, if earnings justify).

Mallory-Sharon Titanium Corp., Indianapolis, is new firm formed by P. R. Mallory & Co., components makers, and Sharon Steel, to develop, produce and market titanium and titanium alloys. They own 50% each.

OUTPUT PACE LOWER AT QUARTER'S END: Production slide continues -- first quarter's 13th and final week (ending March 30) resulting in output of 157,771 TV receivers (6298 of them private brand) as against 161,602 preceding week. Factory inventories meanwhile climbed to 269,448 from preceding week's 235,142 and 196,326 week before.

Total output for quarter is thus 2,196,016, subject to revision by RTMA statisticians, as against 1,605,000 for first 1950 quarter and about 2,500,000 for record fourth 1950 quarter. Recapitulating RTMA weekly counts, these are the figures seriatim for all 13 weeks: 105,699, 167,859, 188,758, 176,860, 167,315, 154,774, 181,945, 183,438, 190,291, 178,696, 181,008, 161,602, 157,771.

Radios went down also in final week of quarter -- to 319,926, lowest since New Year week. Factory inventories as of March 30 were 143,777 as against 136,037 preceding week. Week's breakdown showed 173,017 home radios, 114,848 auto, 32,061 portables. For quarter, radios totaled 4,298,025 -- weekly figures seriatim having been as follows: 209,792, 338,520, 342,586, 344,216, 322,855, 322,300, 353,689, 326,606, 367,322, 355,044, 364,916, 330,253, 319,926.

INVENTORY PROBLEM STILL CLOUDS TRADE: It's still a "sticky" market -- with April's baseball, huge manufacturer advertising-promotion, more low-end sets the prime hopes for moving swollen TV stockpiles.

First post-Easter weeks weren't great shakes for distributors-retailers, by and large, but there were some indications of pickup.

Most manufacturers now are determined to bring about better equilibrium between supply and demand -- but no one makes any bones about necessity of first clearing up pipelines clogged with estimated 1,000,000 or more sets.

A few of the bigger producers say "things aren't too bad," and that "buying is normal for this time of year." One even tells of a major chain dealer reporting biggest Saturday-after-Easter sales ever. But nearly everybody is sitting on edge of seat, fearful of panic selling to unload inventory.

So far, only Majestic among the majors (see Topics & Trends) has followed outright Admiral's example (Vol. 7:12) in cutting prices of low-end models, with Emerson and Hallicrafters making price pitches via 14-in. models (Vol. 7:13), Air King out with new 17-in. table at \$199.95, and Meck letting it be known it will announce something radically new next week.

Price-cutting and bargaining at retail stores continue commonplace, but distributors seem inclined to hold tight as long as credits permit -- on advice of factories that shortages are still in prospect.

At the factories, defense orders haven't materialized large enough to preclude shorter work weeks and/or layoffs. There's scarcely a TV-radio producer who hasn't sheared payroll. Only one major manufacturer we've contacted said (as of Wednesday) it has had no cutbacks; in fact, claimed this week's production would reach all-time high -- with "a good mix of sizes" and with "no cutbacks planned unless forced by materials."

Everybody else admits cutbacks, reluctantly but frankly -- some light, some as heavy as 50%. News wires, trade paper reports, union statements add up to frightening reduction of employment in Chicago's many TV-radio plants particularly.

There's still strong school of thought -- bolstered by NPA reports -- that insists shortages are inevitable eventually, as voluntary cutbacks and enforced materials limitations begin to take their toll. Components may seem plentiful now, but they won't remain so.

Even more significant than steel-copper-cobalt reductions will be nickel shortage that must inevitably hit tube production (see p. 5). Yet in face of this, there's curious anomaly of DuMont's reduction in prices of its CR tubes.

Tube bottleneck -- and nickel could force it in both picture and receiving

tubes -- could very well mean shortages of sets by time present pipelines are cleaned out and usual mid-summer introduction of new models is due.

Few are talking about them -- though Sylvania has announced new models for May, Westinghouse for June, latter including new 24-in. -- but it appears certain Chicago Furniture Mart June 18-28 will bring forth quite a few new models.

ZENITH UHF CLAIMS AGAIN RAISE STIR: Zenith this week dusted off its old ill-fated "obsolescence" campaign of 1949 (Vol. 5:11, et seq) which was stopped in its tracks at that time by one speech by FCC Chairman Coy.

In full-page ads in TV cities, Zenith took somewhat more cautious tack this time. It angered rest of industry, all right, but so far has kicked up much less uproar than last time. Ad reads:

"The FCC has announced plans for 1807 new TV stations -- the majority in the new ultra-high frequency channels. Zenith -- and Zenith alone guarantees that every TV set it has ever built and sold to the public has built-in provision to receive these new stations without the use of any converter or adapter."

What Zenith refers to are "uhf strips" to replace vhf in its turret tuner.

Reactions of manufacturers, to what seems to be beginning of sustained Zenith campaign, has been in form of sales "ammunition" to dealers -- but no counter ads, no appeal to Federal Trade Commission, etc., as was case in 1949.

"Misleading" is mildest of words used by other manufacturers and tuner makers to characterize ad. Generally, they object to:

(1) Implication that "Zenith alone" can achieve uhf with strips.

(2) Implication that uhf performance, with "strips," would be comparable with present vhf.

Most turret tuners are equally adaptable, other manufacturers contend. For example, Glenn Swanson, president of Standard Coil Products (which has built over 4,500,000 tuners for Admiral, et al), relates how Zenith was invited to showdown in New York's Warwick Hotel, in connection with Fortune Magazine June 1949 article on Admiral (Vol. 5:22). He said engineers did simple strip-replacement job on Admiral set, but that Zenith declined side-by-side comparison.

This week, Admiral's reaction to Zenith ad was to rush memo to dealers, giving them this answer to customers' questions:

"While other manufacturers have claimed 'exclusive' provisions for uhf, the fact is that Admiral pioneered in the development of the turret tuner which provides for adaptation to uhf reception by the simple expedient of easily replaced snap-in coil inserts."

Admiral may also use small slug in ads, calling attention to adaptability.

* * * *

RCA's answer was detailed statement sent to distributors, who were urged to disseminate it to dealers. Gist of report:

(1) Any vhf receiver will require modification to get uhf. Bridgeport experiments "proved conclusively" that use of converter is best.

(2) RCA will build such converter -- "competitively priced."

(3) All conversions mean additional cost, including additional antenna.

(4) FCC hasn't yet finalized uhf allocation.

(5) "Large-scale telecasting of uhf will not commence before late 1952 or early 1953," because of time needed for transmitter and station construction -- "aside from delays which may be caused by shortages of critical materials."

(6) "When uhf broadcasts commence, RCA Victor, and we assume other manufacturers, will have available an adequate supply of high quality converters for present vhf receivers, assuring full-band reception of all the uhf channels without sacrificing any of the present vhf channels."

Others are telling dealers same or similar story, assuring them they can advise customers sets are by no means obsolescent, may readily be converted.

Performance of Zenith strips is eyed dubiously by most manufacturers, some

of whom said they had actually tested them, compared them with their own.

But tests by FCC labs, reported by Edward Chapin during allocations hearing (Vol. 7:5), appear to indicate Zenith performance about same as that of other units tested -- GE, RCA, DuMont. Chapin's general conclusion regarding uhf sets then was:

"Considerable progress has been made by the receiver manufacturers in their efforts to develop useful receiving equipment for uhf service, particularly in the direction of adequate sensitivity. However, at this time it is most apparent that there is considerable difficulty with oscillator radiations and spurious responses."

Fortunately and wisely, FCC tailored its proposed uhf allocation plan (Vol. 7:12-13) to minimize problems of oscillator radiation, greatly simplify job of designer and manufacturer.

It's too early to gauge effect of Zenith ads on public, but one big distributor reports two "irate" groups in his area: "(1) Zenith owners who just can't believe that uhf isn't here, or that they're not all set to receive it. (2) Non-Zenith owners who suspect that they may have been victimized, because they think uhf is upon us and they're not prepared for it."

But, by and large, manufacturers don't anticipate repercussions of kind attending 1949 whoop-de-do for simple reasons that (a) uhf service is still far off (see p. 2), and (b) any company with a name to protect and service contracts to fulfill will certainly see to it that past as well as future customers are protected.

PATTERN OF TV-RADIO PRICE CONTROLS: Inclusion of TV-radio in retail price regulations (CPR-7) announced this week is only one step in controls that will set complete price regulations for TV-radio industry.

Next step will be price control regulations covering manufacturers, due to be issued shortly -- probably within week. Regulations for wholesalers are also due about then.

TV-radio manufacturers at that time will be able to establish ceiling prices for each step in distribution system -- for distributors, retailers, public.

In fact, manufacturers' regulations are considered much more important than this week's move putting retail margin-type control over TV-radio-phonograph sets, replacement parts, accessories as of April 30 and removing these items from Jan. 25 general price freeze (Vol. 7:4).

Rollback in prices may occur when manufacturers' regulations are issued -- certainly where present lists are too far out of line with present costs. Mainly, squeeze will be on profit margins, since forthcoming manufacturers' rules likely won't permit continuance of same margins, percentagewise, as at present.

With TV-radio products under CPR-7, manufacturers may apply to Office of Price Stabilization for dollars-and-cents ceiling prices. This can be done under Section 43 of CPR-7, which is special provision for "branded" merchandise (Vol. 7:9). CPR-7 is essentially a margin-type regulation for retailers.

When manufacturers' regulations come out, they will permit dollar value of increases in materials and labor costs to be added to base period selling price to establish ceiling price. Base period will be "best" quarter for the year ending June 1950. Increases in costs will be permitted on materials to December 1950; for factory labor, to current payrolls.

However, since TV-radio lines today are not same as during base period, manufacturers will have to figure complicated formula to arrive at ceiling prices of sets now in lines. This will involve a markup-type of calculation for present sets that are comparable to base period sets.

Recalculation of these ceiling prices will be necessary several months after manufacturers' regulations are issued. Reason for this is that manufacturers' regulations will also apply to suppliers whose prices, too, may be rolled back. This would mean far higher markup margins for manufacturers than they initially figured and which OPS desires.

Everyone at OPS vows he doesn't want to hurt any company or industry. Regu-

lations won't pinch TV-radio too hard, officials say. If it does, OPS will attempt to do something about individual hardship cases.

If industry as whole gets hurt, tailored regulations for TV-radio can be formulated and put into effect.

Both such adjustments will take profits into account.

OPS experts don't think TV-radio will want specific industry rules, feel forthcoming regulations are pretty good for this industry.

Trade Miscellany: "Treble the area coverage" of each TV station is claimed for new high-sensitivity receiver that John Meck is inviting newsmen to see in chartered plane flight April 12 from Chicago to Indianapolis, Milwaukee, possibly Detroit; it's good for 140 to 150-mi. reception, he claims . . . Belmont (Raytheon) reports April cutback of 30-35%, more if necessary in May and June; about 70% of its production is for Raytheon brand, remainder for Montgomery-Ward, Western Auto, Gamble-Skogmo and other private labels . . . *Retailing Daily* (April 2) reports big private-brand promotions being prepared by dept. stores, with offers of 17-in. tables at \$179, open consoles at \$219 or \$229, consoles with doors \$269; 20-in. tables at \$249, open consoles \$299.

New sets and prices: Majestic cut price on 17-in. leatherette table from \$239.95 to \$199.95; 17-in. plastic front console from \$299.95 to \$269.95 . . . Stromberg-Carlson has 17-in. table at \$299.95 . . . Air King has new 17-in. table at \$199.95 . . . Macy's this week advertised 17-in. Hyde Park table at \$189 . . . Cadillac (Vol. 7:7) has 17-in. table at \$189.95 . . . Both Jackson Industries and Trans-Vue have new "promotional line," with same sets and prices: 17-in. table \$199.95, console \$239.95, 20-in. table \$249.95, console \$299.95. Trans-Vue sets are made by Jackson.

Trade Trends: Census Bureau's monthly summary of retail trade in larger establishments in 45 cities over 100,000 population shows TV-radio store sales were down 6% in February from January, but 10% ahead of February 1950 . . . New York *Herald Tribune* survey of leading local dept. store sales in March shows TV-radio off 7% to 71% from same 1950 month, but one store reported 131% increase . . . Washington area's appliance sales leader last year was TV, says local Electric Institute, accounting for \$19,115,000 vs. refrigerator sales of \$16,200,000.

About 800 employes at 4 RCA plants reported "temporarily" laid off due to materials restrictions and change-over to defense production; plants are in Indianapolis, Bloomington & Marion, Ind.; Canonsburg, Pa. . . . CIO's International Union of Electrical Radio & Machine Workers (IUE) April 3 won vote in RCA Victor plant in Camden, will replace left-wing UEW which CIO recently ousted . . . RCA spokesman says nothing to reports its advertising account will switch from J. Walter Thompson to Biow.

Upcoming Meetings: RTMA and Canadian RMA at Seaview Country Club, Absecon, N. J., April 12-13 . . . Radio Pioneers, Hotel Stevens, Chicago, April 17 (during National Assn. of Broadcasters convention), with RCA's Sarnoff accepting Radio Hall of Fame Award in memory of Marconi . . . Parts Distributors Conference & Show, Hotel Stevens, Chicago, May 21-23 . . . National Appliance & Radio Dealers Assn., Hotel Stevens, Chicago, June 25.

First on uhf bandwagon among receiving antenna makers is Clear Beam Television Antennas (Pete Wald), 618 No. La Brea, Los Angeles, which plans production of 13-in. unit to retail for \$2-\$3. Company also makes lead-in wires, including open-wire type claimed to have 1/6th as much loss as conventional lead-ins.

Trade Personals: Charles E. Krampf succeeds Bert Conway, resigned, as executive v.p., Aerovox, continuing also as president of Electrical Reactance Corp. . . . John Kuneau, who joined Philco in January from J. Walter Thompson Co. to handle public relations, advanced this week to v.p. . . . W. A. Weiss, since 1947 mgr. of Sylvania receiving tube plant in Emporium, Pa., named mgr. of its new \$1,000,000 receiving tube plant to be ready this fall in Burlington, Ia. . . . Wm. H. Moore, v.p. of Packard-Bell's cabinet plant in Santa Ana, transferred to main office as asst. to president on defense contracts . . . Frank D. Langstroth, ex-Lansdale Tube Co., elected president of Starrett Television, succeeding R. D. Burnet, resigned . . . W. B. Whalley, of Sylvania plant at Bayside, L. I., appointed adjunct professor of electric engineering, Brooklyn Polytechnic Institute . . . John P. Gleason, ex-General Luminescent Corp., assigned by American Structural Products Co. to represent its Industrial & Electronics Div. in New York, with offices in Rockefeller Center . . . I. R. (Ike) Lambert, retired RCA general counsel, has moved to Wichita where he is opening law offices; he represents Mary Pickford in applications for TV, having filed 3 already in North Carolina (*TV Factbook No. 12*) and planning several more . . . Bernard Wolbarst, handling communications for Time Inc., elected v.p., Press Wireless Inc. . . . Ernest Marx, chief of DuMont receiver division, returned March 30 from month's business tour of Europe and South American TV cities . . . R. V. Bontecou appointed to new post of product mgr., GE Tube Divisions, Schenectady.

Washington's provocative TV advertising of "sales, clearances, promotion" will have to be cleared with local Better Business Bureau, beginning April 10. In letter this week to all dealers, BBB informed them all 4 Washington papers have agreed to submit such copy to it for approval before insertion; asked dealers to submit such advertising to newspaper at least 3 days before publication date. BBB letter refers to last year's standards (Vol. 6:15, 23, 26), "backsliding" that cropped up during sale ads last few weeks (Vol. 7:11). It's believed this is first time newspapers and BBB have cooperated to screen TV ads before publication, although practice is not unknown on other products.

An image orthicon film converter, selling for \$270, is being offered by Television Accessories Co., 2514 Camino Real, Arcadia, Cal. Owner Wes Turner claims new device permits conversion of any image orthicon camera into film camera "within minutes," says Los Angeles KECA-TV, has used converter daily since last June 22. Advantages, says Turner, are: (1) No more iconoscope tube or camera worries. (2) No shading to bother with. (3) No edge flare. (4) No chalky faces. (5) No abrupt changes in picture level with scene changes. (6) Wide compensation for light or dark prints. (7) Allen wrench only tool needed."

RTMA members sold 634,080 picture tubes in February—96% of them 16-in. or larger, 82% of them rectangular—valued at \$17,555,375. Number is 9% greater than January's 580,317.

NARTB-TV committee may choose department's paid director (probably \$35,000 a year) at meeting called Saturday before NAB convention, April 14—with FCC Chairman Coy still among those to be considered, but considerable opposition to him now because of his opinion in the vote favoring TV channels for "educators" (for text, see *TV Allocation Report*). Also, there's some question now whether he would prefer that job as against seeking reappointment when present term expires June 30. Choice is in hands of 5 men: George Storer, Fort Industry Co.; Clair McCollough, WGAL-TV & WDEL-TV; Robert Swezey, WDSU-TV; Campbell Arnoux, WTAR-TV; Paul Raibourn, KTLA (Paramount). Meanwhile, parent NARTB chose as its \$40,000 paid president Harold E. Fellows, CBS New England director and manager of its WEEL, Boston; he takes office June 4, succeeding Judge Justin Miller, who becomes chairman and general counsel.

Phonevision's 90-day test authorized by FCC among 300 Chicago families ended March 31, with Zenith's E. F. McDonald reported elated over results. Next step, presumably, is application to FCC for formal rule-making hearing to permit pay-as-you-look system of TV on commercial basis. Zenith hasn't applied yet, however, but has invited commissioners and key staffmen to witness demonstration in Chicago April 17 during NARTB convention. Before it goes to FCC, results of observations by U of Chicago National Opinion Research Council will presumably be made ready. Movie industry, meanwhile, shows little more enthusiasm than before, and telecasters seem apathetic—particularly now that their time is at premium and they're moving into profitable operation (Vol. 7:13). Latest wrinkle in Zenith's continuing promotional campaign is metered-mail puff reading: "Zenith Phonevision can bring you the best TV for low cost entertainment."

How FCC's statement about films for TV (Vol. 7:13) applies to theatre owners is object of probe by 3-man Theatre Owners of America committee, set up at this week's TOA board meeting in Washington. Members of committee, who will seek meeting with FCC chairman Coy, are: Gael Sullivan, TOA executive director; Julian Brylawski, Washington exhibitor; Marcus Cohn, Washington attorney. TOA theatre-TV enthusiasts look for hearing on request for frequencies sometime this fall.

New CBS color promotional effort will be demonstration for Washington area servicemen in U. S. Chamber of Commerce Auditorium, 7 p.m. April 13, presumably first of series around country. CBS is working with local Rucker Radio Wholesalers; CBS consultant Richard Mahler will run show. CBS has also extended its product demonstration series (Vol. 7:11), conducting showings for executives of Congoleum-Nairn, Chesebrough, Wamsutta Mills, Borden, Duffy-Mott, Esso, Wildroot.

Only application for new TV station this week was from KSWO, Lawton, Okla., for Channel 11. This makes total of 396 applications. Request of WPDQ, Jacksonville, for reinstatement of CP it relinquished in 1949 (Vol. 5:19, 22) was denied by FCC. It was told to reapply. [For further details about applicant, principals, etc., see *TV Addenda 12-M* herewith; for listings of all applications to date, see *TV Factbook No. 12*, with Addenda to date.]

Defense Mobilizer Charles E. Wilson will be featured TV luncheon speaker April 19 at NARTB convention in Chicago. He will speak from Washington over closed TV circuit, be seen on 30-in. DuMont sets.

Andrew W. Bennett, 56, Washington radio attorney, died April 3 in Stuart, Fla., where he had lived since dissolving his partnership recently with John A. Mason, recalled to Navy.

Personal Notes: Joseph V. Heffernan, RCA v.p. and gen. attorney, appointed NBC financial v.p.; he's succeeded at RCA by Robert L. Werner of his staff, whose title is gen. attorney . . . Vernon Brooks, operations mgr. of WGN-TV, Chicago, has resigned . . . Lew Frost, asst. to John K. West, v.p. in charge of NBC Western Div., appointed director of network operations, Hollywood . . . John W. Brooke promoted to Eastern TV sales mgr., George Stanton Midwest TV sales mgr., Free & Peters, under TV v.p. I. E. (Chick) Showerman . . . Jack W. Brand named executive producer, WENR-TV and ABC-Central Div. . . . Robert F. Laws named sales mgr., KECA-TV, Los Angeles, in addition to being gen. sales mgr. of ABC Western Div.; Tom Sarnoff named sales supervisor and asst. to Mr. Laws, and L. D. Larimer placed in charge of TV national spot sales . . . Tom Knode, ex-NBC-TV station relations, now with WIVI, Virgin Islands . . . George E. Simons has resigned as Crosley adv. mgr. to become sales v.p., John Sutherland Productions Inc., Hollywood . . . Walter H. Smith, ex-CBS and Young & Rubicam, named marketing-research v.p., Kastor, Farrell, Chesley & Clifford Inc. . . . Jeff Selden promoted to TV-radio dept. director, Arnold Cohen agency, N. Y.

Station Accounts: American Vitamin Associates Inc., which has had exceptional results introducing its "Thyavals" and "Orvita" via West Coast TV, will not only sponsor Cubs and White Sox games on WGN-TV, Chicago, thru The Counselors, Hollywood (Vol. 7:13) but has also purchased 30-min. *Leo Carillo Show* (kine) and three 15-min. Class A periods on that station—said to be largest single time sale ever made in Chicago . . . Sears Roebuck local stores throughout country turning more and more to TV, with these time purchases announced in New York area this week: *Shopper's Corner*, Tue. & Fri. 11:45-noon on WABD; sports on WNBT; participations in *Margaret Arlen Show* on WCBS-TV; hour film weekly on WATV; 2 films weekly on *Night Owl Theater* on WPIX . . . Grosset & Dunlap (book publisher) takes Mon. 11-11:15 p.m. on WABD, New York, for *We Challenge Your Memory*, thru Madison Adv. Agency . . . Family Circle Magazine, published by P. K. Leberman, who formerly owned Seattle's KRSC-TV (now KING-TV), preparing TV film spots to promote sales through chain food stores . . . Add baseball sponsorships (Vol. 7:13): Burger Beer, Columbus Red Birds, WLWC . . . Add dept. store sponsorships, Rike-Kumler, Dayton, *Shopping with Cornelia*, 1-1:30 daily on WLWD . . . Among other advertisers currently reported using or preparing to use TV: Survival Inc. (paint that prevents flying glass), thru Klores & Carter Inc., N. Y.; Bu-Tay Products Ltd. (Rain Drops water conditioner), thru Brisacher, Wheeler & Staff, Los Angeles; Harry T. Campbell Sons Corp. (Sakrete dry mix concrete), thru H. Lee Hoffman Adv., Baltimore; Air King Products Co. (TV, radio receivers), thru Bennett, Walther & Menadier, N. Y.; Kendall Foods Inc. (dog foods), thru Dan B. Miner, Los Angeles (KTLA); Zippo Mfg. Co. (Zippo lighters), thru Geyer, Newell & Ganger, N. Y. (WCBS-TV); American Cyanamid Co. (Superset wrinkle-proof fabric), thru Roy S. Durstine, N. Y. (WCBS-TV); Cinch Products Inc. (cake mixes), thru Elwood J. Robinson Adv., Los Angeles (WCBS-TV); Clean Products Co. (Clean wallpaper cleaner), thru Byer & Bowman Adv., Columbus, O. (WDTV); Liquinet Corp. (Liquinet liquid hair net), thru A. Martin Rothhardt Inc., N. Y. (WCBS-TV); Roux Distributing Co. Inc. (Roux color shampoo), thru Dundes & Frank, N. Y.; Orange-Crush Co. (Old Colony quart package) (WGN-TV & WBKB); James Miami Chemical Corp. (Weather Seal auto glaze), thru Product Services Group, N. Y.; Telegift Inc. (gifts-by-wire service), thru Lewin, Williams & Saylor, N. Y.

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Editor's Note: News of Controlled Materials Plan, vitally affecting every phase of TV-radio-electronics manufacture, is included in special Mobilization Electronics Report (white) section herewith.

CBS SPRINGS SURPRISE AM RATE CUTS: Oddly enough, AM radio's league-leading CBS is first to crack network rates -- an out-of-the-blue announcement April 12 stating that, effective July 1, rates for 8-10:30 p.m. network time will go down 15%, for 1-8 p.m. and 10:30-11 p.m. down 10%.

It was tacit, though not expressed, capitulation to advertiser demands for reductions on basis largely of TV inroads on audience.

Decision followed disclosure of CBS-Hytron deal (see p. 2) by one day, came as complete surprise to most affiliates right after special meeting of Affiliates Advisory Board headed by "Ike" Lounsberry, WGR, Buffalo. Presumably board wasn't unanimous in agreement, and CBS officials declined further comment.

CBS affiliates contacted around country expressed astonishment in light of high level of both CBS and their own billings. Though NBC had "no comment," there was irony in fact that network, more openly committed to TV, attempted to do same thing last December but backed down when affiliates howled (Vol. 6:50, 7:1).

Sudden CBS move may have been precipitated by rumors ABC & MBS were about to cut rates and NBC is still bent on doing so. Their cuts are now deemed certain, but CBS wants to set pattern, standardize cuts, hold radio leadership.

Ironical, too, is fact CBS continued first 2 months of 1951 to top rivals in network billings -- Jan.-Feb. PIB figures showing CBS total of \$12,972,841 vs. NBC's \$9,947,573, ABC's \$5,734,166, MBS's \$2,969,592 (p. 2, Vol. 7:13). All but CBS were down from same 1950 period -- but apparently a general downward trend was betokened. During 1950, CBS led by far, with \$70,744,669 to NBC's \$61,397,651, ABC's \$35,124,-625, MBS's \$16,091,977 (p. 5, Vol. 7:3).

