



Founded in 1924

HEINL NEWS SERVICE

Radio — Television — FM — Communications

2400 California Street, N. W.

Washington 8, D. C.

Robert D. Heinel, Editor

RECEIVED

NOV 16 1950

NILES TRAMMELL

INDEX TO ISSUE OF NOVEMBER 15, 1950

RCA Gives Radio, Theatre Trade The Horselaugh Over "Madam".....	1
FCC Charged With Attempting "TV Programming By Compulsion".....	3
Ohio Man Is Indicted In "Voice" Tower Blast.....	4
CBS Color System Converter Called "Simplicity Itself".....	5
TV Network Strike Authorized But Discussions Continue.....	6
RCA Asks Court To Enjoin FCC In Color TV; Sen. Johnson Hit.....	7
RCA And I. T. & T. Sign Licensing Agreements.....	10
Claims Public Would Lose Billion Dollars In Color TV Adapters....	10
Comments Filed Regarding Proposed FCC Rebroadcasting Section.....	11
Folsom, RCA, Advocates U.S. Procurement General.....	11
Dealers Asked To Tone Down TV Advertising.....	12
Columbia University Beer Sponsorship Arouses WCTU.....	12
Scissors And Paste.....	13
Trade Notes.....	15

No. 1947

November 15, 1950

RCA GIVES RADIO, THEATRE TRADE THE HORSELAUGH OVER "MADAM"

by Robert D. Heinl

When the word seeped through the theatrical district that the Radio Corporation was going to stick its neck out as the \$200,000 angel for a Broadway musical play "Call Me Madam", there was utter amazement. This quickly gave way to raucous laughter when it was learned that the purpose of the venture was to secure the radio, television and album recording rights. Well, those might be the most expensive rights the RCA ever secured.

To begin with, who could tell despite the fact that it was one of the most brilliant production staffs ever assembled, that it might not be a flop. "Too many cooks." And exactly that thing nearly happened. In the beginning the people so famous for past performances fairly outdid themselves in the effort to silence the critics.

Howard Lindsay and Russell Crouse had a terrible time with the book. Irving Berlin, never satisfied, wrote and rewrote the music and lyrics, lost 5 pounds and had to go to a hospital to rest up. Ethel Merman had the disappointment of her life when she learned that the State Department had become fussy and refused to allow Mrs. Perle Mesta, American Minister to Luxembourg, whose career had inspired the musical, to attend the opening performance. The Department's attitude was that this would not be a dignified thing for her to do. This was quite a blow because, though Mrs. Mesta had been in Washington a few months before, she had made a special trip back to attend the premiere.

This situation was happily cleared up at a later performance when Mrs. Mesta not only attended but brought Mrs. Truman and Margaret with her.

Added to the birthpains of the new play, those who thought it was going to flop said, was the effort of such an amateur in the show business as the RCA in trying to put it on. They neglected to recall the fact that John Royal, now NBC vice president, and Frank M. Folsom, now President of RCA, who began his climb to high places by working backstage in his hometown of Portland, Ore., theatre, were again behind the scenes.

Skeptics, however, were thrown back on their heels by "Madam's" \$1,000,000 advance sale, a new mark for the theatrical world to shoot at.

And then came the show itself with such press notices as this one in Variety:

"With its record-breaking advance sale of over \$1,000,000 (without theatre parties), 'Call Me Madam' was an almost certain box-office success even before the opening. But on the strength of a heroic job of tryout doctoring by composer Irving Berlin, librettists Howard Lindsay and Russel Crouse and stager George Abbott, and with

Ethel Merman giving perhaps the most irresistible performance of her phenomenal career, the musical is apparently a huge popular success as well. It is hardly a great show, but it's plenty good enough.

"This is the show that, despite unprecedented preliminary interest, swamped the theatre, was rumored in the trade grapevine from out-of-town to be merely an ordinary musical and due to be a terrible anti-climax on Broadway. But in one of the most brilliant salvage jobs in recent years, the show was transformed during the tryout.

"The book was extensively rewritten, with a drastically revised second act. Three tunes, one a dance routine and one an elaborate production number, were scrapped, and two replacements inserted. Several numbers were moved around. One new dance number was added. New scenery and costumes were put in. The whole book was tightened and punched up. The performance was speeded and pointed. And the entire show came to life. It was a triumph by real professionals, working under pressure.

"It is unquestionably Miss Merman's show. As the ambassador to the mythical grand duchy of Lichtenburg, she is a captivating fictionization of Mrs. Perle Mesta, the fabulous Washington hostess and now Minister to Luxembourg, although a spoofing program note cautions: 'Neither the character of Mrs. Sally Adams, nor Miss Ethel Merman, resembles any other person alive or dead.'"

