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August 2, 1950

VETERAN BROADCASTER, TRUMAN FRIEND, SUGGESTED FOR FCC CHAIRMAN

Having been forewarned that Wayne Coy may retire as Chairman of the Federal Communications Commission next year, and having been handed numerous political lemons, the broadcasting industry has a golden opportunity to get behind some good candidate of its own choosing for Chairman, a thing which it has never done before. Not only has the industry meekly taken what the politicians have handed to it but furthermore, radio with a voice so powerful that it could blow any Administrator off the map, has never received any official recognition, such as Cabinet officers, Diplomatic posts, etc. How many can you name who in any way have been connected with the broadcasting or communications industry?

War if it comes changes everything and Wayne Coy may decide to hang onto his job, if he can be reappointed, but if not, it is believed a worthy successor to him might be found in John A. Kennedy, a personal friend of President Truman, a veteran broadcaster and newspaper man, of San Diego, Calif. if Kennedy could be persuaded to take up the burden.

Mr. Kennedy, now 52, a native of St. Paul, Minn., included among his radio interests WCHS, Charleston, West Va., and WSAZ, Inc., Huntington, West Va., of which he became President and General Manager. On December 5, 1949, he sold WCHS, a 5 KW station, to Lewis A. Tierney, one time operator of WBTH, Williamson, West Va., a man with large coal mining interests, for \$650,000. Following this, Kennedy acquired 51% in the San Diego Journal, owned by the McKinnon Publications of which he became President. Mr. Kennedy did not take over Station KSDJ, affiliated with the Journal, although the FCC granted him permission to do so. In May of this year, the Journal was merged with the San Diego Union Tribune, and Mr. Kennedy became editor of the Evening Tribune.

Mr. Kennedy's friendship with President Truman dates back sometime. In the last campaign when so many of Mr. Truman's friends deserted him, Kennedy stood pat and put up a vigorous fight for the President in the Journal. After the election, Kennedy was among those who visited the winning candidate at Key West.

Sometime later, Mr. Kennedy on a visit to the White House proposed the establishment of a National Resources Committee. He urged that the committee determine feasibility of diverting water from the Columbia River to the Southwest in a long-range program. He also suggested a study by such a committee of the use of atomic energy in converting salt water of the ocean into fresh water.

The Journal front-paged Truman's message: "It was a pleasure to see you the other day and receive your suggestions about the water situation in the West. You may rest assured it will receive consideration."

Representative-elect Clinton D. McKinnon, of California, former publisher of the Journal, joined in endorsing the proposal.



In his first editorial in the San Diego Journal, Mr. Kennedy made some interesting observations with regard to the merging of newspapers.

"Among the cities where the only daily newspapers are published by one organization are Kansas City, Minneapolis, Des Moines, Louisville, Oklahoma City and Memphis, to mention just a few," Kennedy wrote.

"Why, in the field of information, must the newspaper alone be so non-competitive? It's because costs of operating a newspaper have kept soaring, and the money to be gained in circulation and advertising simply hasn't been able to follow these costs into the stratosphere.

"Throughout the country today newspapers are almost at their all-time peak in circulation and advertising.

"But the break-even point is so high that in city after city newspapers have been forced into mergers of one sort or another, thus effectively curbing competition.

"The newspaper industry is about the only one I can think of that hasn't benefitted from new production methods to cut costs. And new techniques aren't in prospect for the immediate future.

"The time has come for labor and management in the newspaper industry to put their heads together. Only then can there be maintained an alert press able to keep Americans the best informed people in the world."

Mr. Kennedy also knows his way about the Capital as before he entered the publishing business on his own, he was a star Washington Correspondent, having paved the way by working on the Sioux City Tribune, the Cedar Rapids Republican and the Cedar Rapids Gazette. From 1932-35, he was a member of the staff of the Washington Herald. While there, he conducted several investigations of widespread abuses in various Federal Governmental agencies resulting in conviction of offenders. He was awarded the Pugsley prize of \$1,000 for the most noteworthy work done by a Washington correspondent.

Mr. Kennedy was a private in the Army in World War I and a Captain in the U. S. Naval Reserve in World War II.

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BROADCASTERS PLAN D.C. RALLY AUG. 7-8

National Association of Broadcasters President Justin Miller has called a special meeting of the Board of Directors of NAB to meet in Washington August 7-8. The Board will discuss the White House request that NAB organize the radio industry's support of mobilization and national defense.