Better-positioned AM stations generally, with spot and local booming, say business is still at all-time high -- and Detroit's powerful WJR, CBS affiliate, only this week reported first quarter sales far ahead of same 1950 quarter, profit down only because of higher taxes (see Financial & Trade Notes). Reasoning behind network rate-cut now, as stated by CBS sales v.p. Jack Van Volkenburg in April 13 interview, runs something like this:

Advertisers are increasing resistance to radio. At present radio rates, it's hard to interest new advertisers in AM medium. ANA and individual sponsors have been pressing for rate cuts insistently during last year (Vol. 6:14-15, 29-31; Vol. 7:11). Reduction should stimulate interest of old and new advertisers, maintain radio's position as "best buy in advertising."

But that doesn't alter objections, freely expressed by CBS affiliates, to across-the-board rather than selective cuts in TV markets only; to fact that most of them are heavily booked, indeed hard put to it to clear time for more commercials. And many simply don't like idea of "capitulating" to claims made for TV.

This much seems sure: AM network rate cuts, now-documented facts of TV

inroads on audience and sponsors, TV's fast-building dollar volume (Vol. 7:13), feeling among broadcasters that telecasting is their natural heritage albeit so very few would venture into it pre-freeze -- these factors will combine to intensify eager quest for new TV stations and demand for speedier action on freeze.

WHYS & WHEREFORES OF CBS-HYTRON DEAL: These would seem to be factors which finally decided CBS to plunge into the TV-radio manufacturing business by acquiring Hytron Radio & Electronics Corp., of Salem, Mass., sizeable tube manufacturer, along with its receiving set manufacturing subsidiary Air King Products Co., Brooklyn:

(1) Simple and natural quest for profit -- desire for share of an industry, whose boom seems temporarily stayed (see p. 8) but whose potential is enormous, once the defense economy relaxes and FCC really unfreezes.

(2) To capitalize on its own great trade name, and its great promotional abilities and facilities. It's reasonable to assume receivers will be made bearing "CBS" or "Columbia" brand names, publicized heavily via its AM & TV networks.

(3) Buildup of resources in hope that its FCC-approved color system will eventually prevail. CBS wants to be prepared to produce color receivers itself if, as seems likely, rest of manufacturing industry persists in its lack of enthusiasm for any non-compatible, mechanical system of colorcasting. Issue is now before U.S. Supreme Court (Vol. 7:13).

(4) Intense rivalry with RCA, whose subsidiary NBC it has outstripped in radio billings while lagging far behind it in TV (see p. 2, Vol. 7:13). CBS borrowings of \$10,000,000 from Prudential and \$5,000,000 from Metropolitan Life this week are obviously designed to help it win lost ground in TV and to finance expansions, notably its costly new Hollywood Center.

Loans had nothing to do with Hytron deal, said CBS president Frank Stanton, and this would seem to be borne out by fact that no money is involved -- CBS simply exchanging 31 shares of its stock (quoted at around 30 on N.Y. Exchange at time of announcement) for 100 shares of Hytron (quoted as around 9½ over the counter). The Hytron quotation remained firm (9¼ bid, 10 asked) through week, but CBS gained 3 points up to Friday's closing.

Stanton also said deal did "not particularly have color in mind" -- also quite likely since (a) Supreme Court decision is tossup, and (b) the preponderant pro-compatibility, all-electronic color folk (including Hazeltine, GE, DuMont, Sylvania & Philco as well as RCA) have improvements up sleeves which FCC can hardly refuse to consider after the legalisms are cleared away.

Deal wasn't entirely to liking of whole CBS corporate family, still needs approval of both companies' stockholders. But it may give CBS same hedge against possible shrinkage of still-lush AM broadcasting, and support for costly new telecasting, which its rival NBC enjoys -- namely, capacity to make up initial TV costs and losses from profitable (up to now, at least) receiving set and tube business.

For fact is that TV receiver and component manufacture last year hit \$1.7 billion; that 6-year-old telecasting industry, with only 107 stations, last year enjoyed dollar volume of more than \$105,000,000, or about 25% of 30-year-old radio broadcasting with 2000-plus stations; and that TV's 4 little networks, linking mere 47 cities, are already doing half the dollar volume of AM's 4 big networks linking practically every market area of the land (Vol. 7:13).

CBS has long cast eye on manufacturing business -- in recent years had looked into Capehart-Farnsworth plant (later absorbed by IT&T), Sylvania's Colonial plant in Buffalo, Raytheon's Belmont plant in Chicago, probably others.

Ironically, CBS becomes patent licensee of RCA, since both Hytron tubes and Air King receiver production are licensed -- and CBS will also now have facility to manufacture RCA tri-color tube which it sorely needs for its color system and which RCA has promised to permit licensees to make and use, having already sent designs.

* * * *

Financially, CBS is strong indeed -- ended 1950 with highest gross income in its history, \$124,105,408, but with profit down slightly (\$4,105,329, or \$2.39 per share) due to taxes that were higher than profits (Vol. 7:12). At end of 1950, CBS

earned surplus was \$28,572,222. Of 1,500,000 Class A \$2.50 par common shares authorized, 961,278 were outstanding; of 1,500,000 Class B, 948,674 were outstanding. Net earnings record shows declines in recent years.

In 1949, CBS grossed \$105,397,580 and netted \$4,184,079 (\$2.44); 1948, \$98,377,258 & \$5,041,682 (\$2.94); 1947, \$101,045,647 & \$5,920,104 (\$3.45); 1946, \$91,996,822 & \$5,795,896 (\$3.37); 1945, \$86,257,385 & \$4,308,627 (\$2.51) plus \$1,-037,014 (60¢ per share) derived from sale of WBT, Charlotte; 1944, \$84,905,830 & \$4,678,361 (\$2.72). [For officer stockholdings, see p. 16, Vol. 7:13.]

How much of CBS gross and net derive from subsidiary Columbia Records Inc. has never been disclosed -- but recording firm is said to have been fairly profitable last year along with rest of that industry.

* * * *

Hytron has won good position in receiving tube manufacture, riding TV boom and recently expanding with new plant in Newburyport, Mass. It's also strong in picture tubes, though not in class with RCA, Sylvania, GE and DuMont volume-wise. It has not indicated how much dollar volume is accounted for by Air King, but that company is probably toward bottom of industry's Big 20 set producers (Vol. 6:8) and has been major private-label producer for Sears Roebuck, Firestone, Pathe, et al. It also has small Brooklyn cabinet-making subsidiary, Royal Wood Products Mfg. Co.

Hytron's consolidated 1950 sales totaled \$40,542,135, net profit \$3,348,871, or \$1.65 per share on 2,004,892 shares outstanding. Its earned surplus at end of year was \$2,584,694, net working capital \$6,492,132. It split stock 2-1 in 1950.

Last year represented huge jump from preceding operations: 1949, gross of \$16,226,143 and net of \$565,171 (45¢ on 1,262,422 shares); 1948, \$4,159,714 & \$63,-853 (11¢ on 573,835 shares); 1947, \$4,153,288 & \$28,971 deficit; 1946, \$5,013,143 & \$30,603 deficit; 1945, \$5,257,257 & \$4,759 deficit; 1944, \$5,264,088 & profit of \$131,314 (76¢ on 173,835 shares).

It's probable that acquisition of Hytron, with considerable plant facilities, will give CBS better tax base than now, for broadcasting represents far smaller plant investment in relation to volume than manufacture. As CBS figures show, its volume has gone up consistently, but profits have slipped -- largely due to huge talent investments, resulting from raids on other networks, but also due to higher taxes (particularly 1950).

Hytron-Air King operations, joint statement says, will continue under present managements, with 4 of their executives going on CBS board. These will include Lloyd H. Coffin, chairman, and Bruce A. Coffin, president, of Hytron, and David A. Cogan, president of Air King.

FCC EASES ALLOCATIONS DEADLINES: Industry got requested breather, in vhf-uhf allocations proceedings, when FCC granted postponement of deadlines for comments on allocation plan and beginning of city-by-city hearing. Largely because of conflict with NARTB April 15-19 convention, Commission moved comment deadline from April 23 to May 7, opposition deadline from May 8 to May 22, start of city-by-city hearing from May 23 to June 11.

Most applicants will use delay in dogged hunt for more vhf channels. Intentness on vhf is understandable, in light of simple uncontroverted fact that uhf can't possibly get going on any meaningful scale for many months, probably several years. Yet, on other hand, additional vhf stations won't blossom forth in any hurry either (Vol. 7:12-14).

Nevertheless, uhf outlook brightens daily, as manufacturers pull wraps off remarkable results quietly achieved in laboratories over past few years, and as additional propagation data indicates probability of very acceptable services areas for uhf in many, if not most, areas (see stories on pp. 4 & 5).

Another Senator got into educational TV act this week -- Sen. Wm. Benton (D-Conn.), onetime advertising mogul (Benton & Bowles) who controls Muzak. In long speech on Senate floor April 13, he introduced S. Res. 127 calling for 90-day "quick review" of question by Interstate & Foreign Commerce Committee.

He wants FCC to hold off final decision until Senate receives and studies

Committee's findings on: FCC's allocations criteria, program trends, program control, prospects of program financing by Govt. and other non-profit sources, legislation needed.

"I think TV is too vital to the future of America," he said, "to be relegated at this time, without further study by Congress, to the custody of any govt. agency or bureau. Without implying any criticism of the FCC...for which I have the very highest regard, I suggest that the Congress [should] inform itself..."

Sen. Benton also plugged Phonevision and Subscriber-Vision, saying:

"I suggest that there is nothing at all out of tune with our system of free enterprise in the suggestion that radio and TV might sell its service, instead of giving it away...I happen to believe it is a major business opportunity..."

Chiming in on Sen. Benton's educational pitch were Sen. John Bricker (R-Ohio) and Sen. Lester Hunt (D-Wyo.).

Opposition to vhf education reservations is coming from some educators themselves. U of Kansas City president is reported to have consulted with city's applicants and written FCC that university didn't expect to get into TV for many years, thus would be satisfied with uhf reservations.

Pro-reservation comment by one of TV's well-placed "ins" -- WBEN-TV's A. H. Kirchhofer, whose Channel 4 would remain intact -- as quoted in TV News, Buffalo:

"The provision for educational channels is a forward-looking step. I hope the educational institutions will be more successful in their utilization than they were with AM or FM..."

BRIDGEPORT WINNING UHF 'CONVERTS': Another visit to Bridgeport, which is turning out to be the "nursery of uhf," thanks to the RCA-NBC "guinea pig" station (Vol. 6:5 et seq), reveals that just about every set and tuner maker and many of his brothers of the broadcasting business have been to town to run tests.

Our junket this week was mainly to have look at Crosley's new "Ultratuner" (see page 5), but we took occasion to check on what others have done in and around Bridgeport. By and large, the reports are favorable.

Unusual focal point of activity is Bridgeport home of Rudy Frank, promotion manager of New Haven's WELI (AM), owned by veteran broadcaster Col. Harry Wilder, of Syracuse, who founded WSYR-TV there. Mr. Frank is an absolute convert to uhf, as is his boss, general manager Richard Davis, who told us he and his engineers are thoroughly convinced of uhf potential.

This conviction isn't based on mere theory, say Messrs. Davis and Frank. Their engineers have conducted over 500 measurements in station wagon, checked converters in 14 homes, over many months. They're satisfied with what they've seen.

Mr. Davis can't understand why more broadcasters don't get excited about uhf. "We don't want to cover all of New England," he says. "If we can deliver 20-25 miles, and I know uhf can do it, that's good enough for us. A clear channel AM station may claim a lot of area, but its listeners are close to home. Same will apply to TV."

Mr. Frank has had samples of almost everyone's converters -- including Zenith, RCA, GE, Crosley, Philco. Engineers have been running in and out of his house ever since the uhf test station went on air more than year ago (Vol. 5:53). Of converters he's had, some of them early models, he says GE's was best but would cost too much to build; Zenith's demanded very strong signal; RCA's drifted most.

Philco loaned its single-channel 2x3x4-in. converter (Vol. 6:15), which employed rather expensive crystal. But Frank says RCA's Wenyuan Pan was fascinated with Philco device, worked up one using 30¢ crystal which could sell for \$2.

We saw first-rate uhf pictures on Philco 16-in. set, to which Frank attached different converters. Uhf images were vastly better than vhf from New York stations, 50 miles away, whose signals may be rated tolerable.

WELI management is so hepped up about uhf that it placed first order with GE for its 5-kw transmitter and helical antenna (Vol. 7:12). Davis has written his

"uhf credo" for publication in April 16 Broadcasting Magazine. We urge you to read it to get full appreciation of reasons behind his enthusiasm.

* * * *

Firm optimism about uhf coverage is held by the chief engineer of FCC, Curtis Plummer. Transmitting end doesn't bother him. In April 9 talk to Washington IRE, he ventured: "Success of uhf will be determined at the receiving end."

"The uhf data indicates," he said, "that uhf will deliver about the same field strength as the lower vhf channels out to about 25 miles. I recall that in 1945 applicants came crying to us with tale that they had to have Channels 2 to 6, that 7 to 13 couldn't possibly serve their markets. Now, it's the same story -- except that they insist on Channels 2 to 13."

Defending allocation plan in toto, Plummer said FCC's basic philosophy is to insure reasonable amount of rural coverage and to prevent what happened in AM -- gradual hemming in of service areas. Hence FCC's insistence on minimum spacings permitting maximum power for everyone, whether station starts out large or small. Roughly 40-mile radius is regarded as station's service area, he said.

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Plummer's worries about receivers should be fast diminishing, as manufacturers show they can provide good uhf reception -- whenever public wants it (see below). And manufacturers' transmitter and antenna developments make it clear they're ready to produce equipment -- when applicants want it.

GE is pulling out all stops at NARTB convention. It's ready to take orders for 5-kw uhf transmitters and 20-gain helical antennas (Vol. 7:12). Cost of transmitter will probably run 20-40% higher than 5-kw vhf, which runs about \$90,000.

GE also has special deal for small operators -- driver stage of the 5-kw unit, complete in itself, with output of 100-125 watts. Amplifiers can be added to driver as desired -- same as with many FM transmitters. Price of little package isn't yet set. GE promises delivery "third quarter 1952", thus lending weight to predictions that uhf is bound to emerge slowly.

RCA is planning to offer 1-kw air-cooled transmitter and 20-gain antenna, but feels it's too early to quote delivery dates or prices. Amplifiers may be added to unit, and antenna is built to take 10-kw input.

DuMont has 1-kw unit, but isn't pushing it, apparently feeling that real demand will be for greater powers.

CROSLY'S 'ULTRATUNER' SCORES HIT: Looks like Crosley did a real job with its uhf converter. It produced excellent picture for newsmen at April 11 demonstrations in Bridgeport. And engineering claims are really quite striking -- sensitivity, selectivity and stability as good as vhf, if not better.

"Ultratuner" is a continuously-tuned converter, covering all uhf, built to sell for "considerably under \$50" at present cost levels. It can be attached to vhf set "in 2 minutes," simply by plugging in and hooking up piece of twin-lead.

It has built-in antenna, which performed beautifully on 10th floor of Hotel Barnum -- just as well as outside antenna, in fact. And company claims that performance in residential areas is even better, due to absence of downtown noise.

Tuning is quite simple. Dial on vhf set is placed at spot marked "uhf" and converter is ready to go to work.

Dimensions of wooden converter cabinet are 9½x7x6¾-in. Slide-rule dial is about 6-in. long, with 8 equally-spaced channel numbers -- 14, 18, 24, 30, 38, 48, 62, 82. Other channels are tunable in between. Tuner has 2 knobs. Switching between vhf-uhf antennas is automatic.

Converters are useful only with vhf sets employing the Crosley type of continuous tuner covering all 12 vhf channels plus spectrum between Channels 6 & 7. Crosley estimates there are about 2,500,000 such sets out, including most DuMont and Stromberg-Carlson. Some other types of sets may be able to use it, but many would require extensive changes first. Basic portion of tuner is made by Mallory.

Crosley didn't shilly-shally about its plans. It will make converters when

people want them -- namely, when signals are available. This will be "late 1952 or early 1953," v.p. John W. Craig estimated. But, he said, "it's ready for production now. It's here."

Company isn't particularly interested in selling converters per se, said Craig. Its prime purpose is protection of its own customers and good name. It is conducting institutional ad campaign in 20 TV areas, emphasizing simple convertibility of vhf sets. But no "selling" campaign is contemplated. "We just want to tell the public what we have," said Mr. Craig.

FCC members will be invited to demonstrations "if they're interested."

Combination vhf-uhf sets, with everything built in, will be available when needed. They'll cost \$20-\$30 more than vhf-only, Craig estimated, and he saw "no economic sense in charging customers extra for something they can't use for a long time or may not want or need at all in some areas."

Craig took crack at Zenith (Vol. 7:14), saying "misleading advertising and half-statements are worse than outright falsehoods." He said installation of Zenith uhf strips would cost money, including 3-4 hours of serviceman's time, and he pointed out that each uhf strip means one less vhf channel available.

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Converter was built from ground up -- two engineers under E. J. H. Buzzard working on it for over 2 years. Many new types of components were developed, including tubes. But all these are now ready for commercial production on standard basis, Buzzard reports. Some tricks are still trade secrets, apparently, including dialing mechanism and automatic vhf-to-uhf switching.

Questions by some reporters probably reflected public confusion as to what uhf means. Apparently, some believe that uhf is an entirely different system of TV, or that it's somehow peculiarly related to color. Of course, latter concept could turn out to be right, if uhf operators in strong vhf markets eventually seize upon color as an "extra" in attempt to offset obvious competitive disadvantage.

FCC Chairman Coy, speaking personally, definitely qualifies dictum in now-famous paragraph 20 of Commission's "anti-trust report" (Vol. 7:13-14)—an April 12 press release by Theatre Owners of America quoting him, with permission, as expressing hope that film companies will make *special films* for TV.

FCC report had said, in effect, that it might go hard on movie applicants for TV stations if it's shown they continue to withhold their films from TV—a statement that has aroused whole motion picture industry to anger, leading influential *Motion Picture Herald* April 7 to headline "Knife in the Back" and editorialize that Congress should investigate "before the FCC commissioners turn themselves into commissars in charge of what the 'proletariat' may hear, see and think."

Said TOA statement following "very satisfactory" meeting of executive director Gael Sullivan, consultant Nathan Halpern and Washington counsel Marcus Cohn with Coy April 11:

"Chairman Coy expressed the hope that motion picture producers would produce more films especially made for TV, while continuing to produce feature films designed solely for theatrical exhibition. Chairman Coy recognized that the TV broadcast needs for film to fit advertising segments call for special film product rather than the film features designed specifically for theatres."

TOA statement goes on to say movie company practices mentioned in FCC report "were not intended to, and did not in fact, have any reference to practices of exhibitors" and Commission will judge "on a case-to-case basis the qualifications of applicants for TV stations who have been involved in the violation of anti-trust laws or practices which tend toward the violation of such laws." Coy also is reported to have said FCC report will have no

bearing on question of special frequencies for theatre-TV on which hearings are to be held.

This backtrack may satisfy exhibitors, probably won't sit well with producers—none but Paramount as yet showing any real desire to become telecasters—for language of FCC opinion plainly suggested release of first-run films "or else." Actually, it's exhibitors who don't want first-run films released to TV, which isn't in cards anyhow until TV outlets (now only 107 in number) can compete with 18,000 movie houses.

Following up sharp editorial in *New York Times* (Vol. 7:14), its radio editor Jack Gould April 8, in article critical of FCC dictum, suggested FCC "withdraw that part of its policy statement relating to the present practices of Hollywood studios as they concern TV, call a public hearing at which it can fairly set forth its own position, hear the full rebuttal of the film industry, and then reach a decision."

Wisconsin GOP Senator Wiley's criticism (Vol. 7:14) was answered April 12 in letter (FCC Public Notice 62856) stating all FCC did was point up "possible conflict of interest" if movie company owned a TV station, but had "made no final judgement."

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"TV picturemaking without a camera," both monochrome and color, is slogan of new Telechrome Inc., 88 Merrick Road, Amityville, N. Y. President and chief engineer is J. R. Popkin-Clurman, ex-Hazeltine, who developed inexpensive devices for generating pictures (Vol. 6:8, 27). Organization offers \$965 picture generator which "borrows" sync signal out-of-the-air from commercial station. It also has color gear which can generate and display signal for any system—simultaneous, field-, line-, dot-sequential or any variation thereof.

Station Accounts: February TV sponsorships were up 6.1% over January, reports March *Rorabaugh Report*, with 99 of the 107 stations (60 out of 63 markets) reporting 1053 national spot schedules, 3611 local-retail schedules, while networks reported 215 schedules (NBC 82, CBS 70, ABC 44, DuMont 19). Total of 4740 sponsoring compares with 4466 month before. List of network and spot sponsors is published in March *Rorabaugh Reports* . . . Philadelphia's WPTZ reports 210 advertisers during March, 82 local, 63 thru national rep, 65 NBC network . . . Hygrade Food Products Corp. sponsoring *Cook & Win* on WJZ-TV, New York, Tue. & Thu. 4:30-4:45, thru Zan Diamond Adv. . . CBS Radio Sales reports its new *Range Rider* film series, starring Jack Mahoney, now locally sponsored on 10 stations, Langendorf United Bakeries taking it in the 4 West Coast TV cities . . . Finnish Govt., to promote tourist traffic on its railways and airlines during 1952 Olympic Games, planning to use TV and radio, thru Victor van der Linde Co., N. Y. . . Add dept. store sponsorships: Saks Fifth Ave., with Ed & Pgeen Fitzgerald, on WJZ-TV, New York, Mon.-Wed.-Fri. 2:30-3; ZCMI Store, Salt Lake City, on KDYL-TV . . . Add baseball sponsorships (Vol. 7:13-14): Cleveland Indians, piped from WXEL to WBNS-TV, Columbus, for August Wagner Brewery; Washington Senators, piped from WTTG to WAAM, Baltimore, for American Brewery Inc.; Houston Buffs night games on KPRC-TV, for Philco and Henke & Pillot (chain market); Miami Sun Sox, on WTVJ for local Frigidaire distributor and spot users . . . Among other advertisers currently reported using or preparing to use TV: Kyron Foundation Inc., thru Melvin, Newell & Rector, Hollywood; Trico Products Corp. (car accessories), thru Baldwin, Bowers & Strachan Inc., Buffalo (WPIX); J. B. Williams Co. (Skol suntan lotion), thru J. Walter Thompson Co., N. Y.; Charles E. Hires Co. (Hires root beer), thru N. W. Ayer & Son, Philadelphia; White Rock Corp. (sparkling beverages), thru Kenyon & Eckhardt, N. Y.; Hood Rubber Co. (canvas & rubber shoes), thru McCann-Erickson, N. Y.; Schiaparelli Inc. (men's toiletries), thru Robert W. Orr & Associates, N. Y.; J. Colonna Bros. (Italian Kitchen bacon cheese), thru Nolan & Twichell Adv., Albany (WJZ-TV); John W. Taylor Packing Co. (potatoes & tomatoes), thru H. W. Fairfax Adv., N. Y. (WJZ-TV); Susquehanna Mills Inc. (mattresses), thru MacManus, John & Adams, N. Y. (WABD); Judson Dunaway Corp (Expello moth deterrent), thru J. M. Mathes Inc., N. Y. (WABD).

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 "TV Is a Good Summer Buy"—150-page April 9 *Sponsor* makes point with lot of facts. Trade journal compares 16.8 Videodex rating for 15 network TV shows for August 1950 with 18.5 average for December—drop of only 1.7. It reports 8 top NBC-TV shows, using Nielsen ratings, came up with average summer rating of 24.5 vs. spring average of 27.4—difference of only 2.9.

Magazine also quotes from Nielsen study showing hours of viewing for all 1950 months ranged from high of 4.34 hours per day in September to low of 3.57 in August—not very great dip. Elmo Roper study of TV owners in August 1950, *Sponsor* says, showed that 73.7% chose TV viewing as primary after-supper leisure time activity.

TV networks are making pitch to keep Class A time sponsors on during summer. CBS offers 10% discount for 8 summer weeks in addition to regular 10% discount for 52 weeks; also will cut production charges one-third. NBC offers "contributions" as high as \$4000 per program toward production costs if advertiser stays on during summer. ABC and DuMont are said to plan no such inducements. All networks feel they'll have top commercial programs this summer, compared to thin fare in 1950.

Corrections to TV Allocation Report

MAKE these changes in your copy of full text of FCC's "TV Allocation Report" of March 21, as printed by *Television Digest* and furnished you along with Vol. 7:12—and FCC engineers assure us that the text will be completely accurate:

- Page 15: First column, 17 lines from bottom, change formula to read: $R(T)=R(T=10)k(T)$. Second column, 7th line down in paragraph starting "If the distance . . ." change formula to read $R_d(T=10)$.
- Page 23: Ames, Iowa, delete asterisk (*) from Channel 5. Council Bluffs, Iowa, delete whole item. Kansas City, Kansas, delete whole item.
- Page 21: St. Joseph, Missouri, add asterisk (*) to Channel 36.
- Page 27: Wheeling, W. Va., add asterisk (*) to Channel 57. Change Nanaimo, British Columbia, to Nanaimo.

Network Accounts: Bohn Aluminum & Brass Corp. April 29 starts sponsorship of *American Forum of the Air* on NBC-TV, Sun. 1:30-2, thru Biow Co., N. Y. . . . June 28 is starting date for Blatz Brewing Co.'s *Amos 'n' Andy* on CBS-TV, Thu. 8:30-9, thru Wm. H. Weintraub & Co. Inc., N. Y. . . Maiden Form Brassiere Co. May 5 moves *Faith Baldwin Theatre of Romance* from alt. Sat. 11-11:30 to alt. Sat. 12:30-1; will alternate with Seeman Bros. (Air-Wick) *I Cover Times Square* which has had period weekly . . . Westinghouse will remain on CBS-TV through summer, but from June 18 will substitute *Westinghouse Summer Theatre* for *Studio One*, Mon. 10-11, thru McCann-Erickson . . . Northam Warren Corp. (Cutex, Odorono, Peggy Sage) May 5 begins sponsorship of 1-1:15 portion of new *Laraine Day Show* on ABC-TV, Sat. 1-1:30, thru J. M. Mathes Inc., N. Y. . . McKesson & Robbins Inc. (drug products) June 2 begins *Date with Judy*, family comedy show, on ABC-TV, Sat. 11:30 a.m.-Noon, thru J. D. Tarcher & Co. and Ellington & Co., both N. Y. . . Anthracite Institute May 5 starts *Better Home Show* on ABC-TV, Sat. 6:30-7, thru J. Walter Thompson, N. Y.