Most gratifying, however, is the capacity business the show is now doing with the house sold out months in advance. "Madam" is now in its fifth week with the following report from Variety:

Oct. 25: "Call Me Madam" (Imperial Theatre seats 1400; top price \$7.20) has joined "South Pacific" as a hot ticket. First full week \$52,500 (previous week - four performances, \$24,800).

Nov. 1: "Call Me Madam" (3d wk) Getting all the the house will hold, \$52,500 (previous week, \$52,500).

Nov. 8: Same as previous week (all the house will hold).

All that money on a measly investment of \$200,000 and Heaven too! For remember the Radio Corporation only backed the show to get the radio, television and album recording rights. This rich plum is yet to be plucked - and that's why the RCA is giving a good long old-fashioned horse laugh to Broadway theatre wisenheimers and the scoffing radio trade as well.

X X X X X X X X

FCC CHARGED WITH ATTEMPTING "TV PROGRAMMING BY COMPULSION"

A proposal of the Federal Communications Commission to limit the number of television programs available to the public from each network was contested Monday (Nov. 13) by the National Broadcasting Company as a move which would force from the air many of today's most popular programs, confuse the industry and discourage development of new show attractions.

It was absurd to believe, the National Broadcasting Company asserted, that the suggested rule, limiting the number of any one network's programs which individual stations could broadcast would either enlarge or protect the viewer's choice of network programs

Attorneys for NBC, in a statement filed with the Commission, said the proposed order would substitute "Programming by Compulsion" for free selection by station managers of shows which the public wanted and which were of the best quality.

The network's statement drew a parallel between the Commission's proposal and attempts to curb freedom of the press -- attempts which have been struck down by the United States Supreme Court. In similar manner, NBC contended Congress has specified that broadcasters must retain sole authority for determining which programs they should schedule in the public interest. This specification by Congress has been repeatedly reaffirmed by the Commission itself and by the highest courts, NBC pointed out.

"No concept is more fixed in government regulation of broadcasting than the fundamental principle that the station operator -- the licensee -- must at all times retain the right to select the programs to be broadcast by the station. The licensee does not operate the station in the public interest if, by any means, he abandons this responsibility.

"This statutory requirement of the Communications Act has been repeated over and over again by the Commission. It has been accepted and repeated by the courts."

The Commission's aims for vigorous competition between networks and the fullest possible selection of programs for viewers can best be achieved by free competition, NBC contended. Such competition will always result, the NBC statement continued, in "the larger and more effective use of television in the public interest."

The NBC statement reviewed what it said was NBC's long recognized leadership in television and its active and continuous encouragement of broadcasters to bring television to the public. While other networks were urging their affiliated stations not to build television stations, NBC, by contrast, was urging broadcasters to enter into television, and to build stations and the network itself supplied a full schedule of programs so that advertising support could be obtained for these new stations.

"NBC has made every effort to bring to the public the best programs available", the statement continued. "It has run financial risks to improve its service and to make its programs enjoyed - not endured - by the television audience. There has been equal opportunity for all networks to do the same. Their efforts have not been proportionate, as the public acceptance of programs well declared.

"Programming by compulsion is an illegal interference with the basic freedom of broadcasting from governmental control."

If the Commission's proposed order were adopted, NBC declared certain of the most popular programs would disappear and the "viewer will be required to look at whatever program is substituted for them." The effect would be to disregard the desires of the viewer, the NBC statement pointed out.

The idea that any one network dominates the field was repudiated by NBC. It pointed out that the other three networks have been able to clear full station lineups for popular programs. Moreover, it added, in the first nine months of 1950 other networks increased their television time sales, one by as much as 290 per cent and one by 283 per cent.

"There is no basis, therefore, for concluding that four networks cannot develop and expand unless artificial restraints on competition are imposed by governmental regulations", the NBC statement asserted.

Had the four competing networks agreed among themselves to allocate program time on a non-competitive basis, NBC pointed out, they would clearly have violated the anti-trust laws. Congress never intended for the Commission to set aside these laws, the NBC statement declared.

"Under the existing system", it pointed out, "there is vigorous, free competition among the television networks, as Congress intended...competition would be anything but vigorous if the aggressive force of the leader in the industry were hemmed in to the bounds of the lowest level of network operations."

X X X X X X X X X X

OHIO MAN IS INDICTED IN "VOICE" TOWER BLAST

Herman F. Kinner, 38-year-old former mental patient, was indicted by a Federal Grand Jury in Cincinnati last week on a charge of dynamiting a "Voice of America" antenna tower at nearby Bethany, O.

Kinner was arrested October 25 at El Paso, Tex. He confessed to FBI agents that he touched off a box of dynamite at the base of the antenna September 17 because he had been "hearing voices".

