

# HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.

OK

NATIONAL BROADCASTING COMPANY  
GENERAL LIBRARY  
80 ROCKEFELLER PLAZA, NEW YORK, N. Y.

RECEIVED  
SEP 8 1941  
FRANK E. MULLEN

## INDEX TO ISSUE OF SEPTEMBER 5, 1941

FCC Plans Franchise Tax on All Communications . . . . .	2
Southeast Probably in Daylight Time Indefinitely . . . . .	3
DCB Priorities Liasison Committee Formed . . . . .	4
Willkie Appearance Delays Radio Propaganda Hearing . . . . .	5
FCC Won't Unduly Tramp on Broadcasters' Toes . . . . .	5
Mrs. Roosevelt Defends Earnings of Herself and Family . . . . .	7
RCA Starts "Beat the Promise" Defense Campaign . . . . .	8
Defense Brings New War on Interference . . . . .	9
Trade Notes . . . . .	10
Responsibility Granting Convict License is Commission's . . . . .	11
Radio Isn't the Only One . . . . .	11
Victory Symbol His Idea Says Radio Evangelist . . . . .	11
Tells Her to Get Wave Trap . . . . .	12

## FCC PLANS FRANCHISE TAX ON ALL COMMUNICATIONS

That the Federal Communications Commission would expand the defense tax levy to the telephone and telegraph companies and not confine it to the broadcasting industry was stated by Chairman James L. Fly in discussing the proposed plan of a franchise tax now being worked out by the Commission in cooperation with the Treasury Department and the Joint Committee on Internal Revenue. The study was undertaken at the request of Senator George, of Georgia, Chairman of the Senate Finance Committee in lieu of the proposed tax on radio time sales which was thrown out of the first 1941 Defense Revenue Bill. With the franchise tax every branch of the communications service would be called upon to help pay the freight instead of the broadcasting alone being called upon to contribute.

Mr. Fly said that telephone and telegraph companies as well as point-to-point radio telegraph companies were to be made subject of the proposed tax when the plan is finally completed. In effect the chairman disclosed "the whole works" would be taxed. From one source came the report that the telephone and telegraph companies might have to pay about half of the new tax.

Mr. Fly said that the commission at this time did not have the tax plan in any concrete form but in view of the indications that Congress might not approve proposed tax on time sales of the radio broadcasting companies he would start work on the tax scheme within a short time. He said the broadcasters had indicated a sympathetic interest toward the proposed franchise tax but that he had not yet talked over the matter with the representatives of the telephone and telegraph companies. However, he didn't seem to anticipate any great difficulty.

The tax plan would include, he said, practically every phase of the radio branch of the industry except, perhaps, the amateur stations. Mr. Fly said that after the commission experts have worked out tentative formula for the proposed tax, that it is his plan to call in all of the representatives of the communications companies which would be affected by the tax for a round-table discussion.

Mr. Fly said that the franchise tax proposal has nothing comparable in revenue to the provision struck out of the Defense Bill

8/5/41

which called for \$12,500,000. At the Senate hearing Mr. Fly said the annual operating expenses of the FCC were about \$2,000,000 a year and it is the belief that this is approximately the amount he had in mind raising by means of the franchise tax, with the broadcasters paying half or about \$1,000,000, since only about half of the Commission's time is taken up by radio. He seemed to think the stations tax should be based upon coverage instead of power. A subcommittee of the Senate Finance Committee - Senator Prentiss Brown of Michigan and Senator Donaher of Connecticut studying the radio question are said to be working on a proposition basing the tax on the time sales rate of the individual station.

Mr. Fly said that the study of the franchise tax was moving along without further loss of time. It is therefore expected that the House will approve the Senate's action in deleting the radio time sales tax when the differences in the House and Senate bills must be reconciled in conference. When the Senate itself took up the tax bill last Thursday it almost immediately approved the Senate Finance Committee's elimination of the taxes on radio time sales and billboards.