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O'DWYER DEDICATES EMPIRE STATE ANTENNA; CALLS N.Y. "TV TOWN"

Mayor O'Dwyer climbed up to a shaky wooden construction platform on top of the Empire State Building to place a 14 carat gold-plated rivet in the first steel beam of a new television tower that will, when completed, add 217 feet to the height of the world's highest building.

"Let's make New York 'T. V. Town'", the Mayor shouted enthusiastically to Grover Whalen, who was at his side.

A brisk 12-mile-an-hour wind from the northwest toyed with the tiny platform, 1,250 feet above the Fifth Avenue sidewalk. The flag of the city and bunting on the tower slapped back at the wind.

After a brief "Foundation Riveting Ceremony", the Mayor, Mr. Whalen, David Sarnoff of the Radio Corporation of America, and Lieut. Gen. Hugh A. Drum, President of Empire State, Inc., peered out over the broad fifty-two-mile radius that the new television tower will service. "Ten per cent of the population of the nation lives within this circle", said a guest with a swing of his arm.

Mr. Sarnoff reported that five local television stations would use the new tower and that this should prove an advantage to television set owners because individual receiving antennae need not be directed toward five separate transmission points. Some of the ghosts that haunt television screens in the city will be exorcised, Mr. Drum predicted.

The new multiple tower will replace two masts that now rise from the top of the building, where earlier plans had it that lighter-than-air craft might some day come to roost.

The tower will be used by WJZ-TV (American Broadcasting Company), WNBT (National Broadcasting Company), WCBS-TV (Columbia Broadcasting System), WABD (Allen B. DuMont Laboratories, Inc.), and WPIX, station of the New York Daily News. Each station has a "turnstile" antennae. Because WPIX broadcasts on the highest frequency of the five, its antennae is the smallest and it will be placed on the tip of the tower to help balance the load.

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PENTAGON ORDERS NEW CENTER FOR COMMUNICATIONS

A communications center, apparently designed to be used as an emergency alternate for the Pentagon's nerve center, is to be built in the area of Camp Ritchie, Md.

A Defense Department announcement last week said:

"Plans are going forward for the establishment of a supplemental communications installation at nearby Camp Ritchie, Md. (near Frederick, Md.). This site is now being used in part by the Maryland National Guard, but may be repossessed by the Federal Government."

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FCC GIVES GREEN LIGHT TO PHONEVISION TESTS OCT. 1

The Federal Communications Commission has approved October 1, 1950, as the starting date for the 90-day limited commercial test of "Phonevision" authorized earlier this year, it was said in Chicago last week by Commander E.F. McDonald, Jr., Zenith Radio Corporation President.

The test will be limited to 300 Chicago families, and will be conducted in cooperation with the Illinois Bell Telephone Company through Zenith's experimental television station KS2XBS, which has been moved to a new location on the roof of the Field Building at 135 South LaSalle Street.

The three hundred test families were chosen by the National Opinion Research Center of the University of Chicago from approximately 51,000 families who applied for the opportunity to see good motion pictures on television receivers in their own homes at a cost of \$1 per movie.

Mr. McDonald said that within the past week the mailing of memorandum agreements to test subscribers had begun, and installation of receivers had been started in some of the test homes. The test sets will be standard television receivers, some Zenith and some other makes, which will also be capable of receiving Phonevision.

During the test it is planned to broadcast a different feature movie each night for ninety days on Channel 2. All television sets within range of the station that are tuned to Channel 2 will receive the picture, but in blurred, jittery, unintelligible form. Only the television receivers equipped for Phonevision which are used in this test will be able to receive a clear picture of the test broadcast.

The families who wish to "go to the theater at home" will call their Phonevision operator and tell her they wish to see the Phonevision broadcast. A decoding signal will then be sent to their homes over telephone wires which will make their reception of Channel 2 as clear as any other telecast. Without this decoding signal their sets will receive the same blurred, jumpy image seen on other television receivers tuned to Channel 2.

Each test family will be charged a fee of \$1 for every feature movie ordered and seen on Phonevision. There will be no other charge to test families in connection with the test, and each family is privileged to see as many or as few movies as it wishes.

Commander McDonald said that Zenith is conducting the test to help determine if Phonevision is in the public interest, and to measure the willingness of American families to pay a reasonable fee to see, on their home television receivers, high quality costly programs that are not otherwise available on television. Consequently, the test families were selected by National Opinion Research Center of the University of Chicago to represent as accurate and typical a cross-section of the test area as possible. Mr. McDonald pointed



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out that the original FCC authorization of the test, and this extension of the test period, are not to be construed as indicating that the Commission has or will approve Phonevision as a permanent public commercial service.