X X X X X X X X X X

CBS COLOR SYSTEM CONVERTER CALLED "SIMPLICITY ITSELF"

A "sneak preview" of a live converter television program in full color put on the air in New York last Friday (Nov. 10) by the Columbia Broadcasting System, was witnessed by Jack Gould, of The New York Times, who described it as follows:

"The program was tuned in by this writer on the first converter made accessible to the public since the C.B.S. color system was approved by the Federal Communications Commission on Oct. 11.

"Operation of the converter, a device that has been one of the major points of controversy in the dispute over color TV, proved to be simplicity itself, certainly no more difficult than tuning in a black-and-white program.

"The images had exceptional color fidelity. More than ten pastel shadings were distinguishable. Switching between black-and-white programs on other stations and the C.B.S. telecast left no doubt of the greater appeal of color transmissions.

"The converter on which the pictures were seen was manufactured by the Tele-tone Radio Corporation, of which S.W. Gross is President. It was set up at the corporation's plant, 540 West Forty-eighth Street, a little less than a mile from the C.B.S. transmission tower atop the Chrysler Building. At the plant the writer was free to make tuning adjustments without the aid of engineers or technicians.

"Unlike the first unattractive converters publicized immediately after the FCC decision, the device used Friday was a self-contained unit separate from the receiver itself. All the equipment was out of sight and in a table-model cabinet.

"The converter, which was roughly twenty inches square, contained its own picture tube, which was of the seven-inch size, but with magnification it was the equal of a ten-inch screen. At next week's demonstrations a sixteen-inch screen will be on view.

"Inside the converter was the much-publicized spinning filter disk the CBS system uses to inject the primary television colors of red, blue and green. The electric motor employed to spin the disk, however, was inaudible unless one pressed an ear directly against the side of the cabinet.

"Connection of the converter was not difficult and could be done by anyone capable of removing a tube from the back of a set. The video amplifier tube, one of the small peanut tubes, is removed from the set, and in its socket is inserted a plug. On top of the plug is a socket in which the original tube is replaced. Wires from the plug lead directly to the converter, which may be placed above, below or near the receiver.

"There were two controls on the converter. One was a push-button resembling a door bell, which served to bring the colors into synchronization. At most only two gentle taps were necessary to put the colors in their proper places.

"The second was a knob similar to the conventional contrast control, which served to achieve proper balance between colors. Actually, it seemed to work more simply than the contrast control on a black-and-white receiver because, with many different colors, it was easier for the eye to judge the proper contrast than is often the case with only shadings of black and white.

"With those two operations the color program was tuned in.

"Personal experimentation with the operation of the converter and the receiver to which it was attached showed no difficulty in switching from a black-and-white program to color and vice-versa. With the converter on, for instance, a viewer first could see black-and-white on the regular receiver screen and then, by flipping the receiver's station selector switch, see color on the screen of the converter.

"Under the CBS system, a color picture cannot be seen in black-and-white on a present set without an adapter, which also is an integral part of the converter."

X X X X X X X X X

TV NETWORK STRIKE AUTHORIZED BUT DISCUSSIONS CONTINUE

Television's performer unions authorized a strike last night (Tuesday, Nov. 14) that, if carried through, might cripple network video this week. The Union's decision followed a day of negotiation with the networks that both sides admitted had been almost fruitless.

To avert a strike that might call away from television studios and theatres nearly all actors, singers, dancers and announcers, another discussion was scheduled for today. In the event of such a strike there would be little left for television programs but films and discussion programs.

How serious a strike would be was not known last night because the industry had never been affected by such a tieup. Thus, it was not certain that the lack of announcers could prevent a satisfactory sports program on television.

Radio was too involved in a dispute that had strike possibilities. During the night, in New York, Chicago and Los Angeles, members of the Board of the American Federation of Radio Artists, A.F.L., conferred by long distance telephone to decide if its members should be asked to strike against the radio networks.

Increased tension in the television industry developed in conference rooms on the sixth floor of the RCA Building, 30 Rockefeller Plaza. Along carpeted corridors the conferees moved from one paneled room to another, as the groups either sat around the same table or separated to consider numerous proposals and counter-proposals.

Networks represented were the National Broadcasting Company, the Columbia Broadcasting System, the DuMont Television network, the American Broadcasting Company and WOR-TV.

X X X X X X X X

RCA ASKS COURT TO ENJOIN FCC IN COLOR TV; SEN. JOHNSON HIT

In a strong plea for a temporary restraining order against the Federal Communications Commission's recent decision adopting incompatible color television standards, John T. Cahill, General Counsel for the Radio Corporation of America, declared in the United States Court in Chicago yesterday (Tuesday, Nov. 14) that the FCC's order was invalid and would result in irreparable injury to the television industry and to the public.