Personal Notes: Elected directors of Brand Names Foundation this week were Frank M. Folsom, RCA president; Wm. O'Neil, president of General Tire, Yankee Network and Don Lee; Frank K. White, MBS president. . . . Wes Turner has taken leave of absence from ABC to open engineering consulting practice under business name of Westerner Co., 9918 E. Camino Real, Arcadia, Cal. . . . Neal Van Eells, formerly with Indiana AM stations, named program director of WLWD, Dayton, succeeding A. D. Faust, now with WDTV, Pittsburgh . . . Edythe J. Meserand, asst. director of news and special features, WOR & WOR-TV, elected president of newly formed American Women in Radio & TV . . . Morton Galane, ex-U.S. Patent Office specialist in electronics and TV, has joined Washington law firm of Roberts & McInnis . . . Vincent L. Herman appointed v.p. in charge of TV operations, Jam Handy Organization . . . Harold Azinc, ex-KTTV, Los Angeles, named chief of TV Branch, Civil Defense Administration; Stephen McCormick, ex-WOL, Washington, Radio Branch.

NBC loses 37 employes to Army at one clip May 1 when network unit reports for active duty at Fort Riley, Kan. Unit is mobile broadcasting company, part of psychological warfare group commanded by Col. Ellsworth H. Gruber of *New York Daily News*. Commanding company is Capt. William B. Buschgen, NBC spot sales; executive officer is Lt. T. M. Thompson, NBC personnel mgr.

TIGHTER NICKEL MEANS FEWER TV-RADIOS: Nickel shortage looms so real that it may soon force reduction of TV-radio output in direct proportion to impending cut in raw material supply -- at least 50%, possibly even more.

That's the current trade forecast from highest govt. sources, to be spelled out in detail by top mobilization officials when they meet with industry representatives in Washington next Tuesday (see Mobilization Notes).

DO orders already placed would consume 85% of available supply of nickel if they aren't trimmed, as reported here last week (Vol. 7:14). For receiving tubes and kinescopes, there appear to be no all-out substitutes or real shortcuts.

Tungsten will be next serious shortage to hit industry -- and govt. metals experts say its effects on tube industry could be more crippling than nickel crisis.

If condition were merely short-range, this might be welcome news to great number of distributors-dealers with "digestive tracts" figuratively "constipated" with excess of merchandise -- but at the factories and among rank-and-file employes the situation presents grim prospects for later this year.

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Plain, unvarnished fact is that the public, with a few spotty exceptions, has taken a walk on TV buying. Whole trade is in dither. Instead of the 1,000,000 or so TVs estimated in inventories (Vol. 7:14), one of biggest set makers this week calculated nearer 2,000,000.

Factory layoffs are spreading, union leaders plenty worried -- latter now awake to need for hurrying end of freeze and adding their considerable influence to pressures being exerted for relaxation of Regulation W. Whole trade blames these factors in main for present situation, plus confusion about prices, color, etc.

Cutbacks are order of the day, especially since defense orders are coming through in mere dribbles. Hardly a receiver, tube or components factory has been lucky enough to escape layoffs. "Long vacations" this spring and summer may be tactic used by some. RCA layoffs at Camden are reported at 1300 to date, mainly recent additions to payroll. Emerson dropped 250 in Jersey City plant. DuMont, already on 4-day work week, this week laid off 500 of 3500 workers in Paterson plants, and Westinghouse dropped 130 off usual 1300-1500 payroll at TV plant in Sunbury, Pa. Others had already cut rolls, notably in Chicago (Vol. 7:13-14). Philco, which has enjoyed fairly steady production pace, issued this statement this week:

"Starting April 23, part of TV-radio production of Philco will be cut back temporarily due to an adjustment of production schedules in line with the requirements of govt. regulations and the spring sales demand. Philco is continuing full production of all govt. work, auto radios, export products as well as refrigerators, freezers, electric ranges and air conditioners." Two-week furlough of 5000 employes is indicated, some of whom may not be called back soon.

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Irony of situation is that, if nickel curtailment cuts tube supply and reduces output of small as well as big radios and TVs, lower production rate may force higher prices because of inability to maintain economies of mass production.

Thus if manufacture slows down and even a modicum of demand is maintained, present stocks next fall and winter might be "worth their weight in gold."

That's what wholesalers and retailers are being told -- but their retort is that it's scant comfort to them while huge credits are tied up in warehouses.

Every conceivable sales gimmick is currently being employed to move goods -- giveaways of all sorts, even of watches and candy for the kiddies. "Warehouse" and "surplus stock" sales offer even branded merchandise at 20% to 50% off. Yet the only items moving at anything like normal pace seem to be TV table models at \$200 and under and radios, especially portables.

Note: RTMA auditors failed to report output figures for first week of second quarter at week's end, as customary -- so they won't be available until early next week. RTMA members can contact association direct if they're in a hurry.

Interesting parallel between TV and automotive unit output is discernible from glance at authoritative Automotive News figures. Both are in same boat now so far as lagging inventories are concerned; both face big second quarter cuts.

TV output of 7,463,800 sets last year is matched by 8,004,242 automotive units (6,663,461 passenger cars, 1,340,781 commercial vehicles). First quarter this year, TV turned out 2,196,016 sets as against 1,605,000 same 1950 quarter (Vol. 7:14). Autos totaled 1,982,075 (1,605,611 passenger cars, 376,464 commercial vehicles) first 1951 quarter vs. 1,647,942 (1,348,312 passenger, 299,630 commercial).

NPA PLEDGES ACTION ON REPAIR PARTS: Long-overdue NPA action to assure replacement parts for TV-radio and other electronic equipment was promised this week by Office of Civilian Requirements. It's still in preliminary stage, however, and will probably be incorporated into Controlled Materials Plan (see Mobilization Reports).

Electronic parts distributors met April 9 with NPA and renewed last month's plea that manufacturers be permitted to make and sell at least 150% of the number of parts sold for replacement during first-half 1950 (Vol. 7:10).

This general plan has been approved by Office of Civilian Requirements, which is headed by ex-West Coast broadcaster Lewis Allen Weiss (Vol. 7:10). But first NPA order incorporating the principle has yet to be issued.

Distributors made other proposals, and OCR spokesmen say some of them are being drafted in form of recommendations to other NPA divisions involved -- in the hope they'll finally end up in orders or directives. The distributors proposed:

(1) Base period of steel durable goods order M-47 (Vol. 7:10-11,14) -- first 6 months of 1950 -- be extended to entire year of 1950, because of phenomenal increase in production of TV and other electronic items during last-half 1950. NPA officials say this can't be done, since Defense Production Act provides base period must be "representative period preceding June 24, 1950."

(2) Component wholesalers be granted priority to order replacement parts at 150% of base period rate.

(3) NPA initiate campaign to salvage obsolete radio sets.

(4) All equipment and parts used in maintenance and repair be "simplified," but not to the extent of so-called "victory lines" used during World War II. Distributors' committee will meet with NPA again May 28.

FIRST-QUARTER sales and earnings reports of the manufacturers should be good—many better than same 1950 quarter, some perhaps as good as boom fourth quarter—but they're apt to mislead as to near-term trend of the now-lagging TV-radio industry. Unless sudden buying wave sets in, trade seems to be in for slower tempo during spring and summer months. Even if unit volume holds up as more low-priced sets are produced and sold, dollar volume probably won't—unless defense orders come through faster and larger than now.

Yet nobody can doubt TV-radio industry's long-term prospects. Short of war, good portion of that half of nation's populace still outside telecasting ranges should begin to get service by latter 1952. Mindless though it has been of trade implications of its dilatory handling of freeze, FCC can't keep freeze on forever and is now really moving toward ending it (Vol. 7:12 et seq).

New stations will have to be built, new-type receivers (in some areas with dual vhf-uhf tuners) will have to be made and marketed. If factory sales reached \$1.7 billion last year (about 7,500,000 sets) and retail-installation-servicing trade was \$3 billion, it's fair to assume that kind of market is still in store when artificial restraints like freeze, credit and materials limitations, etc., are lifted.

There's also simple fact that "TV saturation" is far

from reality in most of the 63 population areas now served by the 107 existing TV stations (Vol. 7:12). On basis of 60-mi. coverage estimates, *Radio & Television Retailing* calculates Boston area families with TV sets total 65%, Philadelphia 61%, Milwaukee 60%, New York 57%, Los Angeles 57%, Cleveland 56%, Cincinnati 56%, Minneapolis-St. Paul 55%, San Diego 48%—to list only top ones.

These are the more "heavily saturated" areas. There's still good proportion of non-TV homes yet to be supplied and replacements yet to be sold in these and other presently-served areas, let alone the new ones to be opened up.

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CBS has guaranteed itself a color set maker in acquiring Hytron's Air King (see page 2)—if Supreme Court gives it go-ahead. But Tele-tone, too, says it will "dust off" plans for "slave" unit (Vol. 6:45) upon favorable Court action. President S. W. Gross says "we'll get into production as soon as we can." He says he'll also be ready with uhf when demand arises, but doesn't see anything in it now to lift today's depressed market. CBS attracted big audience (1200-1400) of servicemen to April 13 demonstration in Washington of 17-in. drum set (Vol. 6:52), followed by long technical discussion by Edward Noll, TV Technicians Lecture Bureau, Indianapolis.

Topics & Trends of TV Trade: Govt.'s Regulation W has "killed sales above the \$250 level," said Admiral president Ross Siragusa at stockholders meeting April 12, and it may be necessary for Admiral to seek bank loans to carry piled-up inventories. First 2 months of this year were good, he said, but March 1 began "definite slump" in company's TV sales. He blamed 10% excise, higher prices forced by higher wage and materials costs, confusion over color as contributors to slump.

It's still too early to make predictions for 1951, said Siragusa, but present slowdown may affect company's earnings for year despite brisk appliance business. Plastic material shortages particularly affect company's low-priced models, for which he said there's good demand. But same chassis in more expensive combination cabinet "can't be given away" in today's market.

Regarding defense program, he pointed out that 85-90% of electronic business is being given to non-electronic companies, while newer companies were getting only small percentage compared to their civilian output. Govt. business, he said, won't take up slack caused by loss of TV sales until late this year or early next.

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RCA and Sylvania reduced prices of CR picture tubes this week, following DuMont's action (Vol. 7:14) which followed wave of price-cutting by smaller firms. DuMont officially stated reason for cuts was "improved production methods and greater production" while neither RCA nor Sylvania gave out any statement, but it's commonly known trade fact that inventories were piling up in tube industry due to reduced public demand and that cutbacks in production are now in progress. GE is expected to cut, too, but had not made any announcement up to presstime.

RCA reduced 17-in. metal rectangulars from \$25 to \$23 to manufacturers, \$27.60 to \$25.30 distributors, \$38.20 to \$35 retailers, \$51 to \$46.75 list. Sylvania cut 17-in. glass tube from \$26 to \$23.50 to manufacturers, \$28.60 to \$25.85 distributors, \$39.35 to \$35.55 retailers, \$52.50 to \$47.50 list. Sylvania's metal-coned 17-in. went down from \$25 to \$23 to manufacturers, \$27.60 to \$25.30 distributors, \$38.20 to \$35 retailers, \$51 to \$46.75 list. Sylvania's 20-in. was cut from \$43.75 to \$35 to manufacturers, \$48.15 to \$38.50 to distributors, \$66.50 to \$53 retailers, \$88.75 to \$70.75 list.

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New Meck high sensitivity set (Vol. 7:14) has four major engineering features that company claims will "treble the area of coverage" of each TV station, permit reception up to 100 miles from transmitter. This means, according to Meck's trade advertising, that dealers have "a million more homes" as prospects for TV. Named the "Red-Head," for color of some components, set's features are said to be: (1) Four IF stages of amplification. (2) High level video detector, feeding twice the video signal level of average set. (3) Newly designed synchronizing circuits, to prevent interference. (4) Balance of engineering factors to provide satisfactory fringe reception. Promotion speaks of a "built-in booster." Work on set began last October, Meck says. Set is now being delivered to market, and prices are "same as previous models."

Lots of talk about Tele King opening West Coast plant, and president Harvey L. Pokrass acknowledges that company is planning to open factory in Los Angeles area and that Mario Tosatti, ex-Crystal Productions (independent film producer), will be its executive head. Pokrass said Tele King production was continuing at about same levels as first quarter—which was about same as last 1950 quarter. Tele King plans new line in June for Chicago Mart.

Trade Miscellany: RCA's David Sarnoff tells *Variety's* Abel Green (in April 11 interview) that 6,000,000 TVs will be produced in 1951, making total sets-in-use 17,500,000 by year's end (though NBC Research's own figures would thus put total nearer 16,500,000). "Mr. Electronics," as Green calls him, "is so bullish in TV and its future that his dim views on radio would seem to dwarf AM's future chiefly because of his enthusiasms about TV" . . . Freed Radio creditors (Vol. 7:10) meet April 26 at 11:15 a.m. before Referee John E. Joyce in Federal Courthouse, New York City . . . Muntz TV announces expansion of its retail stores, reporting that since Jan. 1 it has opened new ones in Dayton, Springfield, Marion, Lancaster, Hamilton & Middletown, O.; Kenosha & Sheboygan, Wis.; Aurora & Waukegan, Ill.; Santa Ana, Cal. . . Philco accessory div. staffers, in recognition of all-time production records achieved in March, received gold watches from gen. mgr. Herbert Riband at dinner April 11 . . . Dumont reports turning out 30-in. tubes (for own receivers only) at "nice rate" but doesn't disclose how many . . . *New York Journal of Commerce* says layoffs of TV-radio plant personnel in Chicago area close to 10,000, with Magnavox and Capehart-Farnsworth in Ft. Wayne reported laying off around 400 employes each . . . Hytron cut CR tube personnel at Newburyport this week, but receiving tube output reported still going full speed . . . Ansley has moved plant and offices from Trenton, N. J., to 85 Tremont St., Meriden, Conn.

Plant Expansions: Raytheon starts construction this month on new \$1,200,000 receiving tube plant at Quincy, Mass., adding 86,000 sq. ft. to 23,000 now occupied by Tube Div. in Quincy and 270,000 by plant in Newton . . . Canadian GE erecting \$1,000,000 addition to its Royce Ave. plant in Toronto, new 90,000-sq. ft. structure to be used for increased electronic production . . . Canadian Admiral Corp. (Vincent Barreca, president) has moved into new \$300,000 plant at Port Credit, Ont. . . Sylvania's new 30,000-sq. ft. plant in Warren, Pa., only few months old, will be expanded by July 1 with 50,000-ft. new wing to employ 300-400 workers on wire drawing and wire plating . . . Pacific Electronics, Las Gatos, Cal. (transmitting tubes, rectifiers) has acquired 77-acre plant site near Ventura, plans 125,000 sq. ft. plant, production of crystals, wood products, test instruments, etc.; George E. Mitzel is president.

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In apparent reversal of trend to larger picture sizes, Arvin this week announced resumed production of 8½-in. table models listing at \$129.95 and offered in mahogany, willow green and sandalwood colors. TV-radio v.p. Harold B. Foulke also reported acceleration of four 12½-in. models at \$169.95 (tables) and \$199.95 (consoles), said growing demand for smaller screen sets is "dictated largely by the present condition of the popular pocket-book." The 8½-in. tube is made by GE, Arvin being only known customer. That neither 8½, 10, 12½, 14-in. sizes have been much in demand by manufacturers lately, is indicated by February RTMA production figures showing 96% of month's output were 16-in. or larger (Vol. 7:14).

Canadian RMA reports 4288 TVs sold by factories for \$2,215,985 during February, with inventory of 2696 units as month ended. Table models under \$400 list price totaled 324, over \$400 totaled 1522. Consoles under \$500 totaled 363, over \$500 totaled 1637. TV-phonos numbered 442. More than half of February sales were in Windsor (Detroit) area. First 2 months of 1951 unit sales were 8907, valued at \$4,195,060. Cumulative TV sales to Feb. 28 totaled 45,920 valued at \$20,471,643, with 44% in Windsor area, 35% in Toronto-Hamilton, 16% Niagara Peninsula, 5% other areas.

EDMUND T. MORRIS HEADS NEW EPB: Electronics Production Board, new top-level policy board of DPA, with last-word authority over all phases of electronics production and procurement (Vol. 7:11-12), will be headed by 44-year-old Edmund T. Morris, director of Westinghouse Electronics & X-Ray Div., Baltimore. He's Westinghouse career man, who started with company at 21 after taking master's degree at MIT, reports to Washington April 23 after vacation in Virgin Islands.

Board's primary function is "to make certain no electronic bottleneck stymies any element of the defense programs." Four of 7 present members are drawn from TV and related industries, some probably serving on temporary basis pending fulltime appointees and shaping up of staff. Official appointments haven't been made yet, but makeup of board at outset will comprise besides Morris:

John D. Small, ex-Emerson v.p., chairman of Munitions Board; Harry E. Ehle, International Resistance v.p., consultant to Army; Don Mitchell, Sylvania president, consultant to Air Force; Capt. Frederick R. Furth, chief, Naval Research Laboratory; John G. Daley, acting director, NPA Electronic Products Div.; Marion W. Boyer, general manager, Atomic Energy Commission.

I—HOW CMP WILL AFFECT YOUR BUSINESS: Tight new end-product controls on civilian TV-radio production will be by-product of Controlled Materials Plan (CMP), beginning July 1, despite fact that consumer durables won't fall within CMP's scope.

All phases of electronics industry will be affected by Govt's new method of controlling production. Here's what CMP will mean to your business:

CIVILIAN TV-RADIO, OTHER CONSUMER DURABLES -- Present limitation orders will be revamped, aimed directly at end-product manufacturers -- not at component makers and their suppliers, who bore brunt of previous materials orders. Use of copper and aluminum will be limited in same manner as Order M-47 now limits steel.

Steel order will be tightened -- permitting consumer durable makers to use steel in third quarter at 70% of rate they used it during first-half 1950, instead of current 80% limit (Vol. 7:10-11,14). Two other changes are being considered:

(1) Direct ceiling on number of units each manufacturer is allowed to produce. Auto industry is urging this type of control, several TV makers are known to favor it. Administrator Manly Fleischmann says NPA will ask for views of consumer durable manufacturers on this proposal. He'll run into stiff opposition from RTMA, whose board meeting April 12-13 at Absecon, N.J. passed resolution objecting to portion of present steel order which limits unit production of some TV-radio makers, asked tonnage limit instead.

(2) Change in base period for NPA orders, to reflect full year, intended to make orders more equitable to seasonal industries. Known to be under discussion are 12-month period ending June 30, 1950, and full year 1949. Either of these would be worse for TV-radio industry than present first-half 1950 base, because of comparatively low rate of 1949 TV production.

MILITARY ELECTRONIC END-PRODUCTS -- Will come under CMP. Plenty of paper work for manufacturers, who must estimate their requirements of steel, aluminum and copper -- and in some cases the requirements of their suppliers and subcontractors. But they can be sure of getting the materials they need, on time. Days of the "hunting license" will be over when CMP begins operating smoothly. A CMP allotment will be a "certified check" for materials.

COMPONENTS -- Still subject to final decision, it appears now that makers of components for civilian as well as military products will fall within CMP. Under present plans, steel, copper and aluminum will be allotted by Govt. for manufacture of all components. Therefore, it's possible that availability of tubes and other

components, which come under CMP, may be governing factor in production of civilian TV-radios, which don't.

REPAIR SHOPS, TV-RADIO REPLACEMENT PARTS -- To be covered by special CMP regulation designed to "assure repairmen of needed materials without application to NPA." Specific amounts of steel, copper and aluminum will be allotted to keep repair parts for home TV-radio equipment on distributors' shelves (see Trade Report).

MAINTENANCE, REPAIR, OPERATING SUPPLIES -- Current MRO Reg. 4 (Vol. 7:9) will be superseded by new CMP regulation designed to assure that materials are set aside for maintenance supplies for industry and business, including broadcasting.

BROADCASTING, TELECASTING EQUIPMENT -- Manufacturers of this equipment will be required to file application for quarterly requirements of copper, aluminum and steel with NPA. Presently it's planned that new broadcasting and telecasting equipment will come under CMP for allotments of the 3 strategic metals. It's known that -- short of all-out war -- NPA won't stand in way of new station construction, and under CMP may even offer some help.

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Dates to remember: No CMP orders have been issued yet -- merely the announcement that it will begin July 1. Seven specific CMP regulations, due about May 1, will put plan into operation. By June 1, NPA will require producers of a specific list of items to file their requirements for third quarter. Most manufacturers will be notified directly shortly after May 1; for others, there will be ample public notice as to where they can obtain applications.

We'll follow CMP developments closely, keep you informed of steps you must take -- and results you can expect -- under new production plan.

II--HOW GOVT. EXPECTS CMP TO WORK: CMP controls production through regulation of the 3 basic industrial metals -- steel, copper and aluminum.

It's a method, proven in World War II, designed to let govt. planners know exactly how much of each metal is available, and exactly how much of each is required for the defense program. It aims to put metals in right hands at right time -- to keep military production program running smoothly.

Limited CMP which will begin next quarter will actually dole out metals only to defense and defense-supporting activities; but all manufacturers except those who make consumer durables will be required to file their requirements. In brief, here's how it's supposed to work:

First, DPA's Program & Requirements Committee, directed by Charles Wampler, sits down and figures out just how much steel, copper and aluminum will be available in this country next quarter.

Then demand is figured up -- on basis of requirements filed by military, by producers of military and essential civilian goods.

Next, this total is measured against supply. If high policy makers don't think this leaves enough metal for civilian goods, military and defense-supporting orders may be cut back.

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When planning is completed, Govt. issues allocations of the 3 metals to all military and defense-supporting users. This "certified check" guarantees users will get the steel, copper and aluminum they require.

What's left -- difference between defense requirements and total supply -- is available for civilian goods on a "free market" (not directly allocated) basis. NPA chief Fleischmann says it should be a "substantial balance."

Present limitation orders will then be changed -- tightened -- to reflect, as accurately as possible, amount of materials left for civilian use, in attempt to divide them equitably among non-defense users. But civilian users aren't assured an exact supply of the metals, as are CMP defense users. They'll still have to scramble for what's left.

Civilian products won't be classified according to essentiality. NPA feels all manufacturers should get even crack at materials not needed for defense. Hence

present bans on use of copper and aluminum in large variety of items (e.g., venetian blinds, door knockers, coffee makers, etc.) will probably be lifted. Ban on purely decorative uses of copper and aluminum, however, will be continued.

CMP will supersede NPA's 25 "special programs" which, helter-skelter, now allocate materials for freight car program, shipbuilding program, electric power industry, etc., as well as countless special directives. Says Fleischmann:

"What we have been doing is exactly what we cannot continue to do for any prolonged period of time; namely, draw checks on the bank without knowing exactly how many checks are out, or even knowing the exact bank balance."

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CMP will minimize need for centralized defense production planning and supervision, by following normal "chain of command" in industry. Large share of responsibility for getting out necessary production will be left to industry.

Most producers of military products will get material allotments from their customers. Govt. is prime contractor's customer. Subcontractor's customer is a prime contractor or another subcontractor. A producer of tanks, for instance, will be required to allot controlled materials to his subcontractors and schedule production so that all the thousands of parts and components that make up a tank are ready on time and in the right quantities.

As in World War II, products coming under CMP will fall into "A" and "B" categories. Producers of "A" products will get their allocations directly from their customers. "B" producers will receive individual allocations directly from Govt., but can't allocate any of their quotas to subcontractors.

"A" products generally are end-products bought by military and other defense industries. "B" products are civilian-type items and components needed for defense, including industrial machinery and equipment. Most or all electronic equipment will be on "B" list, because it generally uses standard components.

Application forms -- stating amounts of steel, copper, aluminum needed -- will be required of manufacturers of "B" products. Official "B" list will be issued May 1, and producers of military and defense-supporting items not on "B" list can assume they're on "A" list. These are electronic and related products appearing on tentative "B" list:

Radio, radar & TV equipment, except home type (including transmitting); radio tubes; transformers, capacitors, rectifiers, induction & dielectric heating units; telephone & telegraph communication equipment; X-ray & therapeutic apparatus; aircraft, scientific & surveying instruments; motors & generators; switch gear & electrical control apparatus; aircraft & aircraft parts; electrical wiring devices & supplies; electrical indicating & measuring instruments.

Among items on tentative list of civilian products for which it's stated CMP applications won't be required or permitted: Home radio & TV sets; household refrigerators, freezers, air conditioning; household electrical appliances.

CMP will be master-minded by NPA Assistant Administrator Walter C. Skuce, on leave from Owens-Corning, who had similar responsibility in World War II.

CONSERVATION RESEARCH BEARS FRUIT: There hasn't been much fanfare, but for months component makers' laboratories have been buzzing with development of materials-saving conservation and substitution measures no less significant than those of the big TV-radio manufacturers (Vol. 7:6-7).

Most of the results haven't been spectacular in the usual sense of the word. A shortcut here, a substitution there, a small part eliminated, a steel part replacing an aluminum one -- these have been quietly incorporated into production. Now -- possibly in the nick of time -- reports of major developments are beginning to seep from the laboratories. Here are some recent ones:

New type ceramic core for electronic applications has been developed by Henry L. Crowley Co., West Orange, N.J., which supplies Admiral, Philco, Zenith and most other major TV-radio makers. New core, said to be interchangeable with 10-20% nickel oxide ferrite type, contains no nickel at all. Trade-named "Croloy C-4,"

it's said to be especially valuable in horizontal linearity, width control and fly-back circuits and other TV applications where ferrite is now being used.

The new cores were experimentally used in standard Philco TV set recently, we were told, and performance was reported as good as or better than ferrite, with no circuit changes. Crowley Co. says Croloy is now "near the production stage."

New permanent magnet "containing only non-critical material" was announced this week by Sylvania's metallurgical laboratories "for applications in radio and TV receivers as well as other commercial and military equipment."