X X X X X X X X

#### SOUTHEAST PROBABLY IN DAYLIGHT TIME INDEFINITELY

Although other daylight saving zones will go back to standard time Sunday, September 28, it looks as if the Southeast portion of the United States will have to stay on daylight time indefinitely. Due to drouth the Federal Power Commission has declared a power emergency and has requested advanced time as an electric energy save. That area is a center of aluminum production requiring huge amounts of electricity and the Southeast has had a drought.

How long the Southeast stays on daylight time depends upon how much rain they have down there between now and Christmas. If there is sufficient water to fill up the hydro-power reservoirs then there is less danger of a power shortage. In that case the Power Commission would probably go off daylight time. It is apparent, however, that the FPC is not going to give up daylight time until dead sure that they will not need it later.

That this is a matter of apprehension to broadcasters is an inquiry from the head of an important radio station in that section who writes:

"I am sure that the South is rather unanimous in its opposition to remaining on daylight saving time if the balance of the country is to operate on standard time."

While the power situation in the Southeast has been improved by the summer rains it will have to await Fall showers before a decision as to changing time is reached.

Mr. Roosevelt has asked Congress for authority to blanket regions with daylight saving time whenever it becomes essential to conserve electric energy needed for defense purposes, and a bill to confer such power is now before Congress.

Under the bill introduced by Representative Clarence F. Lea, of California, the President could order clocks throughout the country, or in any part of the country, to be turned as much as two hours forward for the whole year. It was not expected, however, that Mr. Roosevelt at any time would order a blanket advance for the whole country.

The bill is now being considered by the House Interstate and Foreign Commerce Committee and is expected to be favorably reported at an early date.

X X X X X X X X

#### DCB PRIORITIES LIASISON COMMITTEE FORMED

A priorities Liaison Committee has been created by the Defense Communications Board to study material and equipment requirements for all types of wire and radio communications, and to make reports relative to priorities for these services. This action is primarily for the purpose of affording cooperation and assistance which may be required by the office of Production Management.

The Board has already planned for utilization of existing communication facilities in the coordinated interest of military industry, and civilian activities. The need of materials for extensions, interconnections, and alternate circuits constitutes an important related problem. The Board has been greatly concerned about the availability of such equipment. While it is gratified to know that a priority status has been assigned to repair and maintenance materials, it feels that it is equally, and in many cases more, important to provide a high order of priority for new materials and equipment. This is particularly true of new and supplementary facilities directly or indirectly related to national defense expansion.

Consequently, the new committee (which will be known as Committee XIII) has been assigned to this task. It will consist of a representative each to be appointed by the Telephone, Telegraph, Cable, Radiocommunications, Domestic Broadcasting, International

Broadcasting, Aviation Communications, Amateur Radio, and State and Municipal Facilities committees.

X X X X X X X X

### WILLKIE APPEARANCE DELAYS RADIO PROPAGANDA HEARING

Wendell L. Willkie being called in by the motion picture people and asking for more time to prepare his case caused the inquiry into whether the motion picture and the radio industries have disseminated pro-war propaganda to be delayed until next Tuesday (Sept. 9). This means that it may be considerably longer before the radio representatives will be heard as the motion picture phase of the investigation comes first and nobody seems to know how long that will take.

It was said at the office of Senator Clark of Idaho, Chairman of the Subcommittee holding the hearing that as yet the radio witnesses had not yet been summoned and it was not known who they would be. One of the names mentioned was Walter Winchell. Also other commentators the isolationist senators have had their axes out for.

Unquestionably an enjoyable time will be had by all when Mr. Willkie faces such isolation senators as Wheeler of Montana, Tobey, of New Hampshire, and others. Senator Wheeler will no doubt particularly welcome putting Mr. Willkie on the grill as he had repeatedly jibed him not only for siding with the President in his war views, but as a representative of Wall Street. At a Senate radio hearing not long ago, evidently having Willkie in mind, Mr. Wheeler remarked: "We ought to get some of these Presidential candidates down here to see what they think about this radio situation."