Mr. Cahill said that the action of the Commission in issuing an order on October 10, effective on November 20, 1950, standardizing upon the CBS color television system and outlawing the commercial broadcasting of color by any other system, was arbitrary and capricious, and not supported by substantial evidence. Prohibition and outlawing of the RCA completely compatible, all-electronic color television system, Mr. Cahill declared, "is entirely indefensible."

An attorney for the Pilot Radio Corporation, Brooklyn, said that Pilot had received a "threatening" telegram from Senator Edwin C. Johnson (D., Colo.), Chairman of the Senate Commerce Committee, because of the dispute. He said Pilot asked Johnson why he stepped outside of his legislative role and "cajoled, prodded and even demanded that the FCC approve a color system."

Pilot said Senator Johnson answered in a telegram that "in due course it is likely that those believed to be the conspirators will be called before a committee and given an opportunity to prove the other allegations contained in your telegram."

As a possible indication of how the suit may be decided, one of the judges, Chief Justice J. Earl Major of the United States Circuit Court of Appeals, asked if any "harm" would be done by postponing the Nov. 20 effective date.

"The Commission, by its order here under review", said Mr. Cahill, "has established a new and narrow gauge on which the Commission says that color trains must hereafter run. It is our position that the establishment of this second and narrow gauge is arbitrary and capricious. But whether or not the Commission has power to provide for the building of this narrow gauge service, it clearly lacks the power to say that the cars pulled over the standard gauge railroad can only be black-and-white cars and that color cars cannot pass on the standard gauge."

"All the color broadcasts on the compatible RCA system do is to vary the commercial black-and-white signals in such a way as to make the transmission one which can be received in color by color receivers without affecting the reproduction of black-and-white pictures on existing receivers as they stand."

Mr. Cahill pointed out that the CBS system, which was adopted by the Commission on an exclusive basis, is an incompatible system.

"By that", he said, "I mean that no television picture whatsoever can be received by any of the nine million sets in the hands of the public from the color transmissions of the CBS system. In other words, the nine million sets will be able to receive no picture of any kind from color television programs broadcast on the CBS system. The thirty-five million people of this country, who are now members of the television audience, will be deprived of any service whatsoever from color broadcasts made with the FCC's order."

"The public's investment of two and one-half billion dollars in home television receivers in the last four years will be rendered ineffective to the extent that there are color television broadcasts under the CBS system which the Commission has exclusively adopted -- unless hundreds of millions of dollars are spent by the set owners."

Mr. Cahill pointed out that the cost to present set owners of adapting existing television sets to receive the degraded black-and-white pictures under the mechanical spinning wheel system, of the CBS, would be approximately \$500,000,000. If they wished to convert their sets to receive CBS color they would have to spend about \$1,000,000 more. This would levy a total tax upon present set owners of approximately one and a half billion dollars.

"Whatever work has been done on the CBS system in the last ten years", Mr. Cahill said, "has not resulted in one fundamental improvement of that system." He called attention to the fact that ten years ago the largest direct-view picture which CBS could produce was a 12 $\frac{1}{2}$ -inch picture, while today the largest direct-view pictures which CBS can produce with its mechanical apparatus still is a 12 $\frac{1}{2}$ -inch picture.

"In this connection", asserted Mr. Cahill, "when an administrative commission sets itself up as the arbiter of the public taste in the size of pictures the public would like to have on its receivers, it is worthy of note that more than 99 percent of the receivers in the hands of the public today are direct-view receivers and that 90 per cent of the sets now being sold have picture tubes of 16 inches or larger.

"The CBS system does not permit the highest quality of color service known to the art", continued Mr. Cahill. "It does not leave room for all foreseeable improvements. It does not permit all receivers to obtain pictures from all transmissions. The FCC order deliberately splits the television broadcasting service and deprives the public of continuity of service."

After pointing out that RCA had made important developments in its tri-color tube receivers, which the Commission refused to consider, Mr. Cahill said:

"The Commission showed the same disregard of the Report of the Condon Committee as it did of the RCA Progress Report. The Report of the Condon Committee, in view of its scientific competence, would have been of enormous assistance to the laymen members of the Commission.

"The considered opinions and recommendations of completely impartial scientists were ignored and a system was adopted against the united warnings of almost all the outstanding television research organizations in the United States that the CBS system was not the best available or satisfactorily capable of further improvement."

Attacking the FCC's "contemptuous disregard" of the radio engineering profession, Mr. Cahill said that the Commission rejected all the expert opinion except that of the proponent CBS and of the FCC's staff engineer, Edward C. Chapin, "who we further allege not only took the most active technical role in the hearings for the Commission, but, as well, was in charge of the Commission's laboratory where the rival systems were tested."

Mr. Cahill further alleged that Chapin invented a device usable only in the CBS system although he foreswore any financial interest therein by assignment of his invention to the government.