No cobalt, aluminum or nickel -- all ingredients of Alnico V magnets -- are used in new magnetic material, Sylvania says. It's now in "pilot plant production stage," with commercial production scheduled "at an early date."

The new magnets are reported comparable in strength to Alnico III, which isn't widely used in speakers or TV focus units because of lower field strength. Sylvania officials indicate, however, that stronger magnets can be produced.

It's not known whether Sylvania's new process stems from a French formula which has aroused interest in this country from time to time. After investigation, most U.S. magnet makers have termed French developments economically unfeasible.

Hope for expansion of cobalt supply is riding high on basis of work being done by Indiana Steel Products and others toward refining low-grade domestic ore, heretofore largely fruitless. A prime mover in this field told us progress so far "looks promising." Almost all cobalt now comes from Africa.

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Just about every tube manufacturer has ready an electrostatically-focused picture tube (Vol. 7:1,3,5,9), but none reports any orders by set makers. The 2 biggest TV manufacturers who've announced they'll use the new material-saving tubes -- Philco and RCA (Vol. 7:5-7) -- have postponed changeover dates. RCA says "later this month." Philco says "possibly in May." But most tube and set manufacturers see no industry trend to electrostatics until late summer, at earliest.

The reason: Set manufacturers are now getting enough critical materials to take care of their production requirements, reduced by trade conditions (see Trade Report). In other words, consumer resistance, not material shortages, is limiting factor in production -- for time being, at least.

Mobilization Notes: Nickel shortage crisis will overshadow everything else April 17 when representatives of all phases of electronics industry meet with NPA. But cobalt squeeze—which threatens to become much tighter than it is now—will come up for large share of discussion, too. Situation facing industry was summed up by NPA chief Manly Fleischmann April 11: "Military production will take up to 100% of cobalt . . . and very nearly that much of nickel."

Agenda for the meeting provides revealing hint of seriousness of situation: "(1) The nickel situation—receiving tubes—resulting production level. (2) Requirements for civilian tube replacements. (3) Effects of increases in rated [priority] orders for tubes. (4) Supply of critical materials for speakers—cobalt vs. copper. (5) Current and near future production—TV and radio sets. (6) Summary and conclusions of recommendations."

In discussion of item 4, industry will probably be told that there will be no cobalt available for civilian use by June or July, and that NPA to date has granted no manufacturer permission to use copper-wound electromagnets in place of permanent speaker magnets.

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Spot check of aluminum industry's compliance with NPA orders, undertaken by Federal Trade Commission (Vol. 7:9), is near completion. Of 300 cases transmitted to NPA Compliance Div., 239 have been reviewed. Of these, Compliance Div. recommended following action: That files be closed and no action taken in 96 cases; warn-

ing letters regarding apparent violation be sent in 48 cases; supplemental investigation in 30 cases; files be referred to NPA general counsel for enforcement action in 7 cases; further investigation regarding prohibited items be made in 32 cases; files be further interpreted in 26 cases.

Next spot check will cover some 300 producers of copper and copper-base alloy products. NPA Administrator Manly Fleischmann disclosed Compliance Div. since Jan. 1 has reviewed 409 other complaints of violation of NPA orders, mostly construction order (M-4).

Mobilization Personals: Added to staff of NPA Electronic Products Div., to serve in end-products section headed by J. A. Milling (which includes TV-radio): Lee Golder, ex-General Instrument; Wm. J. Bapst, ex-Marine Corps electronic expediting officer, ex-WPB; Adam Stein, ex-Engineering Research & Development Laboratories, Ft. Belvoir, Va. Other members of end-products section: O. W. McDaniel Sr., E. MacDonald Nyhen, Noble Harris . . . Franz T. Stone, on leave as president of Columbus McKinnon Chain Corp., Tonawanda, N. Y., named NPA Assistant Administrator in charge of industrial & agricultural equipment . . . Gerald R. Gallagher, engineer, formerly consultant to NSRB, appointed Civil Defense Assistant Administrator for Technical Services.

"Handbook of Emergency Defense Activities," which lists key personnel and organizational outlines of mobilization-related govt. bureaus, is available for 25¢ from Govt. Printing Office, Washington 25, D. C.

Financial & Trade Notes: Among officers' and directors' stock transactions reported by SEC for February: Francis H. Uriell bought 15 Admiral, holds 1100; Joseph B. Hall bought 200 Avco, holds 200; James D. Shouse bought 4000 Avco (Jan.), holds 5350; Wm. J. Halligan gave 500 Hallicrafters as gift (Jan.), holds 36,900 in own name; Wm. Balderston gave 30 Philco as gift, holds 7188; David B. Smith bought 2 Phileo (Jan.), holds 3273; Stanley P. Lovell bought 200 Raytheon, holds 400; Harry G. Sparks sold 1300 Sparks-Withington, holds 100; John Kuhajek sold 10 Zenith, holds 20.

Westinghouse stock transactions reported by SEC: John H. Ashbaugh bought 434 (Jan.), holds 1508; Walter C. Evans bought 6, holds 1400; John K. Hodnette bought 579 (Jan.), holds 1664; James H. Jewell bought 326, sold 50 (Jan.), holds 788; Andrew H. Phelps bought 434 (Jan.), holds 1445; Gwilym A. Price gave 55 as gift, bought 1085 (Jan.), sold 399 (Feb.), holds 4800.

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Admiral first quarter sales were \$70,321,548, compared to \$46,291,409 same 1950 quarter. Earnings before taxes were \$8,490,463, and after provision for taxes \$2,403,344 (\$1.25 per share) vs. net profit of \$4,158,449 (\$2.16) for same 1950 quarter. Reserve for taxes, president Siragusa noted, was \$3.16 per share this year vs. \$1.25 last.

Packard-Bell sales for 6 months ending March 31 were \$13,839,147, virtually equal to the \$13,894,713 for whole of 1950. Six-month report compares with \$3,203,531 for same period 1950. Earnings for the 6 months were \$902,629 (\$1.53 per share on 588,000 shares outstanding). President H. A. Bell figured civilian sales for next 6 months will equal \$10,000,000, profits \$600,000.

Bendix Aviation's first quarter sales rose to \$67,044,705 from \$52,379,209 for same 1950 quarter, but earnings dropped to \$2,578,457 (\$1.21 a share) from \$3,798,919 (\$1.79) due to higher taxes. Backlog at end of quarter, president M. P. Ferguson reported, exceeded \$475,000,000, heavily military, as against \$170,000,000 backlog same time last year.

Webster-Chicago sales in 1950 were \$19,086,151, highest in its history, compared with \$11,089,364 in 1949, \$13,768,731 in 1948. Net earnings were \$1,212,050, equal to \$2.69 a share on 450,000 shares of common stock outstanding vs. \$835,824 or \$2.89 a share on 289,036 shares in 1949 and \$834,550 (\$2.89) in 1948. Inventories carried forward to 1951 totaled \$3,662,409 and \$2,000,000 in govt. contracts are on books, president R. F. Blash reported April 10.

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Muter Co. and wholly-owned subsidiaries, Rola Co. and Jensen Mfg. Co., had gross sales of \$14,389,725 in 1950, compared with \$7,907,572 in 1949. Consolidated net income after Federal taxes was \$1,034,200, or \$1.59 per share on the 651,000 shares outstanding (including 59,200 shares declared as stock dividend in December 1950). This compares with net earnings of \$453,264 (\$1.53) on the 296,000 shares outstanding as of Dec. 31, 1949 and \$389,184 (\$1.31) in 1948. During 1950, dividends of 45¢ cash were paid after 100% stock distribution in May, as against 60¢ cash dividends declared each of preceding 2 years. At end of 1950, consolidated working capital was \$2,552,973, up \$589,692 for year. Proxy notice for April 17 stockholders meeting at Chicago offices discloses Leslie F. Muter, president, holding 110,000 shares; Thomas A. White, president of Jensen, 12,810; A. A. Dailey, v.p., 5390; Karl E. Rollefson, engineering v.p., 3850; Lawrence A. King, president, Rola, 1870. Compensations for 1950 included: Mr. Rollefson, \$12,000 plus \$35,649 bonus; Mr. White, \$15,000 & \$20,633; Mr. King, \$15,000 & \$33,814.

Robert C. Sprague, recently retired president but still chairman of RTMA, whose Sprague Electric Co., North Adams, Mass., showed 1950 earnings nearly triple those of 1949 (Vol. 7:13), reports his company's sales of electronics equipment, mainly capacitors, ran at higher rate first quarter this year than same quarter last year despite estimated 15% reduction in TV production. He predicts 1951 sales will be "substantially greater" than 1950. Company has acquired small plant in Bennington, Vt., to increase by 4½ times its production of ceramic coated wire, particularly for military contracts.

Stewart-Warner reports 1950 production of its Electric Division (radio, TV & electronic products) tripled that of 1949 but was severely handicapped by materials shortages. Division has moved into new plant at 1300 No. Kostner Ave., Chicago, with E. G. Fossum as gen. mgr., Henry Gillig plant mgr. TV-radio are still small part of company operations, which in 1950 had total \$80,482,372 sales, \$4,584,936 net profit (\$3.55 per share) as against \$54,609,713 sales, \$2,163,106 profit (\$1.67) in 1949.

Caphart-Farnsworth was profitable operation in 1950, showed threefold sales increase over 1949, according to IT&T report, which does not separate subsidiary profits and losses. IT&T consolidated net income for year rose to \$15,557,339, highest since 1929, comparing with \$4,685,877 in 1949. Sales were \$216,947,277 vs. \$201,005,225.

Canadian Admiral Corp. reports first quarter 1951 sales were \$1,836,426, net earnings \$135,971 (47¢ a share) vs. \$726,190 sales, \$36,308 (13¢) earnings for same 1950 period.

WJR, The Goodwill Station Inc. reports first quarter sales were \$891,441, profit \$165,381 (32¢ per share) vs. \$861,710 sales and \$152,695 profit (30¢) for same 1950 period.

Trans-Lux Corp., operating 14 theatres and holding various other interests, blames TV in reporting drop in earnings to \$50,857 in 1950 from \$198,185 in 1949.



New York distributors got together this week to set up standards against "misleading" and "wild" TV advertising, and to get New York newspapers to use these standards as guides in accepting retail TV sales copy. Plan is somewhat similar to move made by Washington distributors last week, which involved local Better Business Bureau acting as clearance agent for TV "sales" ads, with local newspapers pledged to refuse copy turned down by BBB (Vol. 7:14). Members of New York distributors committee to draw up standards: Gerald O. Kaye, Bruno-New York; Benjamin Gross, Gross Distributors; Martin L. Seher, Motorola-New York; William O'Brien, Crosley Distributing; George Hart, Zenith Radio.

Trade Personals: Joseph H. Gillies, Philco TV-Radio Div. operations v.p., adds duties of chief of newly established Govt. & Industrial Operating Div., Wm. J. Peltz reporting to him as mgr. of operations. Robert F. Herr, v.p., added to president's staff, will direct all govt. and industrial sales-contract negotiations, with James D. McLean reporting to him as gen. sales mgr. and John Booth as gen. mgr. of Tech Rep Div. . . . Ernest Marx, gen. mgr. of DuMont receiver sales div., named head of new govt. contract dept., with H. B. Graham handling govt. negotiations and bids, Zeke Soucek Washington mgr., B.V.K. French Dayton mgr. . . . Patrick J. Brady, chief industrial engineer of Sylvania TV-radio div., named mgr. of company's plant in Williamsport, Pa. . . . Edward K. Foster, gen. mgr. of Bendix Radio Div., elected v.p. and member of company's administrative committee; will continue at Baltimore post.

Telecasting Notes: At least one big AM independent—and there may be one or two others—claims to have exceeded record \$4,000,000 gross time sales achieved in 1950 by NBC-TV's New York key WNBT, which we said last week (Vol. 7:13) was probably exceeded in AM only by WLW and the AM network keys . . . Zenith's president Eugene F. McDonald Jr. has presented to Indiana Technical College, Ft. Wayne, company's old custom-built experimental TV transmitter designed for Channel 2; city has been assigned 3 uhf channels (see TV Allocation Report), of which one is earmarked for education, but it's doubted Zenith vhf transmitter will be used for anything other than closed-circuit operation for teaching . . . Gloria Swanson and her daughter will be stars of new variety show to start Sept. 9 on ABC-TV, Sun. 1-2; no sponsors lined up yet . . . Ernest Hemingway has agreed to make his works (some 70 stories and novels) available for TV through MCA, appearing himself via film recordings, his N. Y. attorney Alfred Rice announced this week . . . WBKB, Chicago, April 1 raised base rate from \$925 to \$1100, one-minute announcements from \$160 to \$200 . . . Hal Roach's old *Our Gang* 2-reelers shortly to be released to TV as *Hal Roach's Rascals* thru Regal Television Pictures . . . CBS has granted cost-of-living wage increase of 10%, effective April 1, to all employes earning under \$10,000 with exception of contract employes . . . NBC has leased Hollywood's 1100-seat El Capitan Theatre for 15 years, will use it to originate TV and radio shows . . . WNBC & WNBC-TV, Binghamton, N. Y., plans own new studio-office building to cost \$300,000-\$400,000, construction to start June 1.

Debate on separation of FCC and staff, between Chairman Coy and Comr. Jones, during April 9 hearing on McFarland Bill before House Interstate & Foreign Commerce Committee, found former insisting staff would be made "eunuchs" if it weren't permitted to make recommendations to Commission. Jones said: "I personally can do without recommendations from the staff. But I can use all the facts I can get." Coy maintained that divergent views of subordinate staff members were encouraged, not "smothered" by their superiors. Jones suggested that commissioners' personal staffs be enlarged at expense of overall staff, saying: "Commissioners come and go, but the staff stays on, tends to stagnate. When a new commissioner is appointed, I believe that Congress intends that his influence be felt." Jones also asserted that "expertese" of staff is overemphasized in rule-making procedures, that most questions are "fundamentally economic"—including color and clear channels. For example, said Jones, there are "good technical reasons" for moving all TV into uhf, but Commission didn't make move "because of tremendous investment involved. FCC doesn't want to tear up a man's investment." Coy said that Jones' logic would require every commissioner to be a lawyer, something Congress had never intended. Hearing resumes April 24.

Sponsorship of public hearings, such as those of Kefauver Crime Committee, is perfectly all right, in opinion of FCC Chairman Coy, as long as committee involved agrees. He gave opinion in response to question by Rep. McGuire (D-Conn.) during April 9 hearing on McFarland Bill before House Interstate & Foreign Commerce Committee. Coy also warmly advocated televising of any major public hearing.

Only application for new TV station this week was from Desert Television Co. for Channel 13 in Las Vegas, Nev. Applicant is composed of local businessmen, with interlocking ownership with KRAM, Las Vegas. This makes total of 397 applications. [For further details about applicant, principals, etc., see *TV Addenda 12-N*, herewith; for listings of all applications to date, see *TV Factbook No. 12*, with Addenda to date.]

ABC Chairman Edward J. Noble told stockholders meeting April 11 that network is "not for sale," though he has "listened" to several offers. Deal with IT&T (Vol. 7:13) is off, no other negotiations now under way—and Mr. Noble predicted ABC's time sales for TV alone will hit \$18-20,000,000 this year, as compared with only \$6,500,000 in 1950. "Profits are very satisfactory," he said. "We turned the corner in November 1950, and are now definitely over the hump, with no drag on radio earnings."

TV cameramen have newsreels fuming. Seems Rep. Wood (D-Ga.), chairman of House Un-American Activities Committee, forbade both newsreel and TV cameramen from covering current hearings into Hollywood Communists unless they could function "with no noise, no lights, no space." Newsreels couldn't meet those requirements, but NBC-TV and Telenews cameramen showed up at film actor Sterling Hayden's appearance April 10 with small, noiseless, hand-held, specially designed 16mm. sound film cameras, got full coverage for telecasts later that night. Special processing of film and transmission control overcame underexposure due to ban on floodlights.

Functional music FM operations employing super-sonic note to cut out voice announcements are clearly illegal, according to FCC. This week, it wrote 4 stations with such operations (Vol. 7:5, 9), told them as much in a sort of "declaratory order" which gives them a chance to quit before Commission gets tough. FCC hasn't said any more about transcasting or storecasting, but there's believed to be fair chance it will at least permit transit operations.

April 1 sets-in-use reported since NBC Research's "census" of March 1 (Vol. 7:12): Washington 253,760, up 9760; Fort Worth-Dallas 112,608, up 3608; Memphis 83,018, up 3718; Omaha 73,930, up 7430; Norfolk 65,377, up 5077; Greensboro 63,949, up 6449; Miami 60,000 up 5000; St. Louis 282,000, up 14,000; Kansas City 114,600, up 6600; Johnstown 82,200, up 7100; Utica 40,700, up 2200; Boston 720,000, up 19,000; Baltimore 303,812, up 18,812.

Live football telecasts of one major college game in each region each Saturday next fall under "test conditions"—that's proposal of National Collegiate Athletic Assn. TV committee, announced April 11, subject to almost certain approval by NCAA national committee next week. TV sponsors would determine which game would be televised, and NCAA's TV committee would be clearing house.

Parabolic microphone, 6 ft. in diameter, was used in TV studio for first time during NBC-TV's April 11 *Four Star Revue*. According to engineering v.p. O. B. Hanson, parabolic mike eliminates many drawbacks of overhead mike—threat of appearing in picture, hampered performers' movements, inadequate articulation. It's said to be good for distances up to 35 ft.

Strikebound KFI-TV is operating about 6 hours daily, mainly with film, while performer members of TV Authority remain out—with AFM musicians refusing to cross picket lines but AFRA performers meeting engagements at sister AM station KFI. TVA wants closed shop at KFI-TV under same terms as other local stations.

Copies of Allocation Report

We can still supply full text of FCC's proposed new *VHF-UHF Rules, Standards & Allocations*, printed for our subscribers and including detailed city-by-city allocations (with educational assignments), proposed orders, engineering data with charts, commissioners' separate statements, etc. Our 28-page print of FCC's 60-page mimeographed document is available at \$2 per copy, or \$1 each in quantities of 25 or more.

Television Digest

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RATE DISPUTE IMPELLING 'TV WAVE-RUSH': The great TV stampede will soon be on -- sparked by coming thaw of the long freeze (Vol. 7:12 et seq), flamed by CBS network radio rate cut (Vol. 7:15) and virtual certainty other AM networks will follow suit.

No one who was at NARTB convention this week could mistake surge to TV. It was all-pervading subject -- dominated Coy and Miller speeches, BAB, Research & FM sessions, equipment exhibits, corridor talk.

Attorneys and consulting engineers who flocked to Chicago to see clients left with instructions from most to "start work on our TV applications."

Even General Bradley's big news-making luncheon talk had to be cut short during question-answer period so he could "keep a date with television."

* * * *

AM rate-cutting and its effect on networking and future of radio were predominant topics. Mostly, the broadcasters were angry -- even some who own TV stations -- but generally there seemed to be resigned feeling that high-riding, lush day of radio had passed its zenith.

Even special session of affiliates of all 4 AM networks, which began as anti-network (particularly anti-CBS) indignation meeting, simmered down to sober endorsement of special committee to "study radio rate structure" headed by Paul W. Morency, WTIC, Hartford (NBC), which meets April 24 in New York with networks. [For members of committee, see p. 5.]

More than 750 at "protest meeting" asked networks not to effect any rate changes until committee has had time for study and recommendations -- albeit ABC president Kintner has already indicated his company's course by stating it intends to "meet the competition"; NBC president McConnell has made no bones about conviction AM rates must eventually yield to TV inroads on audience; and MBS president White has said he will wait to see what all the others do.

Bitterness would not have been so great, it was apparent, had CBS cuts been confined to TV markets only -- for all seemed to acknowledge TV's impact on radio listening, even those who don't like to admit it.

Trade press is replete with quotes by embittered broadcasters, Variety headlining "Radio's Fight for Survival," Broadcasting captioning strongly worded editorial with obvious pun "Rate Race," Radio Daily quoting scores of disaffected broadcasters' generally antagonistic comments (one used term "moral cowardice").

* * * *

What roiled most was that sudden move was timed when business is good -- billings at new high in some cases, including CBS's. Indeed, only this week the FCC AM-FM income report for 1950 (Public Notice 62934) revealed revenues of the more than 2100 stations reporting had reached surprising total of \$447,700,000, up 7.8% from 1949's \$415,200,000 -- the 4 networks and their O&M stations accounting for \$109,700,000 of this total (up from \$108,100,000 year before) while others' local, spot and other income rose to \$338,000,000 (from \$307,100,000 in 1949).

Govt. figures tended to refute argument AM is slipping -- but also showed

TV's phenomenal growth to \$105,800,000 in 1950 from \$34,300,000 in 1949 (Vol. 7:13).

Few would acknowledge good economic reasons for CBS move at this time, though everybody accepts CBS story that Lever, Procter & Gamble, other major sponsors had given rate-cut ultimatums. CBS station relations v.p. Herb Akerberg spent some uncomfortable hours with affiliates at Chicago.

NARTB chairman Justin Miller took cognizance of sponsor rate demands in his speech: "Far more dangerous to radio than competition from TV," said he, "is rate-cutting boycott recently engineered by a combination of national advertisers. Although radio will be the immediate sufferer, it may be only a question of time until similar, monopolistic, conspiratorial coercion will be used to break down TV rates also." He thought anti-trust actions were possible.

What rubbed CBS affiliates mostly was fact all they got was bare telegram telling them of July 1 cuts -- no prior warning or discussion. They griped most bitterly that President Stanton had assured them at recent regional CBS meetings that there would be no cuts; that CBS had been in fore with surveys showing "radio as best buy"; that when NBC sought to cut rates in TV markets only last December (Vol. 6:51, 7:1), they had urged their local NBC brethren to buck such move -- at behest of CBS executives, they said; and that some had stayed out of TV when channels were plentiful -- on advice of CBS.

* * * *

During all-affiliates meeting, one heard such expressions as "survival of radio," "beginning of the end," "dog eat dog," and Chairman Morency asked if high price of talent (referring to CBS raids) wasn't real cause. At BAB meeting, chairman Edgar Kobak, ex-MBS president, remarked:

"Broadcasters are to blame for fact they failed to raise rates in recent years. Rate structure, not rates, is out of date. Buyers think rates should be lower, and sellers have been making deals which indicate they think rates are too high, that they are losing confidence in their product."

Kobak urged complete separation of TV and radio, if under same ownership. "These powerful media are in competition," he said. He quoted letter from ex-CBS executive v.p. Paul Kesten, member of BAB board:

"Let TV fend for itself. While BAB's slugging need not be aimed primarily at TV, it must be considered a fair target. All double-jointed radio-and-TV interests supporting BAB ought to agree to this in advance." Kesten suggested survey "to pit radio and TV against each other in parallel markets and measure the payoff."

* * * *

From Judge Miller's speech, some could take heart when he denied TV can "completely destroy and supplant aural radio." He said: "The walls have not yet crumbled on radio because of the impact of TV -- and never will."

On other hand, there was news -- discounted by some because of its TV interest -- that Detroit News' pioneer WWJ had cut Class A night hourly rate from \$800 to \$640 an hour, retroactive to April 1. Manager Harry Bannister explained WWJ had raised its rates in recent years, now faced TV cut into audience, felt it must "play square" with advertisers. He said radio would have to find its own level, but for next few years faces rugged going.

Bannister's attitude exemplifies position of big broadcaster who also is big telecaster, recalls 1949 warning by Crosley's James Shouse (Vol. 5:42) and action of WFIL's Roger Clipp in readjusting that Philadelphia station's rates just prior to last year's NAB convention (Vol. 6:16).

TAKE WRAPS OFF TV—NARTB KEYNOTE: Exasperation over long freeze and educational channel reservations (see TV Allocation Report) was obvious among NARTB conventioners. But also worth noting was this growing attitude: "What the hell -- let's quit fussing around, let's get going, let's build some stations."

Greater optimism about uhf, stemming from excellent technical progress (see page 4 and Vol. 7:15), also contributed to "let's get going" feeling.

Additional pressure was supplied by WHEC's able chief engineer Bernard C. O'Brien, who almost sold FCC on 150-mile vhf co-channel separation and who contrib-

uted greatly to getting FCC 220-mile proposal of 1949 down to 180 miles (Vol. 7:5).

"It is my opinion," he told engineers, "that these 12 vhf channels will eventually accommodate many more stations than are now proposed to be allocated... The range of all existing vhf stations will be in the neighborhood of 50 miles. Doubling the number of vhf assignments will reduce the figure to about 35 miles; 4 times as many...could be accommodated with a probable range of 25 miles or so.

"Most of us who are now operating an AM station on a regional or local frequency would be very happy if we could cover a 25-mile range at night.

"I believe that the first 4 priorities [of the FCC] will be more completely served by a larger number of smaller range stations than by the relatively small number of 50-mile range stations currently proposed."

Also precipitating haste, of course, are the TV-prompted AM rate cuts, which would extend into non-TV areas (see page 1).

Not that applicants won't strive mightily to get more commercial vhf channels into their cities, during hearings beginning June 11 (Vol. 7:15). In fact, FCC Chairman Coy's speech appeared to indicate more than ordinary Commission receptiveness to such efforts.

DuMont will undoubtedly make most comprehensive pitch, improving its plan for 4-network system since FCC has proposed closer vhf channel spacing. To gain support for DuMont's position, v.p. Thomas Goldsmith said his plan will give 4 or more vhf channels to 31 of top 50 cities, compared with 7 in FCC plan. Further, he pointed out, his plan would require channel shifts of only 19 existing stations, compared with 31 proposed by FCC.

Senator Johnson sounds almost like a vhf applicant when discussing allocation plan. He tells us:

"I'm disappointed in the vhf allocation to Colorado, particularly to Denver. Previously, Denver was scheduled to get 5 commercial vhf channels; now it's getting only 3. That's not enough for a city of 500,000. Other states, like Wyoming, seem to have gotten better treatment. I don't think much of this mixing of vhf and uhf, either. The Commission knows what I think; I've told them."

Asked what he thought of moving vhf channels from other Colorado cities to Denver, he said: "I'm not commenting about that."