Detailed attack on the economics of Phonevision and similar pay-as-you-see home TV systems which would feature top run movie fare was made last Friday (July 28) by Nathan L. Halpern, TV consultant to Theatre Owners of America and other movie interests.

Speaking before the Southern California Theatre Owners' Association at Los Angeles, Mr. Halpern said Phonevision revenue would be only one-fourth to one-sixth the average cost of most current "A" pictures, "a sure one-way ticket to the poorhouse for Hollywood". He said the "plain facts are that Phonevision would bankrupt Hollywood's major film production and its associated talent and skilled crafts" because of limited profit potentials.

Mr. Halpern said that "theatre television presents the most natural and logical television potential for the motion picture industry. Theatre television has a television future for all segments of the motion picture industry."

If the movie industry were to stand still without making technological advances such as theatre TV, it would be hurt by the constant growth of home TV, Mr. Halpern indicated.

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#### CAPEHART RENOMINATION THOUGH UNOPPOSED COST \$91,961

The Citizens' Committee for Capehart, supporting U. S. Senator Homer E. Capehart of Indiana, who was unopposed for the Republican nomination in Indianapolis, listed \$99,679 in receipts and \$91,961 in expenses. Senator Capehart was renominated for a second term at the Indiana G.O.P. State convention June 30.

Expenditures listed by the Committee included \$35,492 for publicity and advertising; \$26,151 for salaries and wages of office personnel; \$22,608 for other office and miscellaneous purposes, and \$7,700 to the G.O.P. State Committee.

The Capehart Committee listed a \$11,600 item for Stephen C. Noland, former editor of the Indianapolis News, in its publicity expenses. Noland toured England last Winter and later wrote a series of stories describing conditions in Socialist Britain.

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WOR-TV, claims to be delivering video shows to more than 1,500,000 homes in the New York Metropolitan area.

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R. ATLASS NOT STAMPEDED BY TV, WAR, BUYS ANOTHER AM STATION

One person who doesn't seem to be alarmed by the future of radio, Ralph Atlass, of Chicago, who last week bought KIOA, Des Moines, Iowa, from Independent Broadcasting Co., subject to FCC approval.

Mr. Atlass, who is General Manager of WIND, Chicago, consultant to WMCA, New York, and chief owner, Vice President and Treasurer of WLOL, Minneapolis, personally owns 67% of KIOA stock. He declined to disclose the purchase price.

KIOA stockholders with him are the same men who own WLOL - David and Charles Winton of Minneapolis, John Carey, Commercial Manager of WIND, and Arthur F. Harre, General Manager of WJJD, Chicago.

Mr. Atlass said he has no plans to change the station's affiliation (Mutual) at present. He will take active part in management of the station, he said. H. E. Baker is former President of KIOA, which began operations two years ago. Station operates on 940 kc with 10 kw day and 5 kw night.

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WASHINGTON POST-CBS TAKE OVER \$1,400,000 WOIC TV STATION

Television station WOIC in Washington, D. C., started operation last Friday under its new management, WTOP, Inc.

The announcement was made by Philip L. Graham, President of WTOP, Inc., Washington, and publisher of The Washington Post. The purchase of Station WOIC from General Teleradio, Inc., was completed last Friday. General Releradio, Inc., a subsidiary of R. H. Macy & Co., Inc., of New York, was represented at the transaction by Curt A. Heuser, Treasurer of General Teleradio, Inc., WOR and WOR-TV in New York and of WOIC in Washington.

The Federal Communications Commission approved the sale of WOIC, the purchase price being \$1,400.00.

The Washington Post owns 55% of WTOP, Inc., the Columbia Broadcasting System owns the remaining 45%.

WOIC will continue to operate on Channel 9 and will continue to be the local television outlet of the Columbia Broadcasting System. The transmitting facilities and studios of WOIC are at 40th and Brandywine Streets, N.W. Its business offices will be in the Warner Building, where the CBS offices are located.

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## SECRET GENERAL MANAGER OF RTMA AS GEDDES RETIRES

James D. Secrest, who for several years has been Director of Public Relations for the Radio-Television Manufacturers' Association on Tuesday, August 1st, assumed the duties of Secretary and General Manager of RTMA, succeeding Bond Geddes, who is retiring as Executive Vice President after 23 years' service with the Association.