"As a result of Cahpin's participation, the RCA system did not get a fair trial nor did the CTI system. The failure of the Commission to replace Chapin with another member of its technical staff was contrary to the previous uniform policy of the Commission of scrupulously protecting its proceedings from the suspicion of partiality.

"The fact that with the RCA system a color picture can be nine times as bright as a CBS picture, without the annoying effects of flicker, is not even mentioned", continued Mr. Cahill. "The fact that the RCA color system makes possible a color picture with more than twice as much detail than the CBS system, is not even mentioned.

"Most flagrantly in violation of its statutory duty to conserve the priceless national asset of the radio spectrum, the Reports of the Commission do not even mention the fact that the RCA color system makes far more effective use of the radio spectrum than does the CBS system.

"Perhaps the classic, however, has to do with the RCA tri-color tube -- a miracle of modern invention and research, which simplifies receivers for the RCA color system basically to a single picture tube", said Mr. Cahill. "Hailed as a great scientific achievement, again by all except the Commission, it is treated as though its very existence was hardly conceded. This, despite the fact that it was demonstrated in operation to the Commission and now, that which they disparage, they want RCA to hand over to CBS.

"The best thing that even the Commission can say about the CBS system is that it is adequate. Never was a system damned with fainter praise."

Calling attention to the "irreparable injury" to RCA, Mr. Cahill said that by standardizing upon the CBS color system the Commission has, in fact, jettisoned the research and development by RCA of its color system in which RCA has invested millions of dollars.

"In addition", he said, "the FCC order has impaired the market acceptance of present television receivers by authorizing this incompatible system and thus creating confusion in the minds of the public.

"Most important of all", continued Mr. Cahill, "the Order sets standards which will impair the growth of the television industry by limiting the present high standards of black-and-white television and, at the same time, increasing the cost of television receivers designed to operate on the new color system."

He also pointed out "irreparable injury" to the RCA Victor Distributing Corporation, in that present receivers cannot receive color programs without extensive adaptation and that fact has caused a softening of the television receiver market, as well as a definite threat of greater injury if the Order is allowed to become effective next Monday.

In conclusion, Mr. Cahill asked that the motion for a temporary restraining order and for a preliminary injunction should be granted, and that the motions to dismiss the complaint or, in the alternative, for summary judgment, should be denied.

X X X X X X X X

RCA AND I. T. & T. SIGN LICENSING AGREEMENTS

Agreements between the Radio Corporation of America and the International Telephone & Telegraph Corporation, providing for the exchange of licenses under radio, television and electronic inventions by these companies and their manufacturing subsidiaries were signed jointly Monday (Nov. 13) by Brig. Gen. David Sarnoff, Chairman of the Board of RCA, and Sosthenes Behn, Chairman of I.T.&T.

The agreements, effective immediately and extending to December 31, 1954, cover such commercial apparatus as broadcasting transmitters, television transmitters and radar equipment, as well as cathode-ray and power tubes developed by the two companies and their subsidiaries, the announcement said.

Under the terms of the agreements, standard licenses are granted by RCA to Federal Telephone and Radio Corporation and Federal Telecommunication Laboratories, Inc., manufacturing and research associates of I. T. & T., to manufacture and sell commercial apparatus and power tubes utilizing RCA developments. Licenses are granted to these two companies and to Capehart-Farnsworth Corporation, another domestic associate of I. T. & T., for cathode-ray picture tubes developed by RCA.

I. T. & T. and its associates also have access to RCA's color television inventions under the agreements. Similarly, RCA is licensed to use inventions of I. T. & T.'s associated companies in the manufacture of power tubes and commercial radio apparatus.

X X X X X X X X

CLAIMS PUBLIC WOULD LOSE BILLION DOLLARS IN COLOR TV ADAPTERS

The public will be "mulcted" of a billion dollars if the color-TV system ordered by the Federal Communications Commission goes into effect, Dr. O. H. Caldwell, editor of Tele-Tech charges in his December issue now on the press.

Says Dr. Caldwell, former Federal Radio Commissioner:

"One of the arguments given by FCC for adopting a non-compatible system is the greater economy and lower cost to the broadcast stations for their necessary color equipment, to wit:

"To install compatible 3-camera color outfit \$70,000 per station

To install non-compatible 3-color camera outfit

20,000 " "

Saving by non-compatible system \$50,000 " "

Total saving by 107 stations \$5,350,000

"But if these stations go full-time color as the FCC is expected eventually to order, adapters will have to be installed in 10,000,000 present TV sets (to enable even black-white pictures to be seen) at a cost of \$70 per set, requiring the public to spend 700 million dollars, (or to junk the \$3 billion investment they already have in existing sets", estimates Dr. Caldwell. "If future set production is included, another \$300,000,000 should be added, making the cost to the public for the present non-compatible system roughly a billion dollars. Thus by saving the broadcast stations five million dollars the public will be mulcted of a billion dollars by the color-TV system ordered by the FCC."