* * * *

Uhf got lift from several sources. Said Coy in convention speech:

"I feel quite sure that uhf stations in the future will be able to cover almost any metropolitan area and a very large part of the rural areas...To me the strong probability of early assignments in the uhf look a bit more attractive than prolonged and costly litigation [for] the few vhf channels available...I believe that by time uhf transmitters can be put on the air, there will be substantial flow of receivers equipped to receive both uhf and vhf signals ready to go on market."

Ex-Comr. E. K. Jett, now of WMAR-TV, Baltimore, expressed great hopes for uhf future. NBC's Ray Guy emphasized that his apparent bearishness on uhf during hearing (Vol. 6:46) stemmed solely from Bridgeport experience with low power and height, hilly terrain. RCA lab chief C. B. Jolliffe, in talk at Princeton U, said company's experience "has shown that a major expansion is practical and possible in the uhf." And GE this week announced it has uhf converter (see page 6).

* * * *

Educators are about to announce permanent establishment of Joint Committee on Educational Television, with WOI-TV's Richard Hull as administrator and headquarters in Washington. Ford Foundation has granted JCET \$90,000, and other foundations may come across soon with similar grants.

Sen. Johnson wouldn't comment on educational reservation, said he had sent Benton Resolution for 90-day allocations freeze, pending Senate study (Vol. 7:15) to McFarland subcommittee "where it will get careful consideration."

Pittsburgh's Mayor David Lawrence, president of U.S. Conference of Mayors, has been urging all mayors to spur educational TV activity in their cities. In Milwaukee, Mayor Frank P. Zeidler announced that he was doing just that.

TRANSMITTER MAKERS OUTDO THEMSELVES: Transmitter outlook appears remarkably good.

Be it vhf or uhf, high power or low, chances are equipment won't lag far behind demand when it's really needed. Prospects are subject to the usual "if" -- if war's impact on economy doesn't get worse.

Demand, as expressed by "dotted line" contingent contracts, has strong bearing on future equipment availability. And seriousness of applicants at this week's NARTB convention (see page 1) gave manufacturers something tangible upon which to base production plans.

Uhf developments are most striking. Within space of a week, GE upped power of its klystron-powered transmitter from 5 to 10 kw (Vol. 7:12,15). Thus, with 20-gain helical antenna, GE is prepared to deliver equipment capable of emitting maximum permissible power -- 200 kw -- by third quarter of next year.

All this, plus monitor, will cost \$158,000, say GE salesmen, comparing it with \$200,000-plus for same vhf power. Makers of klystron, Varian Associates, say they can build about 50 tubes this year. GE says station should have 4 on hand -- 2 for transmitter, 2 spares -- meaning tubes for dozen stations by year's end. So klystrons shouldn't be bottleneck.

Critics of GE's transmitter point out that klystron alone will cost some \$10,000. GE answers that tube is good for 10-40,000 hours, compared with average vhf tube's 7000 or so; that burned-out klystron, which includes tuned circuits, may be "retreaded" at factory for 15% of original cost; that GE may offer life guarantee assuring hourly cost no greater than with standard tubes.

RCA says it will have 1-kw uhf transmitter, selling for about \$65,000, ready second half of this year. Outputs of 5-10 kw, employing new tetrode tube, will be available when needed, company says.

DuMont expects to offer 1-kw unit within about 6 months. It's expected to sell for some 20% above vhf unit of same power. DuMont will also have, for first time, its own uhf antenna -- 20-gain slotted radiator.

* * * *

Prospects for high-powered vhf seem excellent. RCA is now in production of 20-kw amplifier to sell for around \$85,000. With 5-gain antenna, this gives FCC-permitted maximum of 100 kw on Channels 2-6; with 10-gain, maximum of 200 kw is delivered on Channels 7-13. Scheduled for second half of 1952 is 10-kw transmitter to sell for \$80-\$85,000.

GE plans to have 35-kw unit for Channels 2-6, 20-kw for Channels 7-13, by second half of this year. Equipment is intended either for basic transmitter or as amplifier for existing 5-kw transmitter. Expected price is \$70,000.

DuMont promises 40-kw transmitter in 18-24 months, with price of \$115,000.

At opposite end of scale -- low powers permitted in FCC's plan -- RCA has in production 2-kw transmitter to sell for \$45-\$50,000. Presumably, GE and DuMont also will be able to offer low-powered units of any desired size.

Not least important factor in all these promises is price -- generally well under what might be expected, considering pre-freeze price levels.

No other manufacturers showed transmitting equipment at convention. If they have anything in the works, they're keeping it quiet. Companies showing activity or interest in the field in past are Federal, Raytheon, Westinghouse and Claude Neon's Standard Electronics Corp. (Vol. 6:5,15).

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NPA hasn't yet formulated policy on materials for transmitters, but it's "studying" question and appears to be sympathetic, since no great tonnages of scarce materials are needed. It's expected transmitters will be covered by NPA's upcoming Controlled Materials Plan (Vol. 7:15).

Towers may be something else, since steel involved is considerable, compared with transmitter needs. Possibility is that NPA may insist that stations explore usefulness of their AM or FM towers (if any) before coming to NPA for help. Of course, any station with AM or FM tower good for TV wouldn't want to spend money on new tower anyway.

NARTB Chicago Convention Notes

NARTB-TV \$35,000 general managership won't be filled until June 2 meeting of nominating committee (Vol. 7:13) in Williamsburg, Va., 2 days before full NARTB board meets in Washington. Meanwhile, counsel Thad Brown is acting. Several committeemen want FCC chairman Wayne Coy for job, but he can't give answer yet as to availability—presumably still undecided whether to seek reappointment when term expires June 30. There's some doubt about Coy, due partly to his stand on color, educational reservations, NARBA, "anti-trust" report, McFarland Bill. There's some fear, too, that educational channel promoter Comr. Hennock would get chairmanship if Coy should quit FCC—and she's persona non grata to most telecasters. There's also some insistence that an organization must be set up first; as of April 19, just 58 of the 107 stations had signed, will pay monthly dues starting May 1 of one-time 5-min. or half 15-min. rate, whichever is lower. AM stations and TV applicants may join at \$25 monthly.

Affiliates committee formed at NARTB convention to meet with networks, discuss rate cuts, consider whole radio rate structure, meets April 24-25 at BAB headquarters, New York. Headed by Paul W. Morency, WTIC, Hartford, it includes: Kenyon Brown, KWFT, Wichita; Walter Damm, WTMJ, Milwaukee; R. M. Fairbanks, WIBC, Indianapolis; Leonard Kapner, WCAE, Pittsburgh; Edgar Kobak, WTWA, Thomson, Ga.; Clair McCollough, WGAL, Lancaster & WDEL, Wilmington; John Patt, WJR, Detroit; Robert Swezey, WDSU, New Orleans; George Storer, Fort Industry; Ben Strouse, WWDC, Washington; G. Richard Shafto, WIS, Columbia, S. C.; Hugh Terry, KLZ, Denver.

Defense Mobilizer Wilson told broadcasters they would not get priorities for building new TV stations, but must "compete with other essential industries" for materials. He spoke on DuMont closed circuit from Washington at TV luncheon April 19, viewed by more than 500 on 16 DuMont 19-in. sets. His main plea was "hold the line" on inflation, but in answer to question regarding TV set production, he replied that there would be periodic cut-backs during next several years of mobilization program but that there should be "substantial" overall output.

Appeal from FCC's FM functional music crackdown (Vol. 7:15), with NARTB backing, was assured when association passed resolution to back up any fight challenging legality of ruling. Manufacturers remain principal stumbling-block to FM, according to Everett L. Dillard (WASH, Washington), who told convention: "Frankly, we of the FM broadcasting industry are tired and disgusted with stepchild treatment from the manufacturers . . ."

NARTB had 1446 members as of March 1, of which 43 were TV, 70 associates. It took in \$847,052 from Jan. 1, 1950 to Feb. 28, 1951 (of which \$792,929 was in dues) and spent \$871,044—or \$23,992 more than income. Heaviest expenses were salaries, \$459,793; general and office expenses, \$209,583; travel, \$105,529.

Full line of studio equipment was shown at NARTB convention this week, for first time, by General Precision Laboratory. Included were studio and field camera chain at \$12,250 (less image orthicon), and synchronizing generator and video switcher (\$7500) to be used with new \$3200 16mm GPL projector.

NARTB convention in 1952 will be held April 26-May 2 at Waldorf-Astoria in New York. Next board meeting is June 4 in Washington, at which time newly chosen president Harold Fellows (Vol. 7:14) takes office.

Program standards for TV—"before somebody does it for us"—is object of 5-man TV committee set up by NARTB at April 19 Chicago meeting. Committee will call conference of telecasters in May or June to appraise "plunging neckline" and excessive commercialism. Plan is to meet before FCC conference (Vol. 7:3-5) takes place. Committee: Robert Swezey, WDSU-TV, chairman; Clair McCollough, WGAL-TV & WDEL-TV; George Storer, Fort Industry; F. M. Russell, NBC; Chris Witting, DuMont.

All Fort Industry stations are in the black, v.p. Lee B. Wailes told telecasters at operating cost session April 19. He said one station (unnamed) had 400% increase in business first 4 months this year compared with same period last year, only 46% increase in costs. He gave following breakdown of expenses in Fort Industry TV stations (WJBK-TV, Detroit; WSPD-TV, Toledo; WAGA-TV, Atlanta): Programming, 40%; engineering, 30%; sales, 15% (ranging from 8 to 18%); administration & general, 15%.

Station Accounts: Adjacencies and spots for Dodgers games on WOR-TV, sponsored by Schaeffer Brewing Co., add up to imposing array of sponsors: *Talk to the Stars* following each game, 15-min. for Mennen Co. and Tide-water Oil; *Happy Felton's Knothole Gang*, Curtis Candy Co.; time signals, Elgin Watch Co.; 20-sec. spots, Life Magazine, Kreml, Bromo-Seltzer, Kools, Spuds, John T. Stanley Co. (shaving cream) . . . New beauty-health show on WJZ-TV, Mon. 2:15-2:30, is *Claire Mann Glamour Show*, sponsored by J. Ossola Co. (Buitoni starch-reduced spaghetti, Torini olive oil & olive mix), thru Carlo Vinti, N. Y. . . . Prize Beer sponsoring Texas travelog films on WOAI-TV, San Antonio, to be made available to other stations . . . City Furniture Co., Chicago, sponsoring *Here Comes the Bride*, actual wedding ceremonies, in its Englewood store, Mon. 9-9:30 p.m. on WGN-TV . . . Add baseball sponsorships: Baltimore Orioles on WMAR-TV, 2 games weekly, first half of each by Gunther Beer, second half by Atlantic Refining . . . Among other advertisers currently reported using or preparing to use TV: Cyma Watch Co., thru Irving Berk Co., N. Y.; Waverley Fabrics, thru Anderson, Davis & Platte, N. Y.; Sick's Seattle Brewing & Malting Co. (Rainier beer), thru Western Agency Inc., Seattle; Olympic Distributors (Nids chlorophyll tablets), thru Vic Knight Adv., Los Angeles; John T. Stanley Co. Inc. (Stanley's Castile shave cream), thru Posner-Zabin Adv., N. Y.; Pure Frozen Lemon Juice Corp. of America (Nilcar), thru Newby & Peron, Chicago; Hawaii Visitors Bureau, thru Holst & Cummings, Honolulu; United Frozen Foods Corp. (Simple Simon pies), thru Davis & Co., Los Angeles; American Chemiatric Corp. (Refresher gum breath deodorant); H. Fox & Co. Inc. (U-Bet syrups), thru Paul Smullen Adv., N. Y. (WABD); Mt. Rainier Bulb Co. (mail order gladiola bulbs), thru National Radio Adv., Seattle (WABD).

Network Accounts: Standard Brands (Chase & Sanborn instant coffee, Tender Leaf tea) will sponsor Mon.-Wed.-Fri. 1:45-2 segments of *Garry Moore Show* on CBS-TV, thru Compton Adv.; Junket Brand Foods will take Thu. 1:30-1:45 portion, thru McCann-Erickson. Starting dates not set . . . Colgate-Palmolive-Peet May 7 starts *Strike It Rich* on CBS-TV, taking Mon.-Wed.-Fri. 11:30 a.m.-noon editions of across-the-board series, thru Wm. Esty Co.; *Steve Allen Show* will move to Mon.-Fri. noon-1 . . . Gillette May 5 will sponsor *Kentucky Derby* film on CBS-TV, Sat. 9:45-10, thru Maxon Inc., N. Y. . . . Arthur Godfrey's morning AM show on CBS, Mon.-Fri. 10-11:30 reported likely simulcast next fall with present sponsors Toni, Reid Murdoch Div., Lever Bros., Pillsbury, National Biscuit Co. & Chesterfield expected to back TV edition also.

Financial & Trade Notes: Motorola reports first quarter operations were "maintained at a relatively high level," sales exceeding \$46,000,000 compared with \$35,800,000 for same 1950 period. Earnings before taxes, president Paul V. Galvin reported to stockholders April 16, likewise attained new peak for quarter, but final figures aren't ready yet. Mr. Galvin stated home and auto radio sales should maintain satisfactory volume second quarter but that TV volume "tends to reduce in the second quarter . . . downward trend usually continues until the third quarter." Communications business, including microwave, has been stimulated by civilian defense requirements. Notice of stockholders meeting to be held May 7 discloses that, of 897,605 shares outstanding, Mr. Galvin owned 52,769 as of last Feb. 21; Robert Galvin, executive v.p., 64,258; Elmer H. Wavering, v.p., 10,450; George R. McDonald, v.p., 5170; Walter H. Stellner, v.p., 4400; Dannel E. Noble, v.p., 2933; Frank J. O'Brien, v.p., 2907; Matthew J. Hickey, director, 2444. In addition, the Galvins held beneficial interest in 108,906 shares held in trust for estate of Lillian A. Galvin, deceased. President Galvin's 1950 salary was given as \$75,000, that of each of the 6 vice presidents approximately \$50,000.

Magnavox reports \$13,609,000 sales, \$640,000 net profit (88¢ per share on 709,374 common shares) for first quarter 1951, compared to \$8,901,000 sales, \$625,000 profit (89¢ on 676,289 shares) in same 1950 quarter. For 9 months to March 31, sales were \$39,398,000, net profit \$2,454,000 (\$3.40) vs. \$22,678,000 sales and \$1,400,000 profit (\$2.04) for comparable preceding period. Defense contracts on books exceed \$20,000,000. Magnavox will redeem 4000 shares of Class A preferred stock next June 1 at \$15.75 plus accrued dividends—those called for redemption being selected by lot by Ft. Wayne National Bank. Right to convert into common shares holds until 5 days prior to redemption date. Up to April 12, total of 49,575 Class A shares had been voluntarily converted, leaving 50,425 outstanding.

Stromberg-Carlson will report net income of \$243,113 (63¢ per share) on sales of \$8,163,951 for first 1951 quarter vs. \$63,480 (10¢) on sales of \$6,707,796 same 1950 quarter. At stockholders meeting April 25, management will fight effort of Bernard Fein, ex-Ansley, to "try for control" with proxies opposing authorization of 500,000 additional shares of common stock, contending his "Independent Stockholders Committee" aggregates only 560 shares of common stockholdings.

Olympic Radio stockholders meeting has been called for April 23 at company plant, proxy notice disclosing president Adolphe A. Juviler owner of 82,400 common shares (24%) of the 338,263 outstanding, drawing \$44,550 salary in 1950; Percy Schoenen, executive v.p., 22,660 shares (6.7%), salary \$30,550; Morris Sobin, v.p., 800 shares, salary \$28,300. Company's record 1950 sales-earnings were reported last week (Vol. 7:14).

Muter Co. first quarter sales, including subsidiary Jensen and Rola companies, were \$4,565,000, net profit \$293,033, or 45¢ per share on 651,200 common shares outstanding. This compares with sales of \$2,819,000, profit of \$219,137 (34¢ on 296,000 shares) for same 1950 quarter.

Aerovox first quarter sales were up 20% over \$4,700,000 of first quarter 1950, reports April 17 *Wall Street Journal*, with earnings off "slightly" due to higher taxes and defense orders "picking up fast."

CBS consolidated gross income was \$39,323,391, net profit \$1,276,054 (74¢ a common share) after \$2,225,000 taxes for quarter ended March 31 vs. \$30,809,064 sales and \$1,304,050 earnings (76¢) after \$1,651,700 taxes for same 1950 period.

Trade Personals: Charles H. Atkin, supervisor of industrial relations, Westinghouse plant at Fairmont, W. Va., appointed to same post in company's new Electronic Tube Div., temporarily headquartered at Bloomfield, N. J. . . . Louis C. Kunz appointed production mgr. for CR tubes in GE Tube Div., Schenectady . . . J. J. Farrell, engineer in charge of commercial products, appointed asst. mgr. of engineering, GE Commercial Equipment Div., Syracuse; L. H. Junken, design engineer, named division engineer of engineering service . . . E. R. Glauber, ex-Eastern regional mgr., named gen. mgr. of Admiral-owned distributing branches under v.p. Clarence S. Tay . . . Edward A. Pecara, ex-Zenith, appointed sales promotion mgr., Motorola . . . H. L. Hoffman, Hoffman Radio has been presented Helms Athletic Foundation Award for "noteworthy contribution to sports" in connection with sponsorship of football telecasts . . . Bonnel W. Clark, retired Westinghouse sales v.p., named director, NPA Electrical Equipment Div.

Marvin J. Kelly, executive v.p., elected president of Bell Laboratories April 20, succeeding Dr. Oliver E. Buckley, appointed by President Truman as chairman of new science advisory committee of ODM.

GE announced uhf converter (called "translator"), will show it at July Music Merchants' convention in Chicago. Like Crosley's (Vol. 7:15), it's continuous tuning, covering whole uhf band, easily attachable to present vhf sets. In memo to distributors, GE asserts converter is best means of achieving uhf with present sets, that combination vhf-uhf sets aren't now being offered because customer would be "forced to pay premium" for facilities which may not be used for long time. Price and performance weren't disclosed, but GE says that it will be "competitive," probably meaning \$50 or so, and that unit worked satisfactorily during several months' tests at Bridgeport.

Stackpole Carbon Co., St. Marys, Pa., has developed ferrite type transformer cores for TV-radio uses which contain neither nickel nor any other material currently on critical list. Known as Stackpole "Ceramag No. 8," this material, like Henry L. Crowley Co.'s "Croloy C-4" (Vol. 7:15), is said to be interchangeable with nickel-containing ferrite cores. Stackpole's Electronic Components Div. says new material has been turned out in production lots and is now ready for commercial production. Sprague Electric Co. last April joined with Philips Industries Inc. to form Ferroxcube Corp. of America (Vol. 6:29) which is now commercially producing ferrite core material developed by Philips Research Labs in Holland and said to have superior characteristics to old-type ferrite and containing no nickel, cobalt or other critical alloying material—also interchangeable with old-type cores.

Color TV seemed to be furthest from NARTB conventioners minds. Only FCC Chairman Coy seemed worked up about it, saying: "To me it is the most exciting and most effective communications medium ever devised . . . It can become the most profitable medium." He reiterated conviction that Supreme Court would uphold FCC decision, took crack at those who termed color issue "academic" because of impending materials shortages by citing first-quarter 1951 production of 2,200,000 sets. "It is my view," he said, "that so long as TV sets can be made, color in TV need not be denied the American people."

Paramount's interest in Lawrence tri-color tube (Vol. 6:18-36), through Chromatic Television Laboratories, amounts to 50%, president Barney Balaban reveals in annual report. "I can now report," he states, "that Chromatic has produced practical color TV tubes. These tubes also appear to have considerable value for military purposes." Paramount has yet to show off tube.

OUTPUT RECEDES, CONTROLS BEING FELT: There can be little doubt, now, about shortages -- once present stocks are cleared. The industry was told some cold, hard facts at Tuesday meeting with defense production officials (see p. 10). Nickel and tungsten curtailments mean fewer tubes, and tubes can determine rate of output.

Next quarter, nearly all controls will be tighter, shortages worse -- as natural by-product of gradually accelerating military production, as well as CMP (Vol. 7:15), which will set aside materials for practically all hard goods except consumer durables. It's not known how much will be left for consumer items such as TV-radio, but we've heard dire warnings -- for instance, that of the copper producers, who April 19 told NPA there may be no copper left after CMP allocations.

TV production was down considerably first 2 weeks of this quarter. Trade slowdown is undoubtedly responsible, but even if TV sales were brisk we'd see some slackening of production rate all through this quarter, because manufacturers now must restrict their output to conform with quarterly and monthly quotas set by NPA steel order (Vol. 7:10-11,14).

First week of second quarter (ended April 6) saw TV output drop to 140,964 (5393 private brand) from preceding week's 157,771, while factory inventories rose to 324,859 from 269,448 at end of March (Vol. 7:14).

Second week (ended April 13) TV output fell still further -- to 133,576 units (3864 private brands) and factory inventories rose to 386,307.

Radios held up better, first April week's output totaling 332,463 units, leaving only 133,338 in factory inventories; second week 351,652 output and 156,445 in inventory. Radio breakdown for April 6 week: home radios 179,296, auto 121,959, portable 31,208. For April 13 week: home 158,206, auto 155,374, portable 38,072.

SLIGHT SALES PICKUPS, OUTPUT DOWN: Baseball and the MacArthur homecoming helped sell some more TV sets this week -- but the general outlook remained cloudy as piled-up stocks moved too slowly to offset even reduced production rate (see figures above).

Pickups in business were noted in some major markets, notably along West Coast, with low-end receivers selling quite well. And there were strong forces at work seeking to persuade Federal Reserve Board to relax Regulation W and pressure FCC to greater haste toward ending new-station freeze.

Adding his voice to industry's, mindful of big cuts in factory payrolls throughout electronics field, IUE president James Carey urged FRB to allow TV trade-ins under some sort of blue-book plan (Vol. 7:13), speaking before Pennsylvania CIO convention last week. His union was also active in Washington (see p. 8).

AFL's IBEW reports it is asking FRB to return Regulation W to last year's level (15% down, balance 18 months in lieu of 25% and 15 months), and will urge FCC "to grant TV station licenses in some of the uncontested localities."

FRB hasn't yet taken up industry proposal to permit blue-book values on trade-ins applicable to down payment, but outlook wasn't regarded with too great hope within industry circles because of complex price history of TV's multifarious models. Proposal hasn't been turned down, at least.

There's cold comfort, at moment, in fact that (a) most consumer durables, notably autos, are suffering same sudden recession of buying as TV, their industry leaders also fearful of continued depression; (b) nearly all the business services and commentators seem to be of one accord in predicting upturn after swollen inventories -- soft goods as well as hard -- are disposed of.

The pundits argue that people have jobs, there's plenty of money in circulation, inventory glut is temporary. Said United States News, for example, speaking of business generally:

"Business firms, bothered over heavy stocks, probably will be glad they have

them as the year wears on. Inventory dumping appears to be inadvisable. Trade prospect for the year as a whole points to a record business volume...What's going to happen is that consumer demand will revive in the months ahead. But production of civilian hard goods won't pick up. It will decline. So wholesalers and retailers can expect to find buyers for the goods on hand."

Federal Reserve Board, making public a survey made for it by U of Michigan Research Center, noted no decline in consumer plans to buy TVs, radios, furniture, refrigerators and other appliances -- not even during first half of this year. Outlook was less optimistic for auto purchasing, said statement, which noted:

"To the extent that consumers may have been unduly doubtful concerning the availability of goods and their own financial prospects at the beginning of the year, it is possible that purchases later in the year may be larger than is indicated by buying plans." Surprisingly, survey showed only 3-4% of consumers indicated their buying plans were being affected by Regulation W.

HOW LABOR WOULD MEET LAYOFF PROBLEM: Powerful IUE-CIO's president James Carey and delegates from hard-hit locals (who claim 100,000 in TV-radio industry) have been visiting govt. agencies with rather startling proposal for "industry-labor-govt." program to attack unemployment and reconversion bottlenecks in the industry.

Union says more than 20,000 workers have been laid off thus far, blames "breakdown in mobilization agencies' electronics program, govt. credit regulations and refusal of companies to share any sacrifices required in transition period."

To share these sacrifices, Carey wants TV-radio companies to "pay a special unemployment benefit to those laid off -- this money to come from 1950 profits." He estimates "fund of \$12,500,000, or less than 10% of the industry's 1950 profits after taxes, would pay 20,000 workers \$40 a week for 15 weeks."

Delegation took this proposal to NPA chief Manly Fleischmann, Munitions Board vice chairman Harry K. Clark and Federal Reserve Board member R. M. Evans.

Rest of union's "reconversion program" is less controversial, much of it coinciding with long-time pleas of TV-radio industry. IUE urges:

(1) Immediate placing of initial military production orders and allocation of materials "to keep the labor force fully intact until military electronics program is fully underway." (2) Relaxation of govt. credit controls. (3) Reconversion of TV-radio plants immediately to handle military production. (4) "Intensive training in military electronics field" for TV-radio industry's labor force.

In speech to Pennsylvania CIO convention last week, Carey demanded that Federal Reserve Board "review this discriminatory Regulation W and at the very least permit people who want to trade in old TV and radio sets to have the same rights as those who trade in autos -- to apply the trade-ins against the down payment."

CAUSES & EFFECTS OF TV-RADIO SLUMP: Why the present confused situation in TV-radio? Answer is simply: uncertainties resulting from rearmament program and inescapable controls which accompany any mobilization effort.

Diagnostician is RTMA chairman Robert C. Sprague, speaking April 20 before Chicago meeting of Armed Forces Communications Assn. His words bear repeating:

"No doubt many persons outside the industry may question [my diagnosis] in the light of the high production of radio and TV receivers during the first quarter of this year. Frankly, it has surprised many of us in the industry. [But] an explanation is not hard to find.

"With the outbreak of the Korean war, manufacturers began preparing themselves for widely-predicted shortages to come. They knew that military contracts would not be immediately forthcoming to fill the gap caused by these shortages. They bought all the components they could find and afford, and even with the high production of last fall and winter were able to put some of these components into inventory. Parts and tube manufacturers also increased production in response to heavy orders from set producers, and in anticipation of material shortages. These actions were perfectly natural and to be expected of alert business men.