Mr. Geddes will continue to serve RTMA, however, as a consultant under an arrangement with the RTMA Board of Directors effected following his request for retirement.

A long-time newspaper man in Washington, Mr. Secrest was associated with newspapers in Cincinnati and Asheville, N. C., before coming to Washington in 1929. From then until 1941, he was on The Washington Post, during which time he was on the Capitol staff. It was while he was working on the Post that he had his first contact with radio working part time for the Heinl News Service. Early in 1941 he joined the Information Division of the Office of Emergency Management which subsequently became the Office of War Information. He helped organize and directed the OWI domestic field service comprising 60 offices throughout the United States.

Before joining RTMA in March, 1945, Mr. Secrest was in charge of publicity and advertising for the wartime pulpwood production campaign conducted by the War Activities Committee of the Pulpwood Consuming Industries with headquarters in New York City.

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## PUBLIC FAVORS LOUDER "VOICE OF AMERICA", GALLUP POLL SHOWS

The move in Congress for a greatly expanded program to tell America's story abroad is getting increasing support from the public.

Before the Korean war began, the vote in favor of the Benton proposal to step up our information program abroad stood at 6-to-4 in a survey by the American Institute of Public Opinion. Today (July 29) it is 7-to-4 in favor.

Among those persons who already know something about the present activities of the Voice of America, the vote for a greatly enlarged effort is substantial - nearly 3-to-1.

The resolution sponsored by Senator William Benton (D), of Connecticut, proposed a network of long wave, medium wave and short wave radio stations capable of reaching every receiver in the world, as part of a vast increase in an American "propaganda of truth".

The reaction of the general public to an expanded information program was tested in a survey in April and again last week.

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WALLACE TAG MAY BEAT TAYLOR, RADIO COWBOY SENATOR

Apparently Glen H. Taylor, of Idaho, running mate of Henry Wallace in 1948, who made his way to the United States Senate as a radio singing cowboy, has a fight on his hands for renomination in the Democratic primaries Tuesday, August 8. Factors in the situation are a change of public feeling towards him as a result of the Wallace venture and because Senator Taylor is opposed by fourteen senatorial candidates.

Not only are both incumbent Senators, Mr. Taylor and Henry C. Dworshak, Republican, seeking renomination, but their places are sought also by Idaho's two present members of the House, Representative Compton L. White, Democrat of the First District, completing his eighth term, and John Sanborn, a Republican two-term member from the Second District. Former Senator D. Worth Clark is also a candidate for Mr. Taylor's seat.

Ex-Senator Clark, with six years of Washington experience behind him, is believed to be giving Taylor a lot of trouble. Clark was a member of the Senate Interstate Commerce Committee and created considerable excitement in bringing James C. Petrillo to a Committee hearing in connection with the broadcast music row. Petrillo apparently resented having to respond and this writer's opinion was one of the causes of Clark's ultimate defeat.

Some criticism has been directed against Mr. Clark because he stayed in Washington to practice law after his defeat by Senator Taylor six years ago and only now is coming back to Idaho with the purpose of seeking office again.

Mr. Clark, member of an old Idaho family and nephew of two former Governors of the State, is campaigning vigorously on the Communist issue. Meanwhile, The Idaho Daily Statesman, a Boise Republican paper which has indicated friendliness toward Mr. Clark, is publishing daily extracts from "The Red Record of Senator Claude Pepper", emphasizing where possible references to Senator Taylor.

One of the series this week contained a reprint of a story from The Daily Worker, New York Communist organ of July 28, 1947, terming Mr. Taylor one of the "heroes" of the Eightieth Congress.

Anti-Taylor strategists say that The Statesman series is only the beginning. They assert that between now and election day, Idaho will be blanketed with attacks on and disclosures about the Senator so well documented that his political career will end on Aug. 8. Their plan is to have him depart from the Senate with his Florida colleague, Mr. Pepper, who was beaten in that State's primary.

Senator Taylor for weeks has seen these attacks coming. Early in June in a radio broadcast he told voters an effort would be made to defeat him with "smear techniques". He said then:

"I don't apologize for running with Mr. Wallace. I think he is a great American and a real patriot if there ever was one. He

He has no more sympathy for the idea of communism in this country than I have, which is none."

Meanwhile he follows campaign tactics similar to those he employed six years ago in Idaho as he covers in a typical week, such as this one, several hundred miles of town and country districts from the Wyoming border west to the Boise area. Next week he starts north toward Canada.