X X X X X X X X

COMMENTS FILED REGARDING PROPOSED FCC REBROADCASTING SECTION

The National Association of Broadcasters Monday (Nov. 13) filed with the Federal Communications Commission its comments with regard to proposed rule-making procedures concerning a clarification of the rebroadcasting section of the Communications Act.

The inquiry before FCC involves an interpretation of the term "originating station". The specific problem concerns an instance where Station A desires to rebroadcast network programs of Station B, having obtained the consent of the network, but having failed to gain the consent of Station B.

NAB, in its commentary, contends that Sec. 325(a) of the Communications Act, although speaking of "programs", necessarily includes "signal", citing 1927 legislative history in its argument.

Consequently, avers NAB, the question narrows as to which station is the originating station of the signal. When Station B picks up the network program from the cable it amplifies the video signal and gives it new characteristics, and then transmits it from its transmitters. When this operation takes place, its legal consequences are the same as if no prior pickup was involved. It is a separate performance under the copyright law; it is a separate publication under the law of defamation; and it is a separate transmission of the signal under the Communications Act. That property rights accrue to Station B in this retransmission is without question. As far as Station A is concerned, Station B has originated the signal, and has "produced it as new".

NAB also contended that separate and apart from Sec. 325(a), there exists a protectible property interest in the signal of a radio or television station resulting from the labor, facilities, expenditures and techniques of the licensee.

X X X X X X X X X X

FOLSOM, RCA, ADVOCATES U.S. PROCUREMENT GENERAL

The appointment of a Procurement General with policy-making authority over all Government and defense buying in peace and war was recommended in New York Monday (Nov. 13).

Frank Folsom, President of the Radio Corporation of America, and Director of Purchases in the Office of Production Management in the last war, made the recommendation at a defense "controls" panel session of the Trade and Industry Law Institute, Inc., at the Roosevelt Hotel.

Mr. Folsom told the 250 executives present that compared with the same period in the last war, Government arrangements for priorities and allocations were well advanced. The suggested Procurement General would coordinate policy plans.

X X X X X X X X X X

DEALERS ASKED TO TONE DOWN TV ADVERTISING

Elimination of misleading advertising concerning application of the new excise tax on television sets was urged yesterday (Nov. 14) by the Better Business Bureau of New York City.

In a bulletin issued to the industry, the Bureau pointed out that some references to the 10 per cent tax had mistakenly led consumers to believe that the levy amounted to 10 per cent of the retail price. The tax, which became effective on Nov. 1, is 10 per cent of the original manufacturer's price to wholesalers or retailers.

The bulletin, which went also to advertising media, recommended that the term "10 per cent" be used in reference to the excise tax only where it is clearly described as a 10 per cent tax on the manufacturer's price to the trade. The bulletin also made additional definition of advertising and selling standards recently adopted under sponsorship of the Bureau by a large part of the trade dealing in radio, television sets and services and home appliances.

When retail prices of television sets are advertised, the Bureau noted, all additional payments for excise tax, warranties or other charge necessary to obtain delivery should be clearly stated in immediate conjunction with advertised or quoted prices. The trade was reminded that when warranties are mentioned in advertising, their terms and duration also must be clearly stated under provision of the adopted standards.

X X X X X X X X X X

COLUMBIA UNIVERSITY BEER SPONSORSHIP AROUSES WCTU

The Women's Christian Temperance Union put on its war bonnet and got out the old tommy-hawk in an attack on Columbia University for accepting brewery sponsorship for a television program.

Mrs. D. Leigh Colver, in Evanston, Ill., last week, President of the W.C.T.U. called the program "a scheme of education for alcoholism which uses American classics as springboards for beer promotion.

The program is the "Pulitzer Prize Playhouse" sponsored by the Joseph Schlitz Brewing Company, Milwaukee, over the ABC-TV network. It features famous plays, mostly Pulitzer Prize-winners, for which Columbia's Pulitzer School of Journalism makes the annual awards.

Mrs. Colvin said Columbia should return a \$100,000 gift from Schlitz and withdraw its cooperation. She said no mention on the TV show is made of either Columbia or the Pulitzer School of Journalism.

However, she said, "the tieup * * * allies the university, its school and the Pulitzer name with programs which are obviously put on by the brewer to promote drinking in the American home.

"Beer bottles and beer drinking have been rampant in commercials between acts, one recent commercial depicting Mona Lisa coming to life from her painting to reach for a glass of the sponsor's beer."