"In addition, both set and parts manufacturers speeded up their efforts to

reduce the use of critical materials. They found that through redesign of equipment and components they could conserve hard-to-get materials and substitute less critical materials without in any way impairing efficiency or performance. Our industry has a reputation for ingenuity. When the stimulus of necessity is added to the incentive of cost saving, that ingenuity can achieve spectacular results.

"The post-Christmas season is normally a slack one. This year, however, the circumstances cited induced everyone to produce beyond the immediate market needs in anticipation of increased shortages. Meanwhile, production costs have risen, credit restrictions have been tightened, and the 10% excise tax on TV sets was beginning to be felt. Consequently, the accumulation of heavy inventories...

"In our industry, the feast-or-famine pattern seems to be traditional. There is seldom a period that might be called normal -- that is, when supply and demand are in perfect balance. Last fall TV sets were short and on allocation to dealers; during the first quarter of this year there was an over-supply, and by mid-year or early fall they will probably be in short supply again."

Topics & Trends of TV Trade: Western Union's venture into TV servicing field, in cooperation with DuMont, is frankly starting out May 1 as trial run of what may turn into nation-wide service for any make of receiver. At outset, newly formed subsidiary Western Union Services Inc. will simply install and service DuMont receivers in Essex, Passaic and Union counties, in New Jersey, getting usual \$65-\$85 installation-plus-annual service fee or else a "per call" fee. and paying dealers 10% on service contracts they sell.

Expansion of idea, which grew out of conversations between Dr. DuMont and Walter P. Marshall, WU president, depends on how public takes to it; also on availability of manpower. WU's first maintenance center is located at 1 Evergreen Place, E. Orange, N. J.

President of subsidiary is WU v.p. Thomas F. McMains, with WU plant-engineering v.p. S. M. Barr vice president and director. Mr. McMains foresees "millions of new TV homes" and growing need for "efficient and reliable receiver servicing" as TV expands westward, and stated the 100-year-old telegraph company is in good position to provide such servicing by reason of its experience with wide range of ultra-modern electronic devices.

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In effort to liquidate inventory, Admiral is putting big promotion breaking April 22, behind unusual premium deal whereby dealers can give away, with each purchase of an Admiral console, one of its 3-speed phono-radio table units listing at \$90. Sales v.p. Wallace C. Johnson, in letter to 25,000 dealers, outlined plan whereby with each Model 27K15, 27K16 or 27K17, retailing in \$350 range (Vol. 7:1), distributor will sell him the \$90 radio-phono for \$14.95, or about one-fourth the wholesale price. For every higher-priced TV console the dealer orders, beginning with Model 27K25, which retails at \$369.95, dealer gets the radio-phono unit free.

Retailers may also buy one radio-phono unit at \$29.95 each for every Admiral console in inventory purchased on or before March 3. Deals will be made "only as long as it takes to clear out existing TV stock now held by Admiral distributors." They don't apply to Admiral's plastic console Model 27K12, recently reduced from \$280 to \$250 (Vol. 7:11).

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Exemption from excise tax of TV-radio and other communications equipment sold to U. S. or "any allied govt." is object of H.R. 3603, introduced April 9 by Rep. Kean (R-N. J.), referred to House Ways & Means Committee. Exemption would apply also to parts used in equipment made for Govt.

Trade Miscellany: Admiral this week celebrated jubilee, with production of its 2,000,000th TV receiver . . . Muntz states it's now making 12,500 sets a month, reports its 50 retail outlets have doubled sales since 17-in. leatherette table model recently was cut to \$149.95 . . . Sylvania receiver plant in Buffalo has cut TV output about 25%, cut force from 3200 to about 2600 . . . Trad Television Corp., producing mainly private label sets, announces 17-in. console at \$219.95, 20-in. at \$279.95 . . . RMA of Canada delegates, at last week's joint meeting with RTMA, predicted 55,000 TVs will be sold in that country this year, as against about 35,000 last year (Vol. 7:15) . . . DuMont has appointed Companhia Auto-Lux Importadora as distributor for Rio de Janeiro & Sao Paulo, Brazil, as result of receiver sales mgr. Ernest Marx's recent visits there . . . Philco, hedging for its distributors against curtailed TV-radio demand, has added to its accessory line a 7-piece stainless steel kitchen tool retailing at \$12.95; it includes potato creamer, masher, dipper, ladle, utility spoon, spatula, fork, is made by Ace Products Co., Chalfont, Pa. . . GE reports new TV warranty policy guarantees replacement tubes 6 months from date of purchase, superseding old deal guaranteeing them 6 months from shipment from factory . . . Stromberg-Carlson this week laid off 200 workers due to TV curtailments . . . GE shipping 1500 chassis, 400 complete TV sets to Brazil, making 4700 for which it has received import licenses thus far.

Plant Expansions: Westinghouse's new Electronic Tube Div. (Vol. 6:51) will occupy 3 plants, first to be \$4,000,000 one-story structure covering 3 acres near Bath, N. Y., employing 2000 on military production; second plant is now being built at Horseheads, N. Y., near Elmira (Vol. 7:10); site for third hasn't yet been chosen. . . Westinghouse, for new Air-Arm Div. under v.p. Walter Evans, who also heads Electronics & X-Ray Div., has purchased 75 acres adjoining Baltimore Friendship Airport for new 400,000 sq. ft. plant to be completed by autumn and to employ 2500-3000 by end of 1952.

RCA has added new TV console (Model 7T125) to its 1951 line, making total 15 models (Vol. 6:51). It's 17-in. Provincial in mahogany, walnut or maple, with 2 full doors, lists at \$425, delivery in mid-May. Other Provincial in line is 9T128, a 19-in. 4-door console at \$495.

Hoffman Radio's expanded line of TVs, announced this week, includes 14-in. mahogany table (Model 639) \$199.95, oak \$209.95; 17-in. mahogany table (637) at \$309.95, oak \$319.95. These have been tested on Pacific Coast, will now be released for Eastern distribution.

RTMA annual meeting has been scheduled for June 8-9 in Stevens Hotel, Chicago.

NICKEL PINCH, FEWER TUBES INEVITABLE: NPA laid facts on the line this week -- told electronics executives there won't be enough nickel available this year to prevent dislocations in receiving tube industry.

For TV-radio manufacturers and "assemblers," NPA held out the hope that inequities in steel order M-47 (Vol. 7:10-11,14) may soon be corrected. Speaker makers were told that while cobalt outlook won't be any better, it probably won't be any worse during May and June.

But nickel crisis, affecting every segment of electronics industry, was pre-dominant theme of NPA's April 17 meeting with its Component, End Equipment and Receiving Tube industry advisory committees (for those attending, see p. 11).

Tube manufacturers presented scale of minimum nickel requirements -- May 250,000 lb., June 225,000, July 200,000 -- and warned cuts below these figures would jeopardize industry, weaken its capacity to produce for defense orders.

Govt. production officials shook their heads, said tube industry can expect far less than 200,000 lb. a month beginning in May. April's allotment actually was less than 170,000 lb. Only way tube industry can get more nickel, NPA men made clear, is to take it away from the military, an unlikely prospect.

Lead time -- period it takes to process and fabricate nickel alloys -- is 3-5 months. Tube makers will thus feel April's shortage in August and September. Tube industry is already feeling cumulative effect of months of "little shortages."

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One big factor behind NPA's reluctance to shake loose relatively small amount of additional nickel for tube industry, it was learned, is ramifications such a move would have among hundreds of other nickel-using industries. Although tube industry doesn't use much more than 1% of U.S. nickel, many other industries could also make strong case of their essentiality as basis of plea for more nickel.

An NPA metals expert put it into words of one syllable for us: "For the sake of argument, let's say there are 100 industries, each of which normally uses 1% of America's nickel supply. Comes the rearmament program and we chop a big hunk out of that supply for new military uses -- jet planes, for instance. We chop out another hunk for the stockpile, and you can see everybody's got to take a cut, and there can't be any exceptions."

Oft-heard warning that tungsten -- only known tube filament material -- may soon be worse shortage problem than nickel, was repeated by NPA officials. They said real pinch in tungsten supply may be felt by July.

Tube industry was urged to assure that adequate supply of new tubes flows into replacement channels, lest NPA take situation into its own hands through new restrictive regulations.

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Cobalt will be available to TV-radio industry during May and June at about same rate as April -- 29-30,000 lb. for all uses, or about 25% of normal requirements (Vol. 7:13) -- NPA officials said. They praised industry's conservation efforts, asked for still more.

Question of electromagnetic speakers was brought up by set makers, who have learned the hard way that tales of cobalt conservation don't cut much ice in convincing NPA's Copper Div. to provide extra copper to replace cobalt.

Set manufacturers who have conserved substantial amounts of copper, NPA spokesmen suggested, might "lend" part of their base periods to their speaker suppliers for use in obtaining copper wire for electromagnetic speakers. But it was emphasized that set makers must save considerably more copper than they ask NPA to approve for their speaker makers under any such arrangement.

There's good chance 2 most objectionable features of steel order M-47 will

be swept away, Asst. Administrator Horace McCoy indicated at NPA-industry meeting.

Some manufacturers protested section of order which limits second quarter output of so-called "assemblers" to 80% of sets they produced during average quarter of first-half 1950 (Vol. 7:11). They said it discriminates against some set makers and discourages conservation efforts, and asked that "assemblers" be limited on basis of use of steel as are "manufacturers". McCoy said request would be given favorable consideration.

Second objection was to "strait-jacket amendment" to M-47 (Vol. 7:14), which in effect freezes manufacturers' "mix" of production as between radios, TVs, radio-phonos, TV combinations and phonos. Industry pointed out intent of amendment was to prevent manufacturers from skimping on output of lower-priced lines and concentrating on high-end items -- but its effect is just the opposite.

In light of present trade conditions, they said, set makers want to produce more low-end items, but steel order forces them to turn out higher-priced combinations in same proportions as first-half 1950. Set makers asked permission to divert some of steel earmarked for TV-phonos to TV-only sets, some of steel reserved for radio-phonos to more saleable smaller radios.

Steel order now divides TV-radio products into 5 groups. Steel quotas (80% of use during average first-half 1950 quarter) can't be shifted from one group to another. Groups are: (1) radios, (2) radio-phonos, (3) TV-only, (4) TV-radios, TV-phonos, TV-radio-phonos, (5) phonos, record players. Industry wants groups 1 & 2 combined, groups 3 & 4 combined. This can probably be arranged, McCoy said, but he warned NPA will be watching for "abuses".

Industry's collective estimate of 1951 production, offered in response to NPA query: 5-6 million TVs, 10-15 million radios.

Mobilization Notes: Seven certificates of necessity for rapid tax write-off of \$9,688,168 worth of new plant facilities for electronic and related production were granted by DPA between March 7 and April 6. They represented only small portion of the 396 certificates issued for \$1,310,799,399. Of the 7, Sylvania got 3 totaling \$7,942,353.

Certificates granted Sylvania: For production of subminiature tubes, at Burlington, Ia., \$4,252,322 at 75% amortization; tungsten & molybdenum fabrication, Towanda, Pa., \$2,899,335 at 80%; electron tubes, Warren, Pa., \$790,695 at 80%.

Certificates granted other electronic firms: Bendix, aircraft communications & radio equipment, Towson, Md., \$1,008,474 at 75%; Titeflex Inc., radio & ignition components, Newark, \$289,065 at 80%; Litton Industries, magnetron tubes, San Carlos, Cal., \$248,277 at 85%; Good-All Electric Mfg. Co., metal-clad condensers, Ogallala, Neb., \$200,000 at 75%.

Of 258 certificates granted by NSRB from Oct. 30, 1950, to Jan. 25, only 7 were for electronics manufacture (Vol. 7:10), and 3 more for electronics appeared on previous DPA list of 228 granted Jan. 25-March 7 (Vol. 7:11).

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New procurement policies "to provide maximum aid for small business" were announced this week by Defense Dept. They include: (1) Assignment of small business specialists to all armed service procurement offices. (2) Division of negotiated procurements into small lots to allow multiple contract awards. (3) Program to encourage subcontracting. (4) Payments of "price differential in negotiated procurements to accomplish the objectives of broadening the industrial base of suppliers." NPA is also planning "special treatment" for small business.

Army announced plans to open 34 more sample display and procurement information centers as aid to small business. Of these, Signal Corps will get one new center--- at 2800 So. 20th St., Philadelphia---in addition to the present one at Ft. Monmouth, N. J. Air Force, citing "favor-

able reception" of last February's subcontractor clinic in New York (Vol. 7:7-8), is scheduling similar displays by prime contractors in 5 other cities, beginning in Chicago April 30, and later in Boston, Detroit, Los Angeles and Fort Worth.

Munitions Board, in announcing January total of military contracts reached \$3,984,000,000, revealed that small business received 73% of contracts, but only 17% of dollar value. During January, contracts negotiated directly (rather than awarded by bid) soared to 84% of total value, with small business receiving 13-14%.

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Members of 3 industry advisory committees who met with NPA officials April 17: End Equipment Committee--- R. A. Graver, Admiral; C. W. Thompson, Arvin; J. W. Craig, Crosley; H. C. Roemer, Federal Telephone & Radio; W. J. Halligan, Hallcrafters; Dr. W. R. G. Baker, GE; A. A. Juviler, Olympic; Franklin Lamb, Tele King; J. B. Elliott, RCA; Ray C. Ellis, Raytheon; R. Alexander, Wells-Gardner; Fred Lack, Western Electric. Receiving Tube Committee---J. M. Lang, GE; J. Q. Adams, Hytron; W. J. Peltz, Philco; K. C. Meinken, National Union; Carl Hollatz, RCA; N. B. Krim, Raytheon; R. E. Carlson, Tung-Sol; R. F. Marlin, Sylvania. Components Committee---W. E. Wilson, Acme Electric; George Bliley, Bliley Electric; A. D. Plamondon, Indiana Steel Products; H. A. Ehle, International Resistance; A. P. Hirsh, Micamold; L. F. Muter, Muter Co.; W. R. Reisner, Reisner Mfg.; Sarkes Tarzian, Sarkes Tarzian Inc.; R. C. Sprague, Sprague Electric; J. J. Kahn, Standard Transformer; Max Balcom, Sylvania; C. E. Williams, DuMont; R. F. Sparrow, Mallory.

Canada will put nickel under complete allocation beginning May 1. Canadian, U. S. and British defense production will get top priority, but Canadian civilian industries aren't expected to be cut off completely from supplies of the strategic metal. Similar orders placing copper, aluminum, lead and zinc under controls are expected soon from Canada's Defense Production Department.

Telecasting Notes: Emilio Azcarraga's XEW-TV, Mexico City's second outlet, has been televising baseball twice weekly since March 22, one night and one day game, as sort of test schedule on Channel 2, plans to increase time on air gradually to reach 5 hours daily by Sept. 18, date of inauguration of new Telecentro, which Mr. Azcarraga says will contain finest studios on the continent . . . With application of *Providence Journal* to purchase WCFI, Pawtucket, Attorney General J. Howard McGrath, agent for Pawtucket firm and executor for estate of one of owners, severs identity with radio; 2 other members of President Truman's cabinet have TV-radio interests—Secretary of Commerce Sawyer, owning AM stations in Dayton & Springfield, O., and Secretary of Navy Matthews, who controls WOW & WOW-TV, Omaha . . . ABC has purchased 4-story and penthouse showroom building at Broadway & 70th St., New York, for \$416,500, acquiring 50,000 sq ft. more space for TV operations, centered mainly in old New York Riding Academy at 6 W. 66th St. thru to 67th St. . . . CBS office workers (publicity and news writers, secretaries, clerks) voted 308-290 this week against joining CIO American Newspaper Guild . . . Philco reports AT&T now installing its 6000-7000 mc microwave equipment to link Cincinnati-Dayton, service to start May 14; similar short-haul links were supplied recently for linking Binghamton into Schenectady-Utica and Richmond-Norfolk . . . Program Advisory Board of 12 industry, education, religious leaders formed by WAAM, Baltimore, to counsel station on public interest services . . . Crosley TV stations (WLWT, WLWC, WLWD) have appointed MCA as agent for syndication of their programs having national potential . . . WDTV, Pittsburgh, has raised base hour rate from \$600 to \$800, one-min. from \$100 to \$125 . . . First strike ever against a TV station (Vol. 7:15) ended this week after 3-week walkout (during which strikers argued their case over station) when Los Angeles' KFI-TV management agreed to discuss terms with TVA.

Personal Notes: Harry M. Bitner, onetime publisher of *Pittsburgh Post-Gazette*, now holding large interests in radio stations in Indianapolis, Evansville, Grand Rapids and Flint—his son Harry Jr. managing WFBM & WFBM-TV, Indianapolis—named one of National Production Authority's consultants on printing and publishing; others are Wm. G. Chandler, Scripps-Howard; Buel W. Hudson, *Woonsocket* (R. I.) *Call*; Matthew G. Sullivan, Gannett Newspapers . . . Kingley F. Horton, CBS-TV asst. sales mgr. in New York, appointed CBS radio & TV sales mgr. for West Coast . . . Robert Hibbard acting operations director of WGN-TV, Chicago, succeeding Vernon R. Brooks. . . . Norman Gladney, TV v.p. of Franklin & Gladney Inc., resigns to join Bulova Watch Co.; firm will continue present corporate name . . . Max Tendrieh succeeds Lester J. Mallets as TV-radio director of Weiss & Geller, N. Y.

Georgia interests, backed by Clement A. Evans & Co., investment bankers, retaining two-thirds ownership, applied this week to FCC for authority to take over Channel 8 operation from WSB-TV, Atlanta, while that station retains Channel 2 on which it has been experimenting since *Journal-Constitution* merger (Vol. 6:12-13, 20). Applicant company is Broadcasting Inc., proposing to pay \$525,000 for plant, headed by Walter T. Sturdivant, knitting mills executive. [For details, see *TV Addenda 12-O*.]

Unusual letter received by FCC from attorneys Rivet & Blum, New Orleans, said their client, one Frank W. Bennett, wanted to be on record in event early applications received any priority. They said Bennett plans to apply for TV in Lake Charles, Lafayette, New Iberia, Jeanerette, Morgan City, Baton Rouge, Houma, Thibodaux, all Louisiana.

TREMENDOUS TV coverage of Gen. MacArthur's return and speeches, seen live or filmed by estimated 30-40,000,000 (probably biggest audience yet), will undoubtedly spark off new series of evaluations of "TV's impact on the democratic process," educational TV, etc.

Well worth noting is that commercial sponsorships of such events, encouraged recently by FCC Chairman Coy (Vol. 7:15), tend to insure quality and quantity of public-event coverage efforts in future.

Probably most spectacular station effort was that of Hoffman Radio, over KNBH, Los Angeles. Films of speech before Congress were flown West by famed speed flyer Paul Mantz, televised 7 p.m. same day. Station kept audience informed of his positions en route.

Networks, heavily sponsored, went all-out in equipment and personnel, with following lineup:

ABC-TV—*Life Magazine*, two 45-min. segments before and after Thu. 12:30 speech before Congress, thru Young & Rubicam.

CBS-TV—Longines Wittnauer Watch Co., speech plus New York parade and reception, thru Lennen & Mitchell.

DuMont—*Newsweek Magazine*, 30-min filmed excerpts of speech Thu. 10-10:30, thru Lennen & Mitchell; United Airlines, 45-min. of New York arrival, thru N. W. Ayer & Son; *Collier's Magazine*, New York parade 11:45-1:30, thru Kudner Agency.

NBC-TV—Motorola, segments before and after speech, thru Ruthrauff & Ryan; American Oil Co., New York ceremonies 11:30-1:30, thru Joseph Katz, Baltimore.

New York independent WPIX rushed American Express Co. commercial on air before speech just 25 minutes after receipt of order from sponsor which also bought New York ceremonies; agency was Benton & Bowles.

Justice Dept. and networks are studying National Collegiate Athletic Assn. TV committee's college football plan (Vol. 7:15), formally approved by full committee in Washington April 18. Plan provides: (1) One game to be televised in each area each Saturday. (2) "Blackouts" to be imposed in each area on at least one Saturday, to study effects on game attendance. (3) No team to be seen more than twice, once when it plays at home and once away. NBC, CBS and DuMont officials conferred with NCAA officials April 19, and seemed "interested," NCAA TV chairman Tom Hamilton said. ABC, although invited, passed up conference. Committee discussed plan with Justice Dept., but Govt. indicated it will thoroughly study matter before giving opinion on anti-trust aspects.

Formation of FCC Broadcast Bureau is held up, what with some commissioners desiring more time for study and with clear majority approval of Harry Plotkin as chief still lacking. Plotkin appears to have solid backing of Chairman Coy, Comr. Walker, probably Comr. Hyde, with others on the fence or definitely opposed. If Plotkin appointment fails, it's rumored chief engineer Curtis Plummer is shoo-in with 6 votes—if he wants the \$11,200 job, and he may not since salary is same as he now gets. Another strong contender is Parker D. Hancock, who heads Office of Formal Hearing Assistants.

Phonevision demonstration was given for 5 FCC commissioners at NARTB convention April 17, for broadcasters April 18-19 at special Blackstone Hotel showing. Viewers were addressed by Millard (Tex) Faught, Zenith publicity consultant, whose main point was that Phonevision was a means for broadcasters to garner additional income, particularly in early stages of establishing TV. Final results of 90-day test (Vol. 7:14) are now undergoing checkup by U of Chicago National Opinion Research Center. Zenith intends to do nothing until that's completed in a few weeks.

MARTIN CODEL'S

AUTHORITATIVE NEWS SERVICE
OF THE
VISUAL BROADCASTING
ARTS AND INDUSTRY**Television Digest**

WITH AM FM REPORTS

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April 28, 1951

In This Issue: { End of Freeze Still Long Way Off, page 1. TV-Radio Escape Price Rollbacks, page 6.
'Freeze' Mail Flooding the FCC, page 2. Trade Winds Blowing Nobody Any Good, page 6.
Television Moving in on the Movies, page 3. Feast and Famine in Tube Industry, page 7.
Stations Bitter But Rate Cuts Sure, page 4. Defense Orders Aren't the Answer, page 10.

END OF FREEZE STILL LONG WAY OFF: Caution-- once again: This freeze can't be thawed, in true sense of the word, for many months. We can't reiterate too often that there is almost no chance of any meaningful number of stations on air before late 1952.

Let's be realistic about it, even assuming an optimistic view of probable snail-pace steps we know must be taken:

(1) City-by-city hearing on new allocation plan (Vol. 7:12), starts June 11 -- unless something comes up to delay that. Bitter struggle for channels, now deemed to be worth millions, will run estimated 2 months. That means mid-August.

(2) FCC mulls decision month or so, issues it, say, by end of September.

(3) Applicants are given 2-3 months to file, amend. Thus, end of 1951.

(4) FCC starts granting CPs -- January at earliest, but only in those cities with more channels than applicants -- and there will be mighty few of these. Handful of eager beavers, with equipment bought on hope and speculation and already delivered, might start telecasting by spring or early summer. But majority of even these "easy" grants won't get going until late summer or fall. Conceivably, a few stations in Hawaii, other Territories, could get going before then if hoped-for "partial" unfreezing materializes (Vol. 7:12).

(5) Really significant cities, hotly contested, must have competitive hearings -- to take place during spring or summer of 1952 at earliest. Decisions on these might come in late summer or fall. But some of these could wind up in courts for indefinite period, if losers decide to appeal.

(6) Winners of hearings could get on air during late 1952 or early 1953 -- assuming transmitting equipment is available, likely unless defense needs increase.

Freeze won't really be over until last step has been completed.

Of course, FCC says it's trying for partial freeze-lifting on uhf without going through city-by-city hearing. Even if that does happen, only a tiny number of uhf stations could get on air this year -- all of rather low power.

Equipment deliveries are bottleneck in uhf. Some 1-kw units could be delivered this year (Vol. 7:16), but GE is only manufacturer quoting dates on 5-10 kw transmitters -- and it says "third quarter 1952."

* * * *

We say above estimate is optimistic, because we see nothing on horizon to speed things up by more than couple months at best. And there are plenty of other contingencies that might drag things out longer than foregoing timetable:

(1) Congressional intervention. Plenty of this can be expected, since so many states and communities fare badly under allocation plan. Even Senator Johnson isn't very happy about way Denver comes out (Vol. 7:16).

Senator Benton's resolution calling for 90-day freeze while the Senate "studies" educational channel reservations (Vol. 7:15-16) doesn't sound like much on surface, assuming such "study" could run concurrently with FCC deliberations. But situation is fraught with delay.

Only NARTB-TV has seemed to appreciate delay factor in Sen. Benton's pro-

posal, and has told Sen. Johnson's Interstate & Foreign Commerce Committee how it feels. Everyone else seems complacent; committee has received no other comments.

(2) Court delays. Many lawyers, including Communications Bar Assn., say flatly that portions of FCC plan violate Communications Act -- particularly the predetermined geographical allocations and the educational reservations.

A company opposing the plan as a whole -- DuMont, for example, has already noted that plan permits only 2 networks on vhf basis -- or disgruntled applicants might figure they have nothing to lose by appealing to the courts. This could quite conceivably tie up entire allocation in litigation for some time.

Delaying action in courts or hearings might not make for popularity in an impatient industry, but the aggrieved may think their chances of getting a channel would be bettered by appeal to courts.

There are other potential delays, undoubtedly, some as yet unforeseen. The color issue, chief reason for protraction of freeze to full 32 months, may flare anew after Supreme Court decision -- and tie up FCC's time (and passions). And mobilization picture could change overnight, throwing every estimate out the window.

'FREEZE' MAIL FLOODING THE FCC: Stream of letters to FCC, constant throughout freeze, has approached flood stage since release of allocation plan March 22 (Vol. 7:12). Hundreds are on file in the docket, addressed to chairman or Commission as a whole. Individual commissioners are getting hundreds more.