Usually the band appears ahead of him and plays two or three numbers to drum up a crowd, especially when the meeting is not advertised. The Taylor family joins vocally in the program, customarily contributing a number to the tune of "Dear Hearts and Gentle People". This recites that the people of Idaho have been good to the Senator and that he has done his best, and it asks that he be returned for a second term.

The singers are the Senator himself, his wife, Dora, and two of their sons, Arod 15 years old, and Paul John 9, Gregory, 4, goes along but does not take part as a vocalist. The Senator swings into his "off-the-cuff" speech, gearing it to community problems.

Registration in Idaho is not by parties and voters at the primary do not declare their party affiliation. They merely walk into the polling booth, pick up whichever ballot they prefer from the piles at hand, mark the preferred ballot, fold and drop it into the ballot box. Thus, it is not known in advance which party has the advantage in registration and experience has shown that the State is unpredictable.

As one way of insuring the defeat of Senator Taylor at the primary some Democrats, especially supporters of former Senator Clark, have suggested that Republicans in large numbers vote the Democratic ticket at the primary. This has been frowned on by the Republican State Chairman.

"We have no business in the Democratic primary and would resent it if they came into ours", Mr. Hinshaw said. "Taylor has the party split wide open. Why should the Republicans unite the Democratic party by giving them a candidate they can get behind?"

Of Idaho's dozen daily newspapers, none is backing the Senator although his staff credits a couple of those in the Southeast part of the State with giving him a "fair break" in the news columns.

Ezra Hinshaw, a former New York businessman who heads the Republican State Committee, believes a Republican will take the election regardless of who the nominee is.

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## KC LINK WITH EAST TV SET FOR SEPT. 30

Network television shows by live cable are due in Kansas City beginning Sept. 30, according to word received recently from NBC and the American Telephone & Telegraph Company, by WDAF-TV, the Kansas City Star video outlet. Along with notice of the completion date for the cable, Dean Fitzer, General Manager of the video station, said that programming may be stepped up to begin as early as 2 P.M. daily. The station currently operates evening hours only, beginning at 6 P.M.

First live show likely will be the Notre Dame-North Carolina football game Sept. 30, according to announcement from the Star. WDAF-TV is taking five games via the DuMont net. The cable also is expected to make available shows from CBS, ABC and DuMont as well as NBC.

The new network link also will bring live shows to Omaha, Davenport and St. Paul. The link between Chicago, Davenport and Omaha will be by microwave relay, while the Kansas City link is a coaxial underground cable from Omaha.

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## ADM. HALSEY, ALL AMERICA CABLES, RADIO, URGES MARINE REVIVAL

Fleet Admiral William F. Halsey, Jr., retired, now Chairman of the Board of All America Cables and Radio, Inc., was presented with a membership card and lapel button of the New York Propellor Club last week in the presence of officials of the cable concern and of the Propeller Club.

Admiral Halsey said that, being a Navy man, he had always been interested in commercial shipping and its role in world communications.

"I am glad to be affiliated with this group", he said. "It was my experience in the war that it would have been impossible for the Navy to exist, let alone fight, without the support of shipping. They were always there across the Pacific supply lines with the bullets and the beans. I would like nothing better than to see a solid revival of our merchant marine."

All-America Cables is an associate company in the group headed by International Telephone and Telegraph Corporation.

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## JAPAN RIDS RADIO, PRESS OF COMMUNIST EMPLOYEES

Japanese broadcasting stations and newspapers have begun dismissing Communist or fellow-traveller employees. At least 180 newspaper workers were discharged - 139 in Tokyo alone. All major Japanese dailies took part in the apparently well-coordinated dismissals.



Simultaneously the Broadcasting Corporation of Japan (BCJ) refused to let more than 100 employees, all suspected of being Communists, enter its buildings. This action was taken on instructions from Maj. Edgar L. Tidwell, radio officer of the United States Eighth Army. The Armed Forces radio uses the facilities of the Broadcasting Corporation, many of whose employees are in close contact with United States Army radio personnel.

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#### POLICE TRAP, KILL, MURDERER FOLLOWING "WANTED" BROADCAST

Edward Sadowski, 31, wanted for the murder of Philip Anthony Faranda in Cleveland May 13, 1949, was shot and killed at 11:15 last Wednesday night (July 26) in Cleveland while resisting arrest. Sadowski was captured as the result of an intensive manhunt instigated after the July 21 broadcast of NBC's radio program, "Wanted", of which he was the subject.