In Milwaukee, Schlitz president Erwin C. Uihlein called attention to the endowment of Vassar College by Matthew Vassar, a brewer. He said that when the TV show opened Oct. 6, Dean Ackerman referred to Vassar as setting a "fine precedent" for Schlitz sponsorship of the program.

X X X X X X X X

:::
::: SCISSORS AND PASTE :::
:::

Film Leaders Eeen Meeting To Counteract TV
(Herb Golden in "Variety")

A hush-hush session of top industry leaders in production, distribution and exhibition is currently being planned. It will frankly be a "What-are-we-going-to-do-about-it?" meeting to plot counter-measures to the inroads on film grosses by TV and other forms of competition and to consider ways of reviving the faltering boxoffice.

Powwow is an outgrowth of a session held for the same purpose among about 25 of the top exhibitors in the country at the Theatre Owners of America convention in Houston last week. The circuit chiefs, whose holdings represent investments of millions of dollars, met at a private dinner sponsored by New York theatreman Simon H. Fabian.

Secret session was a grim, no-kidding affair, with all those in attendance cautioned against talking about it. It would up with a suggestion from Charles Skouras, prez of 20th-Fox's circuit-owning subsid, National Theatres, that another similar meeting be held with top-echelon production and distribution executives as quickly as possible.

Skouras pointed out that exhibs couldn't hope to face the problem themselves, since it was too complex and necessarily involved the producers. He asked that arrangements be made to hold a private conclave on the Coast, and efforts are now being made toward that end. * * * *

Mitchell Wolfson, who owns both a theatre circuit and television station in the Miami area, urged exhibs not only to get into large-screen TV in their theatres as soon as possible, but to try to get into the tele broadcasting business itself.

Resolution brought forth by Wolfson and approved by the convention declared: "It is appropriate that exhibitors recognize the existence and growth of the new electronics medium and participate to the fullest extent in television both for the public and their own interests." * * * *

Major reason for the desire of those who have installed theatre TV to get other exhibs to do likewise is that the sooner there is a healthy circuit of such facilities available, the sooner programming can begin. Fabian, Wolfson, Balaban, Corwin and others are anxiously awaiting the time they can afford to buy up major events exclusively for theatre tele.

- - - - -

Tanks and Television
("The New York Times")

Secretary of Defense George C. Marshall, addressing the Business Advisory Council of the Department of Commerce, told its members that they should be prepared for a defense production program of at least four years' duration. The blueprint for such a military program, said General Marshall, is already more than half completed.

While this meeting, held at Sea Island, Ga., was "off the record", one gathers that the representatives of business were reassured on one matter concerning which they had been in a good deal of doubt. The flow of military orders, they were told, would be scheduled at such a rate, or rates, as to prevent as far as possible temporary shutdowns or lay-offs in industry. In other words, the program is to be geared so that that part of industry which is not producing for the rearmament effort will be free to continue turning out autos, refrigerators and television sets.

This is all to the good, so far as long-term policy is concerned. But the fact is that, while it may be approaching the top, the nation's economy is still in the rising phase of a civilian goods boom of which the automobile and the television may be said to be symbolic. The first task, and the most important, is to bring that boom under control even though this may involve what Dr. Nourse described in early 1949 as "a little healthy disinflation". We have had expert testimony that original price estimates of a number of typical defense items have already jumped very sharply since Korea, though the rearmament effort is still in the blueprint stage.

With a major defense program looming ahead for the next four years, the danger is not that the production of civilian goods will collapse; the danger is that in our zeal to see that no "slack" is permitted in the economy, we shall find ourselves burdened with war costs vastly greater than they would have been if we had been prepared to curb our appetite for automobiles, inordinately overpriced housing and television sets.

- - - - -

No Industry Has Ever Faced Such A Problem As TV Servicing
(C. M. Odorizzi, Operating Vice-President, RCA-Victor
Division, in "Radio Age")

The quality of television service must match stride with the growth of the television industry or that growth will be retarded. No other industry producing such a highly-technical product as television has grown so rapidly in such a short time. No other industry has ever faced the problems of providing technically trained manpower in such quantities as television's fantastic growth has required.

At the end of last December there were 4 million television receivers in service - 3 million more sets have been added since then up to the first of September. The industry forecasts that more than 2 million receivers will be sold during the balance of the year. This means that dealers throughout the country must be prepared to install and service, during the last quarter of the year, half as many receivers as were sold during the entire 4-year period of 1946-1949.

The real problem of the industry this fall and winter will be the training of a sufficient number of skilled technicians to install and service the receivers which manufacturers plan to produce and sell.

The answer as to whether or not a dealer should perform his own service depends entirely on the dealer - on his available capital, his volume, and his objectives. Many dealers operate fine service departments and take great pride in the excellence of their service.