Members of Congress, college presidents, station managers, individuals -- every type of interest is represented, with questions or comments on all aspects of the freeze. File is open, so we spent few hours studying it -- and found:

"When will we get TV?" is question most frequently asked. Frequently forwarded by members of Congress, letters come from every nook of the country -- e.g., Butte, Mont.; Woonsocket, R.I.; Yoakum, Tex.; Ashland, Mass.; Decatur and Evansville, Ind.; Yankton, S.C.; Falls City, Neb. -- in addition to those from such obvious big-city "outs" as Denver, Portland, Tampa, St. Petersburg.

A few AM stations have written in. KGAF, Gainesville, Tex., sees "nothing wrong" in uhf Channel 49 allocated there, hopes freeze ends soon, stands ready to apply. WOPI, Bristol, Tenn., is happy with allocation, is prepared to file, plans microwave to Greensboro. WNLC, New London, Conn., is delighted; city gets Channel 3, only vhf in state besides Channel 8 assigned to WNHC-TV, New Haven.

KUGN, Eugene, Ore., complains of being "left out." Channel 9, only vhf allocated, is earmarked educational. KVFD, Ft. Dodge, Ia., objects to uhf-only there. Montana-Washington-Oregon broadcaster Ed Craney, through Sen. Warren G. Magnuson (D-Wash.), objects strenuously to educational reservation.

WGAN, Portland, Me., wrote FCC chief engineer Curt Plummer, native of Maine, saying it found how to add vhf channel to Bangor, Me. Plummer replied that plan looked good, didn't violate minimum spacing.

Sen. Johnson's concern about Denver (Vol. 7:16) was expressed in April 2 letter which wondered whether vhf channels from nearby cities might be transferred to Denver if not used within 2 years. Coy replied that such shifts are implicit in allocation, if channels "remain unclaimed for a protracted period." This "protracted period," he said, is likely to vary from case to case.

Correspondents from non-TV areas seem impatient enough, but letters from single-station areas -- Kansas City, Pittsburgh, St. Louis, etc. -- appear downright purple-faced with exasperation.

Queries about "booster" or "satellite" stations are rather frequent, as people hunt for means of pulling in signals just over the horizon. FCC answers that such stations would defeat purposes of allocation plan if they used vhf-uhf channels, that no other frequencies are available.

Educators generally commend channel reservations, occasionally complaining that their towns were given uhf instead of vhf. Only exceptions we've seen were from Clarence Decker, president of U of Kansas City, and Roscoe Shores, acting supt. of Kansas City schools. They say uhf will do, since they don't expect to get into

TV for a long time; moreover, cooperation of local stations has been excellent.

Comr. Webster is worked up about flood of pro-educational letters he's getting. Seymour Siegel (WNYC, New York), president, National Assn. of Educational Broadcasters, has been urging educators to write Commission. Webster, who opposed educational reservations, has asked Siegel for copy of letter, saying:

"While I am of the firm opinion that citizens have the right to express their views to the heads of govt. agencies, there is a proper time, place and means for such expressions..." Such "pressure," he said, "is of questionable propriety."

Some educators say they have definite plans to build. Among these are U of Kansas, U of North Carolina, Miami U (Ohio). Last says it will need "very minimum of 2 years" to get proper approval. U of Chattanooga wants to get going, but fears great costs. However, it says, arrangements can be worked out with WDOD, "using certain facilities in common." Educational channel in Chattanooga is uhf.

FCC doesn't reveal much in its replies, usually sends copy of its "Third Report" with brief summary of freeze history and status. Chairman Coy generally handles Congressional queries. In a couple letters, Coy and Comr. Jones indicate hope or expectation freeze will end "this year."

TELEVISION MOVING IN ON THE MOVIES: "Straw in the wind" -- and they're none too happy about it -- best describes Hollywood's reaction to this week's deal with Petrillo whereby independent producer Robert L. Lippert obtained release of post-1946 feature films for TV. Major producers don't like it a bit, fear it's precedent.

Nor are the big Hollywood producers joyous about emergence of new film companies organized to make pictures for TV. They recall how their own gigantic industry sprang from even humbler beginnings, are realistic enough to realize that in time the present handful of 107 TV stations will expand enormously and really become important factor in rental revenues.

Negotiations between majors and Petrillo on renewals of present contracts begin this fall. These expressly forbid release to TV of any films made after 1946 -- and there have been indications Petrillo considers same provisions binding on films made prior to that year.

Lippert agreed to pay 5% of his gross from TV into AFM royalty fund. He also agreed to re-record music track on old films, using same number of musicians same length of time as on originals. He announced he would re-record 26 of his post-1946 films for immediate TV release.

Known in trade as a "gangs and gore" film-maker, Lippert's most recent picture is The Steel Helmet, based on Korean war. He's owner of chain of 20 film houses in California, became producer in 1944, has in recent years turned out such pictures as Outlaw Country, I Shot Jesse James, Son of Billy the Kid, Arson Inc., Treasure of Monte Carlo, Apache Chief.

What major producers find most significant in Lippert-Petrillo deal is 5% contribution to union fund. Only such TV film producers as Snader, Gene Autry and a handful of others had agreed to that so far. It may be Petrillo's hedge or precedent against inevitable day when majors will open up their vaults to TV (Vol. 7:13).

* * * *

That new enterprise will make films for TV, if majors and other established producers don't do it, is indicated anew with formation of still another company with that in mind. It's a \$1,000,000 cooperative venture, including some 50 telecast stations, known as Consolidated Television Broadcasters Inc.

Mainspring is Harrison Dunham, ex-KTTV manager, who promoted such move for owner Los Angeles Times last year (Vol. 6:32). He's executive v.p. President is Richard Jones, WJBK-TV, Detroit, owned by Geo. Storer interests, principal backer. Already hired is Frank Wisbar, ex-Bing Crosby Enterprises (Fireside Theatre).

Initial plans call for 2½ hours of film per week for 26 weeks, each to cost between \$10-20,000. Member stations will have first refusal rights in own market, rentals to be not more than 50% of card rate for running time of film.

Potential of film-making for TV is indicated in statement to Wall Street

Journal by Richard Dorso, head of United Television Programs, formed recently by Standard Radio and Petry in collaboration with Century Artists (Vol. 7:2-3):

"Based on conservative estimate of 6 hours of film programming per day on the part of each of the 4 networks, at an average price of \$20,000 per half-hour of film, we can look for an annual \$240,000,000 business here in Hollywood by 1954."

Pointing to economic impact of TV film producing, already, is recent Petrillo edict that musicians' pay in TV field shall be \$50 per 3 hours work instead of the \$39.90 regular Hollywood scale, which is expected to be raised to same level.

Not only are special production firms being formed to turn out TV films, but established radio program services have entered or are entering field. Already heavily involved are World (Ziv) and Goodman, as well as the Standard Radio-Petry group. New to field but already a factor is Snader. Soon to announce their entry, it's reported, are Associated Program Service and Lang-Worth.

Networks are still quiet about what they intend to do, but there's little doubt they have film-making plans. Otherwise, they would not have met Petrillo's 5% royalty demand (Vol. 7:7,11). ABC already has huge Hollywood facilities (old Warner lot) and CBS has big plans under way for which it recently got financing (Vol. 7:15), and it's having its Amos & Andy series filmed. NBC is known to be shopping for studio space, with unverified talk about a tieup with Warner Bros.

On exhibitor side, United Paramount Theatres president Leonard Goldenson, in 1950 annual report just issued, offers calm assurance that movies can meet threat of TV. He admits boxoffice is off more in TV areas than in non-TV, but states it's impossible yet to determine exact extent of TV's effect. After novelty wears off and set is paid for, he says, viewers become more selective.

"Then, we believe, the American people, giving freer play to their gregarious instincts, will respond as in the past to our high-quality motion picture entertainment," his report states. He urges exhibitors to use TV as an "ally" -- in advertising -- but admits "much work remains to be done in developing techniques."

STATIONS BITTER BUT RATE CUTS SURE: Radio networks will all cut their rates shortly. They can't help it, they told Affiliates Committee meeting in New York this week. For die was cast by CBS, which sprang sudden 10-15% reductions on eve of NARTB convention (Vol. 7:15-16), leading to formation of protest committee.

Committee chairman Paul Morency, WTIC, Hartford, indicated how seriously situation is regarded when he wrote all network affiliates this week: "If any real effort is going to be made to prevent a debacle in the radio industry, it must be made by affiliates...The radio industry and particularly the affiliates in it are faced with the greatest decision in the history of their operations."

What they can do about it, is still obscure -- but formation of permanent organization, allegiance pledge of stations before committee meets again May 15, is being urged. Membership dues were set at station's highest one time 15-minute rate.

Some committeemen proposed (a) revision of option time agreements, and (b) elimination of day-night rate differentials. Some stations already have single-rate schedules for entire day, notably New York's WNEW, Washington's WWDC.

Network cuts "should not be regarded [as] indication of the overall value of radio and particularly of the market-by-market value of radio," said Morency letter, which recommends affiliates raise local rates if warranted.

That network leadership is on wane, was conviction of some committeemen who said they foresaw considerable change in scope of network operations as well as their position in industry during next few years. Nor were they likely to be mollified by latest PIB network billings figures (see p. 5) showing CBS January-March \$2,000,000 ahead of same period last year, even MBS slightly ahead, others down.

CBS rate cut goes into effect July 1, as announced. NBC is expected to follow suit after meeting with Stations Planning and Advisory Committee. ABC will wait for NBC card, and MBS will make known its cuts after all the others.

There's talk of cuts only in TV markets, instead of following CBS across-the-board method. But all face fact total cuts must be equal to, or under, CBS's.

Network TV-Radio Billings

March 1951 and January-March 1951

ANOTHER big leap in network TV time billings is revealed in Publishers Information Bureau report for March. Gross billings for March (not including non-reporting DuMont) were \$9,085,403 vs. \$7,804,550 in February (Vol. 7:13) and \$8,082,876 in January (Vol. 7:10). The March billings were more than fourfold those of March 1950, and Jan.-March cumulative was \$25,007,059 vs. only \$5,799,995 for same 1950 quarter.

Network radio went up also in March, totaling \$16,440,387 vs. \$14,957,460 in February and \$16,629,928 in January. But it was slightly down from March 1950, and radio's Jan.-March cumulative of \$48,132,847 compared with \$49,308,757 for same 1950 months. Noteworthy was fact that CBS continued to show increases as well as maintain big lead, with \$6,815,406 March radio billings vs. \$6,108,386 in March 1950 and \$19,788,562 Jan.-March cumulative vs. \$17,850,089 for same 1950 quarter. MBS also showed slight increase, but ABC and NBC were lower.

It would appear to be only short time, what with upgrading rates for TV and downgrading rates for AM, that TV network billings will overtake AM networks—albeit only 48 TV areas are interconnected as yet, whereas just about every corner of the country is reached by network radio. The PIB figures:

NETWORK TELEVISION				
	March 1951	March 1950	Jan.-Mar. 1951	Jan.-Mar. 1950
NBC	\$ 4,594,203	\$ 1,175,186	\$12,730,785	\$ 3,195,582
CBS	2,993,902	657,501	8,195,406	1,823,456
ABC	1,497,298	344,097	4,080,868	780,957
Total	\$ 9,085,403	\$ 2,176,784	\$25,007,059	\$ 5,799,995

NETWORK RADIO				
	March 1951	March 1950	Jan.-Mar. 1951	Jan.-Mar. 1950
CBS	\$ 6,815,406	\$ 6,108,386	\$19,788,562	\$17,850,089
NBC	5,085,636	5,847,374	15,033,209	16,785,941
ABC	2,891,339	3,476,383	8,693,478	10,181,753
MBS	1,648,006	1,410,683	4,617,598	4,490,974
Total	\$16,440,387	\$16,842,826	\$48,132,847	\$49,308,757

Station Accounts: "This season you can scarcely turn a dial (radio or TV) without bumping into a beer sponsor, large or small," reports April 23 *Sponsor Magazine* in survey of "Beer on the Air" which your commercial dept. should study. It recounts how in 1941 only 4.3% of beer advertising went into radio, by 1949 TV-radio combined took 22.4%, exceeded only by outdoor media's 23%. Forty beer sponsors, their agencies and the TV-radio programs they place are conveniently tabulated . . . Adjacencies on Ballantine-sponsored Yankee home games and Chesterfield-sponsored Giant home games on WPIX include *Play Ball* with Hal Tunis 30-min. before Yankee & Giant games for Winston Stores (TVs, appliances), *Dizzy Dean Show* 10-min. before Yankees game for Philip Morris, *A Day with the Giants* 15-min. before Giants games for Krueger, various spots for Kreml, Palmolive, Read's Ice Cream, Bufferin, Gruen, Kaiser-Frazer, Thom McAn, Barney's Clothes . . . Falstaff Brewing Co., St. Louis, to sponsor *The Great Merlini*, United Artists mystery film series in St. Louis, Omaha, Memphis, New Orleans, San Antonio, thru Dancer-Fitzgerald-Sample, N. Y.; Red Top Brewing Co., Cincinnati, already signed for Cincinnati, Dayton, Columbus, Indianapolis . . . Add baseball sponsorships: Cincinnati Reds, piped for Burger Beer from WCPO-TV to WSAZ-TV, Huntington, W. Va., as well as WHIO-TV, Dayton . . . Travel questions feature new-type quiz program on KTTV, Los Angeles, titled *Honeymoon Express*, Fri. 8-8:30, with airline tickets as prizes; co-sponsors are Western Airlines, Lyon Van & Storage, Seven-Up, Tanner Motors, thru Dean

Simmons Adv. . . Harris, Upham & Co., New York stock-brokers, using 1-min. films on KRLD-TV, Dallas, as starter of wider campaign . . . Westinghouse Appliance Div. offering local dealers new series of 1-min. and 20-sec. film demonstrations of refrigerators, ranges, ovens, vacuum cleaners, fans, etc. . . Among other advertisers reported using or preparing to use TV: Modern Food Process Co. (Thrive pet food), thru Lavenson Bureau of Adv., Philadelphia; Finkel Outdoor Products Inc. (beach & garden umbrellas, lawn furniture), thru Atlantic Adv., N. Y.; Wool Bureau Inc. (wool apparel), thru Grey Adv., N. Y.; Cowles Magazines Inc., thru McCann-Erickson, N. Y. (KTSL); Illinois Meat Co. (Broadcast Brand meats), thru Arthur Meyerhoff & Co., Chicago (WCBS-TV); Richardson & Robbins (food products), thru Charles W. Hoyt Co., N. Y. (WCBS-TV); Seawol Corp. (Zig-Zag sewing machine), thru Vic Knight Inc., Los Angeles; Industrial Tape Corp., thru Kenyon & Eckhardt, N. Y. (WCAU-TV); Nedick's Inc., thru Weiss & Geller, N. Y. (WTOP-TV); Quality Importers (Welch's wine), thru Al Paul Lefton Co., N. Y. (WCBS-TV); Ultra Chemical Works (Ultra Gloss floor wax), thru S. R. Leon Co., N. Y. (WCBS-TV); Newsweek Magazine, thru Lennen & Mitchell, N. Y. (WABD); Fred W. Amend Co. (Chuckles candies), thru Henri, Hurst & McDonald, Chicago (WOR-TV); George Schneider & Co. (carbonated beverages), thru Doyle Dane Bernback, N. Y. (WOR-TV); Dearborn Supply Co. (Chlor-O-Creme face cream), thru Gordon Best Co., Chicago; Dorchester Products Co., Washington (Clorodets chewing gum), thru Joseph Katz Co., Baltimore.

Personal Notes: Thomas F. O'Neil, v.p. and director of Yankee-Don Lee networks, v.p. of General Tire, elected chairman of board of MBS April 30, succeeding Theodore C. Streibert, WOR; E. M. Antrim, business mgr., *Chicago Tribune* (WGN & WGN-TV) succeeds O'Neil as vice chairman, and all other directors were reelected . . . Victor A. Sholis, director of WHAS & WHAS-TV, Louisville, awarded 1951 medal of American Cancer Society as layman contributing most to cancer control program in America . . . Kenneth W. Church leaves managership of WIBC, Indianapolis, July 1 to become sales mgr. of WKRC & WKRC-TV, Cincinnati . . . Hoyt Andres appointed asst. mgr. of WKY & WKY-TV, Oklahoma City; Eugene B. Dodson named administrative asst., Ray Scales succeeding him as public relations mgr. . . Ben Gedalecia resigns as ABC research mgr. to join Dept. of State information service . . . Joseph L. Tinney, v.p. of WCAU & WCAU-TV, Philadelphia, promoted to Captain, USNR . . . A. E. Joscelyn, CBS Hollywood operations director, reelected president of So. Calif. Broadcasters Assn. . . W. D. Fisher, ex-Young & Rubicam, joins Gardner Adv., St. Louis, as TV-radio director . . . Wm. A. Chalmers, ex-Kenyon & Eckhardt, appointed TV-radio v.p., Grey Adv.

Amendment to TV Allocation Report

TO CLARIFY meaning of paragraph H-B-1 of its allocation proposal (page 8 of *Television Digest's* March 24 printed full text of TV Allocation Report), FCC this week amended it with Public Notice 51-410. New paragraph reads as follows, added language in italics:

"1. A channel assigned to a community in the Commission's Table of Television Assignments shall be available, without the necessity of rule making proceedings, to any other community *which is located within 15 miles of the assigned community and which has no assignment of its own* provided the minimum separations set forth in paragraphs "E" and "G" herein are maintained."

TV-RADIO ESCAPE PRICE ROLLBACKS: Price controls don't hurt the TV-radio industry. Instead of rollbacks, it looks like ceiling prices will be high enough to permit upward price changes as and when needed. At least, that's early interpretation of industry and govt. executives following issuance this week of Office of Price Stabilization's manufacturers' price regulation (CPR-22), effective May 1.

And with this week's revision of Section 43 of retail price regulation (CPR-7), which now permits manufacturers of branded merchandise to set wholesale as well as retail prices, the TV-radio industry is in position to calculate its ceiling prices to distributors, retailers, public (Vol. 7:9,14).

Inasmuch as today's TV prices are lower than they were during base period stipulated, plus permitted increases in factory labor and materials costs, nobody sees much difficulty in foreseeable future. Factory accountants are working on details of what the regulation means to their companies; nobody, so far, seems to have found any hidden "gimmicks," as one put it.

Parts manufacturers aren't quite so sanguine. Their best thinking is that no rollbacks will be required immediately, but that "cushion" between present parts prices and ceiling prices is pretty close -- doesn't give them much leeway if costs get out of hand.

There's also still unresolved question in OPS whether manufacturers' regulation covers all electronic components makers. Best guess is that final decision, due in week, will keep parts makers whose products are primarily for TV-radio under manufacturers' regulation.

TRADE WINDS BLOWING NOBODY ANY GOOD: More factory "vacations" and layoffs, further decline in TV production, mounting factory inventories, and a still-listless retail market -- that about tells story of this week's TV trade.

To say that industry folk are plenty worried -- at manufacturer, wholesaler and retailer levels alike -- would be putting it quite mildly. Short of seasonally-unlikely loosening of customer pursestrings, the outlook remained gloomy. One big effort was extended this week:

RTMA president Glen McDaniel and general manager James Secrest waited on Federal Reserve Board staff to ask, once again, that Regulation W be at least ameliorated by way of (a) a 90-day moratorium on the 25% down payment requirement, so that TV stocks can be moved; (b) ruling that trade-ins may be applied against down payment; or (c) that up to 50% of trade-in value be so applied.

Reduced installment buying is believed by many to be basic cause of current market lull. Time sales have declined much more sharply than cash selling since Regulation W was tightened last October. Bankruptcies and financial straits among dealers were cited as reasons for relief. The industry spokesmen were assured matter would be brought to attention of full board next week.

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There were plenty of signs of distress, as sales and giveaways failed to move goods fast enough. Only promise of better things ahead was Dept. of Commerce April Survey of Current Business stating that high-inventory situation in consumer durables generally should be short-lived because (a) NPA steel order (Vol. 7:15-16) will cut future output, and (b) inventories of raw materials and components among manufacturers are getting low.

"They're telling us!" might well be reaction to report's conclusion that TV-radio has felt blow harder than other lines. And "Oh yeah" to statement that inventories of consumer goods aren't "unduly" high in relation to sales, and that wholesale inventories "do not appear excessive in terms of sales volume."

Nor is there much comfort in Federal Reserve Board's latest Survey of Con-

sumer Finance (Vol. 7:16), which purports to show "little or no decline" in number of consumers considering 1951 purchases of TV, refrigerators, furniture, etc.

"TV Cut Price Jamboree" was being advertised in New York, customer invited to name own price. New York Times April 26 reported out-of-town stores unloading many off-brand and a few top brand TVs in city at lower than distributor prices, being so hard-pressed to meet bank commitments.

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Philco furlough of 5000 employes this week continues through next week, as planned (Vol. 7:15) -- but RCA Victor's complete shutdown of all TV and some radio production, ordered last Monday (April 23) at 6 plants, was wholly unexpected. At first, it looked like full week layoff of 5837 employes, but NPA came to rescue Thursday with favorable action on adjustment of steel limitation.

About 90% of workers at Camden and Indianapolis were called back to jobs immediately, and next day (April 27) plants in Bloomington & Monticello, Ind. and Pulaski, Va. were back at work. The 175 laid off at Canonsburg, Pa. radio plant are due to return May 1 when month's allotment of steel is available.

RCA officials state emphatically that steel order M-47 (Vol. 7:10-11,14) alone was cause of shutdown -- there was no motive of deliberately "vacationing" from TV-radio production due to becalmed market. Previous layoffs (Vol. 7:13-15) had discounted that "seasonal" condition, and company claims to be better off than most with respect to inventory.

Employment situation in industry at large, however, continues bad, has the unions no less than employers worried. IBEW local chief in Chicago estimates that area's layoffs in TV and components plants at 15,000 or more. Another Chicago report had Zenith laying off 3000 this week, giving inventory-taking as reason.

Nearly all TV-radio plants shut down in July, of course, for summer vacations, usually first 2 weeks -- and no exception is likely this year. Big question is whether, even if inventories persist, factories will offer usual new models in June-July, further aggravating market. Chances are most will, so far as we can learn, particularly since so much hullabaloo over uhf tuners has already been raised (Vol. 7:14-15) and everybody seems to anticipate lifting of freeze and opening up of new markets much earlier than seems likely (see p. 1).

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TV production dropped to 122,489 (3116 private label) in week ending April 20 -- lowest since 1950 post-Xmas week's 105,968 and lower than any other save last year's summer vacation weeks. Factory inventories rose to 433,930 from 386,307 week before and 324,859 first week of second quarter (ending April 6). TV output for quarter's 3 reported weeks: 140,964 first week, 133,576 second, 122,849 third.

Radios fared better, thanks largely to seasonal auto and portable output. Third week's total was 349,767 vs. 361,652 second week, 332,463 first (Vol. 7:16). Radios for week ending April 20 were: 158,504 home, 147,587 auto, 43,676 portable. Factory inventory of radios was 175,014.

FEAST AND FAMINE IN TUBE INDUSTRY: Despite shortages, despite trade slump, the production of receiving tubes is humming along at remarkable rate, with demand high.

But picture tube industry is in doldrums. In this field probably more than any other -- because it's purely TV -- current trade slump is reflected and future TV production trends forecast. And picture tube business is bad -- with no signs of pickup in near future.

Larger CR tube makers report business down -- from "a little" to "way off." But some middle-sized ones are operating at about 30% of capacity, and smaller manufacturers are creeping along with production as low as 15% of normal. Bottom may not have been hit yet; at least nobody's reporting any increase in orders.

These are straws in the wind in the depressed CR tube situation: Corning Glass Works is discontinuing picture tube bulb production at its new Albion, Mich. plant, and is converting to manufacture of sealed beam headlights, electronic tube and incandescent lamp bulbs. TV bulb production will be limited to Corning, N.Y.

factory. Two CR tube manufacturers, Sarkes Tarzian and National Video, are reported planning to enter receiving tube business.

On price front, it's possible the wave of CR tube slashes (Vol. 7:14-15) has subsided, at least temporarily. Common complaint is that recent reductions have come almost entirely out of tube makers' pockets; there hasn't been proportionate reduction in production costs.

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Things are different in receiving tube industry, possibly due in part to fact there are only 9 important producers in this field (with Westinghouse soon stepping in) as against 37 CR producers (see pp. 64-65, TV Factbook No. 12).

Although shortages are bothersome, receiving tube manufacturers unanimously predict present high production rate will continue for at least 30 days. When it does fall off, scarcity of nickel -- not customers -- will be to blame, they say.

Receiving tube sales hit all-time high in March despite depressed TV market, RTMA figures reveal -- 44,413,146 vs. 33,663,494 in March 1950 and previous record of 40,105,611 last October. In first quarter, 118,277,243 tubes were sold; 22% or 25,477,655 were for replacement, about 80,000,000 for new TV-radios, 4,000,000 for export and a mere 676,310 for govt. agencies, including military.

There have been some cutbacks from March's record production -- but many tube plants are still operating with extra shifts or on 6-day week. Military orders, while coming in steadily, still represent less than 10% of tube makers' business, industry-wide, according to manufacturers' own estimates.

Principal reason for continued high demand -- as most tube makers see it -- is that set makers, who for past year have been operating with practically no tube inventory at all, are building up "normal" advance supplies. And radio production is still high. Distributors' buying wave, however, has slackened -- most replacement shelves are fully stocked.

Material shortages trouble tube makers day-to-day and hour-to-hour. They've felt nickel pinch (Vol. 7:15-16) last 30 days, but full fury hasn't hit yet. And coming tungsten crisis is just dark cloud on the horizon.

Conservation and substitution will eventually result in use of about one-third less nickel in civilian tubes, most manufacturers say. But these measures won't do in military tubes -- won't fit strict specifications. For example, the military requires pure nickel leads, whereas nickel-plated steel leads are adequate for civilian tubes.

So tube makers are faced with new headache. They're going to have to make 2 production runs for each type tube -- one to meet military specifications, another for civilian tubes, using minimum of strategic materials.