After the broadcast, both police telephone wires and those at Station WTAM, NBC's Cleveland affiliate, were flooded with calls from persons who had heard the program and had seen Sadowski's picture in the Cleveland Press. The police spread a dragnet and Capt. David Kerr, Chief of Homicide, put three of his men on the radio station's switchboard.

An anonymous informant phoned Capt. Kerr Wednesday with a tip on Sadowski's whereabouts. Detective Joseph Kocevar and two patrolmen went to the East 74th Street address, where they found Sadowski cowering under a bed. When they ordered him to come out, he opened fire which they returned. Sadowski was killed. The policemen were uninjured.

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#### MULLEN SCOFFS AT TALK OF TV BEING CLOSED DOWN

TV will become one of the most vital means of communications between people and government should a major war develop, Frank E. Mullen, Board Chairman of Jerry Fairbanks Productions, told members of the Hollywood Authors' Club.

"In the nation's 62 most important cities and areas", he said, "television will be invaluable to demonstrate . . . the thousand and one things the public needs to know in war time."

Scare stories that TV may be a casualty of defense preparations are "completely false", he said, adding that "the demands of government on the creative ability represented by Hollywood writers, artists and producers will be enormous in even a partial war effort. . . . A decided expansion and improvement in television programming can be expected."

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## SWAP OF SERVICES BY WESTERN UNION, A.T. &amp; T. APPROVED

A Government Examiner last Friday (July 28) approved a deal whereby the American Telephone & Telegraph Co. would take over Western Union's telegraph business and Western Union would assume A. T. & T.'s public telegraph activities.

The transaction would end competition between the two companies in the telephone and public telegraph business.

Under the proposal, which still must get final FCC approval, A. T. & T. would give Western Union \$2,400,000 in addition to its public telegraph business. The Bell Telephone System, an A.T. & T. subsidiary, would acquire Western Union's phone business in 28 States. Western Union would get the public telegraph business of two A. T. & T. subsidiaries - Pacific Telephone & Telegraph and Bell Telephone of Nevada - in California, Idaho, Nevada, Oregon and Washington.

The transaction would not affect A. T. & T.'s leasing of private wires for telegraph and teletype services.

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## PRELIMINARY INJUNCTION IN KSFE CASE

The Federal Communications Commission has received official notification of the preliminary injunction issued on July 17, 1950 by Judge Leon R. Yankwich of the Federal District Court for the Southern District of California in the case of United States of America v. Oscar Dale Shelley, et al. involving operation of standard broadcast station KSFE at Needles, Calif.

Judge Yankwich found that the licensee, Shelley, had illegally transferred control of that station to Floyd Kenyon Reed; that Reed was exercising full control over the station without receiving the prior approval of the Commission, and, therefore, that "The Government of the United States is entitled to an injunction against both defendants prohibiting them from allowing Mr. Reed to operate the station."

Specifically, Judge Yankwich ordered that Shelley be prohibited from having any further KSFE arrangements with Mr. Reed, but opined that Mr. Shelley may continue to operate the station by himself, or may employ somebody to operate the station for him under his direct management or control. However, Judge Yankwich stated that any such employment of a manager of the station would have to be on a straight salary basis rather than a profit sharing basis.

While this injunction is preliminary to court trial of the case on its merits, it is important in that it prevents continued illegal operation of KSFE within the period in which that station's renewal proceeding is pending before the Commission. As previously announced, the Commission on May 31, 1950, designated the renewal application of KSFE for a hearing on issues relating to the apparent illegal transfer of control.

Under Section 9(b) of the Administrative Procedure Act, the licensee is entitled to temporary extension of his license during the period in which the renewal proceeding is pending before the Commission.

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:::: SCISSORS AND PASTE ::::  
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Sees Korea Cutting TV Mfrs. Back About 800,000 Sets  
(Jack Gould in "New York Times")

What will be the effect of the Korean war on television and radio? That question already has produced answers ranging from the almost hysterical to the absurdly optimistic. If the truth be said, no one knows for sure. The needs of the military, which in turn depend on the uncertainties in the world situation, can bring changes at any time.

The one definite point is that the upward spiral of production of television sets, which has gone on almost continuously since the last war, will be curtailed. Based on President Truman's estimate of \$10,000,000,000 added expenditure for military purposes, the best guess is that television set manufacture will be cut back about 20 per cent.