TRADE NOTES

For the information of those attending the Columbia Broadcasting System color demonstration in New York this week, Columbia is passing out a 6-page mimeograph release entitled "CBS Color Television - Questions... and ... Answers"

The questions discussed are "Why Color Television?" "Why Color Television Now?" "Why CBS ColorTV?" "What About My Set?" "Are Manufacturers Making Adapters and Converters Yet?" "When Do Programs Start?" "How Does CBS System Work?" "What's In It For CBS?"

Copies may be had by addressing the Columbia Broadcasting System, 485 Madison Avenue, New York 22, New York.

Floyd G. Blair, President of the New York Philharmonic-Symphony Orchestra has suggested that letters be written by listeners to the Columbia Broadcasting System concerning the new Sunday schedule, which places the orchestra's broadcast at 1 P.M. instead of 3, by magnetic-tape transcription. Mr. Blair said in the Far West this time conflicted with church services, and that interest in the Philharmonic was suffering.

The Annual Television Clinic of the Television Broadcasters' Association, Inc., top day long conclave of the television broadcasting industry will be held Friday, December 8, from 10 A.M. to 5:30 P.M., with Eugene S. Thomas, Manager of Television Operations of WOR-TV, as Chairman, in the Starlight Ballroom of the Waldorf-Astoria Hotel, New York. The event is expected to attract over 400 persons.

Following her successful television debut, Margaret Truman daughter of the President, will make a return appearance on Ed Sullivan's CBS-TV "Toast of the Town" program in the near future.

The actual date of her appearance will have to be worked into her current New England concert schedule but it will not be until after the "Toast of the Town" broadcast of Nov. 19, which will originate at the Boston Opera House.

Muntz TV, Inc. - Six months to Sept. 30: Net profit \$446,445, equal to 44¢ a share. No comparison is available.

Color video beamed commercially is at least three years away, William A. Bless, veepee of Avco Manufacturing Corp., and Crosley Division Sales Manager, predicted in Chicago last week. A chief delaying factor will be the great cost of tinted shows to the sponsor, he stated.

Manufacturing exec claimed that the Crosley half hour of NBC's "Show of Shows", which costs \$35,000 in black and white, would be upped to nearly \$70,000 in color.

About 7,213,700 American families - almost one out of every five - own television sets, the Industrial Surveys Co., reported to the U.P. in Chicago last Sunday (Nov. 12). The actual ownership ratio is 17.9 percent of the approximately 40,300,000 families in the Nation.

Geographically, more than one of every three families in the Northeastern States owns a receiver, and about one in every seven in the North Central States has a set. "Poor" people own a good share of the sets. More than 11 in every 100 families in the lowest quarter of the economic strata have TV in their homes. Twenty-four in every 100 of the top quarter families have receivers.

Craftsmen and skilled laborers own the greatest percentage of sets among occupational groups, followed by clerical workers, sales and service workers, professional men and women, and executives, farmers own the least.

Television caused its first United Nations controversy at Lake Success last Saturday (Nov. 11). More accurately, it was the lack of television that caused the trouble.

Many delegates have been using the set in their lounge. The set was tuned to the proceedings in the Security Council or the Political Committee, which are televised during the day by United Nations cameras.

Saturday the set was removed because Secretariat officials believed it was attracting too many persons who had no business in the lounge. Some delegates complained. In diplomatic circles it was felt that there was an excellent chance that the television set would be returned to the lounge.

Radio and television dealers in 36 States and the District of Columbia were shipped 3,952,000 television receivers in the first eight months of 1950, the Radio-Television Manufacturers' Association reported last week. TV sets shipped in August totalled 845,000, according to estimates by RTMA of member and non-member company shipments.

X X X X X X X X X X

("No Industry Has Ever Faced Such A Problem As TV Servcing" continued from page 14)

These men have been willing to invest the necessary capital to provide good service facilities, space for the service shop, good office records, and excellent test equipment. Of equal importance, they have seen to it that they have properly trained technicians and experienced supervisors. They have a sizable investment in installation materials and in repair parts to take care of old as well as new models. The successful servicing dealer keeps accurate cost records, and sells and merchandises his service in the same way that he handles his products.

All of us have seen examples of small dealers, large dealers, and even large department stores, that have rushed into the servicing business without the ingredients which are so necessary to a successful operation, only to discard the program when they found that it was unsatisfactory and unprofitable. In like manner, television service contractors have gone bankrupt.* * *

I believe the television service contract to be the greatest merchandising tool that has ever been placed in the hands of dealers. If there is one pitfall that the TV industry must avoid, it is the pitfall of the 50¢ radio service calls and the sharp radio service practices which we all remember. Consumers are perfectly willing to pay reasonable service charges on mechanical and electrical products.

X X X X X X X X