Topics & Trends of TV Trade: Philco reports "program of cooperative research" with Massachusetts Institute of Technology, alma mater of its engineering research v.p. David Smith and other top staffmen, whereby they will exchange data on military and commercial electronics, TV-radio, refrigeration, home appliances, etc. Special conferences and seminars and factory visits are planned. And this week, too, Majestic Radio announced the establishment of Majestic Research Fund Inc., endowed for \$500,000, under which grants up to 48 scholarships per year for 5 years, each worth about \$2000, will be made to persons over 35 years of age seeking another chance for education; scholarships will be known as "Second Chance," and advisory board comprises Dean H. L. Masson, Engineering Graduate School, New York U; Dean Erich Hausman, Brooklyn Polytechnic Institute; Prof. R. T. Livingstone, executive officer, Dept. of Industrial Engineering, Columbia U; Prof. David Bendel Herz, Columbia U; G. A. Bishop, director of research, Textile Workers of America.

Arguments against Regulation W have been marshalled in 8-page press release by Philip Lesly Co., 100 W. Monroe St., Chicago, public relations counsel for American

Finance Conference, 176 W. Adams St., Chicago. Latter is campaigning for elimination or modification of credit controls. Lesly Co., which also handles publicity for Meck, is preparing leaflet on subject, will make copies available to all interested.

Some 3,300,000 wired homes exist within 60-mi. radius of existing or projected TV stations in Latin America, so that within next 5 years there's potential market for about 1,300,000 TVs. So Philco International Corp. v.p. Radcliffe L. Romeyn told meeting this week of Export Advertising Assn., New York. Within range of the 6 stations now operating in Latin America (2 in Cuba, 2 in Mexico City, one in Rio de Janeiro, one in Sao Paulo) Mr. Romeyn estimated 1,500,000 wired homes, only about 25,000 sets-in-use, perhaps another 15,000 in trade pipelines. Of sets-in-use, about 14,000 are in Havana, 3500 in Mexico City, 3600 in Sao Paulo, 3000 in Rio.

Esquire Radio Corp., 26 Court St., Brooklyn, is new manufacturing firm announced by A. Robert Lieberman, ex-Jewel Radio, with B. Stohl in charge of purchasing. He states company plans to produce TVs, radios and other electronic equipment.

Zenith's new uhf strip is much superior to old one, according to Rudy Frank, promotion manager of WELI, New Haven, whose management is extremely enthusiastic about uhf (Vol. 7:15). Frank, whose Bridgeport home is virtual testing ground for various manufacturers' uhf sets, writes: "This new device is so vast an improvement over the early strip which we tested that I feel that an injustice has been made if I didn't correct the impression created by my appraisal [in Vol. 7:15]. Contrary to published comments that the job of installation of the strip required hours of work by a serviceman, I was able to install the strip myself in a matter of 5 minutes, and you might recall that I am not an engineer or a serviceman. The important thing though is the quality of the picture. I can say that Zenith produced the clearest, cleanest picture of any of the converters and receivers we have tested to date."

Trade Miscellany: DuMont announces availability of electrostatically-focused 17 & 20-in. picture tubes (17FP4 & 20GP4) which eliminate need for copper or cobalt-containing focus magnets (Vol. 7:1, 3, 5, 9) . . . GE 12-in. tube promotion launched this week aims at what it regards as "tremendous replacement market" . . . Richmond Television Corp., Los Angeles, subject of adjudication order in bankruptcy proceedings in Federal district court (Vol. 7:7), has offered to pay creditors in full with 12-installment notes . . . Pathe cut price of 12-in. table from \$249.50 to \$149.50, 17-in. console from \$299.50 to \$169.50; Pathe sets are made by Air King . . . Sparton returning to refrigerator field, will produce 9 & 10-ft. models starting next month.

Skiatron Electronics & Television Corp., 30 E. 10th St., New York (new corporate name, new address), reports election of Telford Taylor and Rear Admiral Timothy J. O'Brien, USN retired, to board. Taylor is former general counsel of FCC, as USA brig. gen. prosecuted Nuremberg war crimes trials, is now partner in New York law firm of Paul, Weiss, Rifkind, Wharton & Garrison, which represents Emerson (in color case) and educators (in TV channel allocations issue). Admiral O'Brien is v.p. of Yearbook Publication Inc. Skiatron is promoting "Subscriber-Vision," rival to Zenith's Phonevision, and claims patents on a TV theatre projector that dispenses with CR tube.

Dividends: Magnavox, 37½¢ payable June 15 to holders of record May 25 and 25¢ on Class A preferred payable June 1 to holders May 15; Indiana Steel Products Co., 20¢ payable June 8 to holders May 22; Standard Coil Products Co., 25¢ payable May 15 to holders May 1; General Instrument Corp., 20¢ payable May 15 to holders May 1; Westinghouse, 50¢ payable June 1 to holders May 10; P. R. Mallory, 30¢ payable June 11 to holders May 18.

Trade Personals: Wm. J. Halligan, Hallicrafters president, named president of Armed Forces Communications Assn. at Chicago convention . . . John R. Beers, engineering v.p., elected president of Arcturus Electronics, succeeding late Morris H. Cohn . . . Harold W. Schaefer, onetime Westinghouse and RCA engineer, recently special asst. to Philco engineering v.p. Leslie J. Woods, appointed Philco director of refrigerator and range engineering . . . Charles L. Cade appointed director of distributor sales for Sarkes Tarzian Inc., now entering replacement market . . . Joshua Sieger has resigned as engineering v.p. and Dr. Adolph H. Rosenthal elected v.p. and research director, Freed Radio . . . Saul Feldman, ex-Tele-tone, named controller of Jewel Radio . . . Edwin G. Weber, covering Chicago TV-radio trade for *Retailing Daily*, has resigned to join Philip Lesly Co., public relations, whose clients include Meek-Scott, Webster-Chicago . . . E. W. Ritter, mgr. of Westinghouse's new Electronic Tube Div., elected v.p., and E. V. Huggins elected to newly created post of executive v.p., Westinghouse Electric International Co.

Financial & Trade Notes: Sylvania achieved another record when its first 1951 quarter sales more than doubled those of same period 1950, and net went up threefold. Quarter was better than any full year save 1948 and 1950, president Don Mitchell told annual stockholders meeting in Boston this week.

First quarter sales were \$60,631,085 vs. \$29,347,911 for same 1950 quarter. Net earnings were \$3,515,155, after providing \$6,665,000 for Federal taxes, or \$2.34 a common share, vs. net of \$1,225,844 (77¢) same period last year. Net for whole of 1950 was \$8,221,185 (\$5.37 a share) on sales of \$162,514,814 (Vol. 7:11).

President Mitchell said unfilled defense orders now amount to about \$75,000,000, but it will be late in third quarter before shipments are substantial. He predicted TV sets, though now "a drug on the market," will be in short supply by fourth quarter. Stockholders approved increase in authorized common shares from present 1,500,000 to 2,500,000.

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Tele-tone's first annual report (since stock was placed on market in August 1950) shows \$19,785,604 sales during 1950, up 65% from 1949, and net income of \$1,083,525 before taxes, \$646,372 after taxes. Common stock earnings were \$1.36½ per share, dividends paid third and fourth quarters were 22¢ per share on Class A, 25¢ on Class C. There were 88,147 shares of \$10 par Class A outstanding as of Dec. 31 out of 100,000 authorized. Of 1,000,000 shares of \$1 common, 458,242 were outstanding. Earned surplus at year's end was \$728,015. Report points to 20-fold increase in volume since firm began in 1945; shareholders totaling 1346 in 31 states; new plant in Elizabeth, N. J.; work on color TV (with CBS); manufacture this year of private-label TVs & radios for Sears Roebuck, Western Auto, B. F. Goodrich, Gamble-Skogmo, Rexall Drug, Walgreen Drug, Mercantile Stores Co. Company at end of year had 1654 employes. Disclosed also was fact that Tele-tone's public relations counsel is Benjamin Sonnenberg, who also represents CBS, notably on color.

Zenith consolidated sales for quarter ended March 31 were \$37,053,064, net profit \$2,228,709 after total taxes of \$2,451,993. This is equal to \$4.53 per common share on 492,464 shares outstanding. No comparisons were available because company has changed its fiscal year to end Dec. 31 instead of April 30, but recent annual report showed profit of \$5,627,003 (\$11.43 a share) on sales of \$87,704,071 for 8 months ending Dec. 31, 1950 (Vol. 7:12).

International Resistance Co. report on 1950 business shows \$11,085,109 sales, \$1,056,638 net profit, or \$1.01 per share on 1,010,757 shares of common outstanding as of Dec. 31. Year before, sales were \$6,483,149, profit \$347,529 (39¢). Backlog of orders at year's end was \$4,424,830 vs. \$687,308 year earlier. During 1950, firm converted 122,069 shares of preferred into common on basis of 2 common for each preferred; also retired 17,598 preferred shares in treasury. Remaining preferred (only 2583 shares after redemptions so far this year of 23,053) are now being redeemed.

Teco Inc., formed by Zenith to promote Phonevision and backed by \$1,010,000 raised through stock issue (Vol. 6:15-16, 39, 40), reports disbursements and promotional expenses, chiefly salary and travel, of \$22,452 from time of incorporation May 25, 1949 to Dec. 31, 1950. Organization expenses, mainly fees in connection with stock issue, totaled \$34,418. President S. I. Marks' report to stockholders April 25 shows \$925,159 in U. S. bonds, \$16,466 cash, states: "Obviously, unless and until Phonevision is approved [by FCC], your company will not be engaged in any income-producing operations."

DEFENSE ORDERS AREN'T THE ANSWER: Defense Dept. and mobilization agencies are fully aware of vital necessity of keeping electronics plants going, safeguarding their skilled manpower reservoir -- but no one we've contacted feels that current letdown is due to mobilization program. Official attitude can best be summed up thus:

"We can hardly be blamed because you miscalculated your civilian markets and overproduced."

Short of upsurge of public demand for TVs, only thing that might really help now is more military production orders -- but military simply doesn't have that kind of money. Defense Dept. has pushed subcontracting and spreading of orders, and NPA has proved sympathetic to industry's woes by helping on cobalt, steel, aluminum, and in other situations. But these haven't solved problem.

RTMA chairman Robert Sprague, speaking to Armed Forces Communications Assn. last week, not only explained trade picture (Vol. 7:16) but posed what he called the "\$64 questions": What will be the total military and civilian production for the third and fourth quarters of 1951? And for 1952? What are industry and individual company prospects? His answers were realistic, not too reassuring:

"Despite the rather sizeable allotment of public funds for the purchase of military electronic equipment and components, it seems apparent that the nation's military needs, short of an all-out war, will not absorb production facilities.

"Our latest information indicates that military electronics production will reach a peak annual rate of about \$2.5 billion in the fall of 1952, and thereafter decline to an annual rate of about \$1.5 billion. [Vol. 7:3]. This might appear to be a very heavy schedule of military production, if merely compared with the 1950 total output of about \$2¼ billion. Actually, it probably will not absorb more than half of the industry's production facilities, even at its peak, due chiefly to the fact that military production dollars have about half the impact on our industry as civilian production dollars. This is due to several factors, but principally because a considerable portion of special and elaborate mechanical gear is obtained from manufacturers not considered a part of our industry.

"A disturbing aspect of the present rearmament program is that the military load is not, for a variety of reasons, evenly distributed throughout the industry. Perhaps it cannot be evenly distributed. Nevertheless, many manufacturers are in danger of being caught in a squeeze between material shortages on the one hand and insufficient or no military orders on the other. Already some of the smaller manufacturers are in this difficulty.

"This condition might not be alarming were it not for the recognized essentiality of electronics to modern warfare. Because of the importance of electronics to our national defense, it is dangerous to permit any significant number of manufacturers of either end equipment or components to fall by the wayside..."

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Four current industry problems were stressed by Leslie F. Muter, president of Muter Co., past president of RMA, speaking before same convention April 19: (1) Credit restrictions. (2) Stockpiling of critical materials. (3) Military contracting procedures. (4) "Pirating" of engineers. Said he:

"I believe that a more realistic program of credit and stockpiling must be quickly adopted or we will be struggling with deflation instead of the widely-heralded inflation." Stockpiling, he said, "is evidently being conducted on a basis that indicates a more serious situation than we have thus far been informed." He was glad to see more negotiated contracts replacing bidding since bidding frequently resulted in awards to companies poorly-qualified to deliver the goods. He added:

"I feel that the pirating of highly-skilled engineering personnel should be considered before additional contracts are placed with companies that do not possess the staffs and facilities to meet the problem."

Mobilization Notes: Appeals board with final authority to grant or deny individual adjustments under NPA orders was set up April 24 by NPA Administrator Fleischmann (NPA Reg. 5). Three-man board will hold open hearings (except where national security is involved) on appeals arising from denial of applications for adjustment or exception by NPA industry divisions. T. Munford Boyd, U of Virginia law professor, is chairman. Other members: Frank J. Peterson, former WPB labor consultant and Kansas City AFL Building Trades Council official; Jack M. Rorimer, ex-WPB appeals board member and onetime v.p.-secy., Empire Plow Co., Cleveland.

NPA has been reorganized to mesh with operation of Controlled Materials Plan (Vol. 7:15). Present 20 industry divisions have been expanded to 35, grouped under 4 over-all bureaus, replacing Industry Operations Bureau. New bureaus are Industrial & Agricultural Equipment; Metals & Minerals; Chemical, Rubber & Forest Products; Textile, Leather & Speciality Equipment—with Electronics Div. coming under latter. Asst. administrator Horace B. McCoy heads Textile, Leather & Specialty Equipment Bureau; Norman W. Foy, Republic Steel official, has been named asst. administrator to head Metals & Minerals Bureau.

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Eleven certificates for rapid tax amortization of \$6,665,741 in new plants and facilities for production of electronic equipment are included in DPA's latest list of certificates granted April 9-13. While electronic production certificates account for 11% of the 94 granted, they amount to only 3% of the \$218,523,000 dollar-value approved during 4-day period.

Most of the electronic certificates are for expansion of tube production, including \$4,088,390 for new Lansdale (Philco) tube plant at Frederick, Md., with 5-year write-off for tax purposes on 75% of that amount. Sylvania was issued 6 of the 11 certificates, giving that firm total of 10 certificates for \$10,011,318 worth of expansion to date (Vol. 7:10-11, 16). Electronic tube production expansion certified by Govt. is generally for special-purpose tube types for which civilian production facilities can't be readily adapted. Over-all average allowance for amortization is 70%.

Sylvania was issued these necessity certificates for expansion at 5 localities: Electronic tubes—Salem, Mass., expansion valued at \$346,893, with 80% of this amount to be amortized in 5 years; Montoursville, Pa., \$216,756 at 80%; Emporium, Pa., \$67,301 at 85%. Electronic tube production equipment—Warren, Pa., \$165,290 at 85%; Radio-TV Div., Buffalo, \$114,450 at 85%. Coils—Salem, Mass., \$93,275 at 75%.

Other firms receiving certificates for expansion of electronic production facilities: Weston Electrical Instrument Co., Newark, air radio course indicator, \$1,500,000 at 90%; Electrons Inc., Newark, electronic tubes, \$35,000 at 85%; Resistance Products Co., Harrisburg, Pa., wire-wound resistors, \$25,110 at 80%; Chatham Electronics, Newark, electronic & radar tubes, \$23,276 at 80%.

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Edwin T. Gibson, General Foods v.p., former deputy DPA administrator, was promoted April 27 to acting Defense Production Administrator to succeed—at least temporarily—Maj. Gen. Wm. H. Harrison who leaves post May 1 to return to presidency of IT&T. Some of Harrison's aides, including W. W. Watts, RCA v.p. on leave, may also quit to give new administrator freer hand in selection of staff. Edmund T. Morris Jr., Westinghouse Electronics & X-ray Div. director on leave, April 23 took over chairmanship of DPA's top-drawer Electronics Production Board (Vol. 7:11-12, 15).

THE FCC is going to have its hands full, once comments on allocations plan are in—all due by May 7 (Vol. 7:15). Questions of all kinds will be dumped in its lap, probably including some shockers.

Very few commercial interests have filed comments yet, but educational responses have begun to dribble in. There are likely to be hundreds of each by deadline. [We will summarize all comments after May 7 deadline.]

First station comment came from KTTV, Los Angeles. It points out dilemma: Station can't protect Grade A service of adjacent-channel station 60 miles away and at same time (a) meet minimum power requirements in serving city of 1,000,000 with antenna over 1000 ft. and (b) utilize maximum power with antennas over 500 ft. Station asks that adjacent-channel ratio be changed from 0 db to -6 db.

Educational issue is bringing such comments as these:

(1) U. S. Conference of Mayors and New York City's WNYC ask that municipalities be permitted to apply for reserved channels. FCC's proposal would admit only accredited educational institutions.

(2) U of Tampa says it can't afford station, but reports that Ted Mack offers it 20% of time and 10% of stock if he gets station.

Pittsburgh's Mayor David Lawrence, president of Conference, is all excited about TV, exhorting his conferees to stimulate local educators—apparently with occasional results. He says reserved channels "should never" be turned over to commercial interests. Some mayors have caught his enthusiasm—we've heard of Milwaukee's Zeidler, Binghamton's Kramer, St. Louis' Darst. Interestingly, KSD-TV's George Burbaeh is serving as advisor to educational committee in St. Louis.

Focus of educational activity, Joint Committee on Educational Television, was formalized this week. Executive director and secretary is Richard Hull, WOI-TV, Ames, Ia. (country's only educationally-owned station). Telford Taylor and Seymour Krieger continue as counsel. Stuart Haydon is general consultant (publicity, etc.). Chairman is Dr. Edgar Fuller, of National Council of Chief State School Officers; Dr. David Henry, president of Detroit's Wayne U, is vice chairman.

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FCC would allocate entire spectrum, including govt. frequencies, under bill (S. 1378) introduced this week by Sen. Edwin Johnson, chairman of Interstate & Foreign Commerce Committee. It's his reaction to recommendation of Communication Policy Board that President set up board to coordinate govt. frequency users (Vol. 7:13). Says Sen. Johnson: "This bill would get rid of the dog-in-the-manger attitude of govt. users who waste frequencies." Asked if he thought FCC would need to be enlarged to handle new duties, he said: "No. They've got plenty of people, plenty of time." Bill provides for following to be inserted into Sec. 305(a) of Communications Act: "All such Government stations shall use such frequencies as shall be assigned to each or to each class by the Commission under rules and regulations prescribed by it and which shall be approved by the President. The Commission may hold public hearings in connection with the assignment of frequencies to such Government stations and shall make public announcement of such assignments, except when the interests of national security require the withholding of information with respect to any such assignment." Regarding phrase "approved by the President," Sen. Johnson says: "I have no worry about FCC's ability to sell the President on its rules and regulations."

Defense Production Inquiry Center will be set up about May 1 by NPA and DPA in main lobby of old Govt. Accounting Office Bldg., 5th & G Sts. NW,

NBC Count of TV Sets-in-Use by Cities

As of April 1, 1951

Estimates are sets within .1 Mv/m contours (60 mi.), excluding overlaps

LOWEST accretion to TV audience since TV sales began swift zoom upwards 2 years ago occurred in March when 423,100 sets were sold—making grand total of 12,171,500 sets-in-use as of April 1, according to NBC Research's monthly "census" report released this week. This compares with 601,900 sales in February (Vol. 7:12), 593,000 in January (Vol. 7:8). These are the breakdowns (consult individual stations for estimates of number of families within range):

Area	No. Stations	No. Sets	Area	No. Stations	No. Sets
<i>Interconnected Cities</i>			<i>Interconnected Cities—(Cont'd)</i>		
Ames (Des Moines)	1	54,500	Pittsburgh	1	250,000
Atlanta	2	104,000	Providence	1	145,000
Baltimore	3	292,000	Richmond	1	74,000
Binghamton	1	36,200	Rochester	1	79,200
Birmingham	2	49,300	Schenectady	1	152,000
Bloomington, Ind.	1	16,000	St. Louis	1	282,000
Boston	2	721,000	Syracuse	2	114,000
Buffalo	1	198,000	Toledo	1	89,000
Charlotte	1	68,600	Utica	1	40,700
Chicago	4	915,000	Washington	4	254,000
Cincinnati	3	250,000	Wilmington	1	62,000
Cleveland	3	454,000*	Total Inter-connected	81	10,333,600
Columbus	3	143,000	<i>Non-Interconnected Cities</i>		
Davenport-Rock Island ..	2	53,900	Albuquerque	1	7,900
Dayton	2	125,000	Dallas	2	113,000
Detroit	3	455,000	Fort Worth	1	73,100
Erie	1	45,900	Houston	1	900,000
Grand Rapids ..	1	78,400	Los Angeles	7	60,000
Greensboro	1	63,900	Miami	1	54,400
Huntington	1	41,300	New Orleans	1	84,400
Indianapolis ..	1	124,000	Oklahoma City ..	1	37,500
Jacksonville ..	1	30,000	Phoenix	1	42,600
Johnstown	1	82,200	Salt Lake City ..	2	43,300
Kalamazoo	1	36,200	San Antonio	2	92,000
Kansas City	1	115,000	San Diego	1	179,000
Lancaster	1	88,300	San Francisco ..	3	80,900
Lansing	1	49,000	Seattle	1	69,800
Louisville	2	86,700	Tulsa	1	
Memphis	1	83,000	Total Non-Inter-connected	26	1,837,900
Milwaukee	1	233,000	Total Inter-connected and Non-Inter-connected	107	12,171,500
Minneapolis-St. Paul	2	256,000			
Nashville	1	27,100			
New Haven	1	150,000			
New York	7	2,300,000			
Norfolk	1	64,400			
Omaha	2	72,800			
Philadelphia	3	829,000			

* March 1 estimate. Figure for April 1 not available until early in May. Bureau of Business Research, Western Reserve University, making audit of TV set figures.

Chances of McFarland Bill's passage (Vol. 7:4-15) appear somewhat improved after hearings every day this week before House Interstate & Foreign Commerce Committee. Separation of Commission and staff (in contested hearings) and easing of stations' renewal burdens remain most controversial issues. This week, CBS, NBC and Federal Communications Bar Assn. joined rest of industry in supporting most provisions of bill, although CBS supports FCC on separation issue. Committee members have begun to show understanding of problems, and, since bill has come up early in session, some sort of FCC "streamlining" legislation may well result. Senate has already approved bill.

FCC set theatre-TV hearing for Sept. 17, issued list of issues which include: (1) Whether common carrier facilities can't do job. (2) What frequencies and how much are needed. (3) Whether public needs or demands service. (4) Data on technical and program feasibility. (5) Whether, if approved, theatre-TV should be considered as common carrier. Appearances must be filed by Aug. 15. Setting of date comes more than year after FCC said it would hold hearing (Vol. 6:2, 9), will be culmination of exhibitors' interest in establishing theatre-TV service (Vol. 5:36 et seq).

Telecasting Notes: Manuel Alonso, newsreel producer and holder of CP for new Channel 2 station in Havana, reports his station probably won't be ready for operation before end of year. RCA equipment is being shipped, he states, and building construction will begin in May, requiring about 4 months . . . Projected Storer-backed station in Havana on Channel 7 (Vol. 7:9) is now "up in the air"; decision expected soon whether to go ahead . . . Whether Gen. MacArthur's May 3 testimony before joint Senate committees will be telecast (he says he's perfectly willing), will be determined in day or two . . . Promotion-wise CBS took advantage of this week's Waldorf-Astoria conventions of AP and American Newspaper Publishers to put on 4 color TV demonstrations, using 17-in. drum receiver, viewed by 250 editors and publishers, some owning TV-radio stations; shows drew high praise from viewers . . . Closed-circuit TV setup during April 26-29 Greater Portland Industries Exposition, operated by RCA traveling crew under Dick Hooper, gave that Oregon city, one of biggest still without TV, foretaste of eventual service; big Meier & Frank dept. store had receivers operating in show windows and auditorium, besides the 15 sets at exposition . . . Detroit Edison took half hour on WXYZ-TV to telecast employe meeting this week, with company brass appearing and film on firm's progress featured; it was designed as sort of "report to stockholders" . . . Milwaukee's WTMJ-TV April 30 moves weekday sign-ons from 12:30 p.m. to 9:30 a.m., which has been Sat. & Sun. schedule since last fall; it adds 15 hours a week to make total of more than 100 hours of telecasting weekly . . . WTOP-TV, Washington, May 15 raises base hour rate from \$450 to \$550, one-min. from \$100 to \$120.

Peabody Awards went to 3 TV programs this week, while third got special citation for educational value. Jimmy Durante (NBC) got award for TV entertainment, *Zoo Parade* (NBC) and *Saturday at the Zoo* (ABC) shared award for best children's program. *Johns Hopkins Science Review* (DuMont) got special citation as educational program. Special award went to ABC for "resisting organized pressure" and reaffirming "basic American principles" by refusing to cancel Gypsy Rose Lee radio show on grounds she was listed in *Red Channels* as communist. President Robert Kintner, on assurance from Miss Lee that she wasn't even a Red sympathizer, refused to bow to pressure from American Legion.

Sale of KFMB & KFMB-TV, San Diego (Vol. 6:46) to John A. Kennedy, former Charleston (W. Va.) broadcaster, former publisher of old *San Diego Journal*, present 48% owner of WSAZ & WSAZ-TV, Huntington, W. Va., was approved April 25 by FCC. Purchase price was \$925,879 for 100% of stock interest of Jack O. Gross. Other TV station sales last year: WOIC (now WTOP-TV) to *Washington Post*, 51%, CBS 49%, price \$1,400,000 (Vol. 6:25); KBTW (now WFAA-TV) to *Dallas News*, price \$575,000 (Vol. 6:4, 11); KLEE-TV (now KPRC-TV) to *Houston Post*, price \$740,000 (Vol. 6:13, 21); KTSL, Los Angeles, to CBS, price \$333,765 plus \$228,000 yearly rental of facilities for 10 years (Vol. 6:52).

Two applications for TV stations this week, bringing total to 399, were from Northwestern Theological Seminary & Bible School (KTIS), Minneapolis, for Channel 9; *Wichita Falls* (Tex.) *Record News* (KTRN), for Channel No. 6. [For further details about applicants, principals, etc., see *TV Addenda 12-P* herewith; for listings of all applications to date, see *TV Factbook No. 12*, with Addenda to date.]

Milwaukee union leaders complain TV has cut attendance at union meetings as much as 50%.