In the first six months of this year a total of approximately 2,000,000 TV sets came off the assembly line and, prior to the Korean emergency, the industry expected to make 4,000,000 in the last six months, or 6,000,000 for the year. Now, it is believed, production for the last six months may be cut back by roughly 800,000 sets, reducing the year's output to 5,200,000.

If the war situation worsens, the cutback will be proportionately greater, all production being discontinued in the event of full war mobilization.

But officials emphasize that the present status of the electronics industry cannot be compared haphazardly to what existed in 1939. The capacity of the industry has increased greatly, first under the impetus of World War II production and then under the impetus of the boom in TV. Even now the industry is turning out military goods at a rate of \$500,000,000 a year while also making video equipment. With the Korean emergency that figure may rise to about \$1,000,000,000.

Where the over-all picture is more cloudy - and probably more gloomy - is on the transmitting end of television. At present all construction of new TV stations has been under "a freeze" imposed almost two years ago by the Federal Communications Commission.

The FCC has both the color matter and the over-all allocations problem under consideration and thus far has shown no signs of not proceeding toward a decision. The consensus last week was that the FCC would keep its eyes on the headlines and be guided accordingly, which very possibly could lead to continuance of the "freeze" indefinitely. \* \* \*

As an example, one business man, who has an application for a TV station on file, said that it hardly made good sense to start an expensive project that might be stopped at any time.

One effect of the Korean war, however, has been to give radio a new lease on life. Since the start of the emergency news programs have enjoyed vastly increased audiences and to some extent this listenership has been carried over to other programs. News is one commodity which radio always has handled well. By contrast, television has not done a very good job.



Radio's increased audience probably has forestalled what the broadcasters had feared the most: a reduction in night time rates because of the competitive inroads made by television. \* \* \*

Should the military situation dictate all-out mobilization, the broadcasters are the first to acknowledge all bets are off and almost anything may happen. In the last few weeks there have been repeated rumors that the Pentagon's master war plan called for a complete shutdown of all television, presumably on grounds that it might interfere with high-frequency military communications. Washington has not offered, however, any hint of confirmation and indeed the rumors have been scouted in many reliable quarters.

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Holding The Radio Advertising Rate Line  
("Broadcasting Magazine")

It is quite obvious that radio broadcasters, not only networks but also station operators, must brace themselves if they hope to avoid caving in beneath the powerful pressures exerted by the Association of National Advertisers to drive down radio rates.

Unless the broadcasters can put up a stiff fight, the day is not far off when rates will collapse below any sensible levels. The decision by the networks to boycott meetings proposed by the ANA only staves off the reckoning. The major battle is yet to be joined.

Now is the time for the broadcasters to store up all the ammunition they can lay their hands on. They will need it to counter the arguments that have been carefully prepared by ANA in support of its campaign to drive radio deeper into the bargain basement.

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Parents At TV See Son On Stretcher In Korea  
(United Press)

The Korean war has been brought right into the home of Mr. and Mrs. Clarence Jones of Cushing, Oklahoma.

Watching pictures from Korea on the family television set, Jones suddenly grabbed his wife's arm.

"Isn't that Lowell?" he asked, pointing to a soldier sitting on a stretcher.

Mrs. Jones moved closer to the screen, fearfully.

"Before I could answer", she said later, "the boy on the stretcher was moved right up to the front of the screen. There was no mistake; it was our son Lowell."

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Following Truman Whistle-Stop Format  
("Variety")

A new wrinkle in electioneering bowed on television in New Orleans recently over WDSU-TV when Congressman T. Hale Boggs of the Second Louisiana District appeared before the cameras with his wife and three children. In a setting of the living room of a home, Boggs, seeking reelection, said that he believed it "fitting to have children on a political program because most of the grave decisions today will affect their generation more greatly than ours."

Also making brief addresses and singing on the program were Mrs. Boggs, and the children, Barbara, 11; Tommy, 9, and Corinne, 6½.

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## TRADE NOTES

The Radio Corporation of America and its subsidiaries more than doubled its net income in the first six months of this year, compared with the corresponding period a year ago. The company reported earnings of \$20,961,643 in the six months to June 30. This was equal to \$1.40 a share on the outstanding common stock, and compares with a net of \$10,122,049, or 62 cents a share in the six months to June 30, 1949.

Gross income from all sources was \$248,784.358, compared with \$187,257,987 in the similar period last year, an increase of \$61,526,371.

In the second quarter the corporation cleared \$9,725,412. This was equal, after preferred dividend requirements, to 64 cents a share on the 13,881,016 shares of common stock outstanding, and compares with a net of \$4,189,965, or 25 cents a common share, in the three months to June 30, 1949.

Readers of Washington, D. C. Public Library before Korea were reported showing less interest in books on automobile repairing, machine operation, radio and television than they displayed during and immediately following World War II, but books on merchandise ratings, house planning, gardening and all phases of homemaking continued in popularity.

Tugs of Carroll Towing Company, Inc., are now dispatched throughout New York harbor by radiophone. With its own Raytheon 2-way radio system, Carroll can now issue orders to tugboat captains - and change or supplement them - on a moment's notice.

This is a long step forward from the practice in 1882, when Carroll Towing was founded. Then the best available method of communication consisted of a strong voice and a megaphone. When a job was finished, the tug pulled up opposite the office and orders were shouted through the window.

Sales of radio receiving tubes continued at a record level in June and the first half of 1950, the Radio-Television Manufacturers' Association reported last Friday. June sales totalled 32,480,668 units compared with 29,706,500 in May and 13,923,885 in June of last year. Sales in the first six months of 1950 aggregated 170,375,921 and were more than double the 81,663,213 tubes sold in the corresponding period of 1949.

The stockholders of Zenith Radio Corporation have approved the company's new profit sharing retirement plan, it was announced in Chicago by Hugh Robertson, Zenith's Executive Vice-President.

The plan, which became effective April 30, 1950, is a non-contributory, deferred payment retirement plan which designates that a percentage of the company's profits for each fiscal year be allocated among eligible employees. These employees share proportionately in the crediting of the profit-sharing contribution on the basis of their earnings for the fiscal year and their years of service.

For the fiscal year ended April 30, 1950, Zenith and its participating subsidiaries contributed \$1,254,921 to the plan's trust fund.



The American Research Bureau, of Washington, D. C., audience measurement firm, this week added a new national television service to supply network ratings and audience composition for the entire United States on a monthly basis.

The new service is designed to answer the following two questions basic to all television networks and network advertisers:

1. How many people are watching each network show?
2. What kind of people are they?

In order to secure this information, ARB Director James W. Seiler in the National Press Building, has developed a probability sample of 2,200 TV homes drawn from an area representing all counties in the United States within 150 miles of a television signal. Counties are first sampled by population according to the 1950 census and then samples within the selected points for density of TV set ownership.

For one week each month, beginning October 1, regular ARB viewer diaries will be placed in each of the selected homes. These diaries record all viewing done by all members of the family and any visitors, and indicate the composition of the viewing audience to all programs.

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Coincident with the introduction of new 16-, 17- and 19-inch television receivers, the Stromberg-Carlson Company has announced a one-year warranty on all parts and tubes, including picture tubes. Until now, the company has been warranting parts and tubes for only ninety days. The policy will date from the time of installation of the receiver for the original consumer purchaser and will warrant all parts and tubes from becoming inoperative owing to defects in workmanship and material.

It is expected that the dealer will pass along to the consumer the warranty charge the company is making through its distributors - \$5 for the 16- and 17-inch models and \$7.50 for the 19-inch unit - as a separate item in which the excise tax will be included.

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The Columbia Broadcasting System and cooperating affiliates will begin a coordinated promotional campaign next month. The campaign, which is said to include the largest newspaper advertising plans in radio history, will run through October. In addition to intensive use of "on-the-air" promotion by CBS and affiliates, a comprehensive schedule of advertising in other media, particularly magazines, will be used.

Emphasis will be placed on return of nighttime shows after the Summer hiatus, and all promotion will be keyed to the theme, "This is CBS . . . the Stars' Address". Louis Hausman, CBS Director of Advertising and Sales Promotion, said that over 90 per cent of the CBS affiliates were cooperating in the newspaper campaign.

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An offering of 289,459 shares of common stock of Raytheon Manufacturing Company, manufacture of electronic equipment to the company's stockholders at \$6.75 a share goes into effect Tuesday, Aug. 1. Stockholders will have the right to buy until Aug. 14 one new share of stock for each five held. The transaction is being underwritten by a banking group headed by Hornblower & Weeks and Paine, Webber, Jackson & Curtis, which will buy shares left unsubscribed. Proceeds from the sale of the additional common stock will go into working capital to finance an anticipated higher volume of sales and for general corporate purposes.