X X X X X X X X :

### FCC WON'T UNDULY TRAMP ON BROADCASTERS' TOES

Although it was denied that the FCC was softening in its stand in the chain monopoly regulations, Chairman James L. Fly declared that every consideration would be given to the networks. Mr. Fly said that the Federal Communications Commission intends to move expeditiously, but will not unduly step on the toes of the broadcasters in so doing.

Mr. Fly reiterated that the broadcasters would be given a reasonable time to do what needs to be done. But first the Commission must dispose of the matter now pending and give due notice to the industry. The chairman said that may run into weeks. He concluded that it was not the Commission's inclination to have any unnecessary extension of time.

An editorial in the New York Times criticizing the action of the majority members of the FCC in the sweeping new rules read, in part, as follows:

"No abler analysis of the harm that the Commission's order may do to the radio industry has come from any source than from the minority report of two members of the Commission itself, T. A. M. Craven and Norman S. Case. Their analysis deserves considerably more attention than it has yet received. They declare, first, that the Commission is without jurisdiction to promulgate regulations which undertake indirectly to control the business arrangements of broadcasting licensees. And they contend that the proposals of the majority 'will result inevitably in impaired efficiency of the existing broadcast organization of the country.'

"While the minority does not condone any form of monopoly which concentrates power contrary to the public interest, it points out that the majority is apparently trying to force a sort of academic 'unlimited' competition in broadcasting which cannot in any case be wholly achieved because the number of air channels is physically limited.

"The undisputed fact, declares the minority, is that 'radio broadcasting has been utilized as an open forum.' "No one has complained officially to the Commission of any abuses arising from' the existing network systems. But if there were monopoly or restraint of trade, then, declares the minority, the Commission would still have no jurisdiction under the law. It would be its duty either to ask the Department of Justice to investigate the matter, or to ask specifically for more power by referring the entire question to Congress.

"The subject of radio regulation is a very complex one. Apart from the question of the FCC's legal authority, some of the recommendations which the majority make may be in the direction of desirable changes. But there seems little doubt that if all the proposed new regulations are forced through in the present form, their main effect will be what the minority fears."

At the moment everything seems to remain in status quo pending the forthcoming oral arguments on the petition of the Mutual Broadcasting Company at the public hearing Friday, September 12.

X X X X X X X X

8/5/41

MRS. ROOSEVELT DEFENDS EARNINGS OF HERSELF  
AND FAMILY

Mrs. Franklin D. Roosevelt, whose new series of commercial broadcasts for the Pan American Coffee Bureau, over NBC begin Sunday, September 28, was asked the following questions by a reader of her column "If You Ask Me" in the September issue of the Ladies Home Journal:

"We have read that you and your family have cleaned up a cool two and a half million out of writing, lecturing, broadcasting, fat insurance commissions, and so on, since Mr. Roosevelt was elected President. How can you defend this commercialization of the White House to those of us who have been taught to die for our country, not make money out of it?"

To which Mrs. Roosevelt replied:

"I have no idea on what information this statement which you have read is based. I know that as far as my husband is concerned, he has spent, in fulfilling the obligations of his office as President, somewhat more than his salary.

"Where I am concerned, I earned money by working for it before my husband was President and I have gone on doing so. I have made more money, but I haven't as much principal as I had before my husband went into office; and when I am not in the White House I live simply.

"The demands on anyone in the White House are very great. One could, of course, refuse them all. If one could not do anything to earn money and did not have a large personal fortune, the demands would have to be ignored.

"It wearies me a little to hear criticism of what the children do and make. They have to work in any case, or be supported by their families, and no good American who is able to earn a living desires to be supported by his or her family. Because their father happens to be in the White House, they are not commercializing the White House or their father's position. If their father were not in the White House, they would not have lacked opportunities or contacts.

"I personally do not think that earning a small or a large amount is commercializing the White House. When you make money and help to employ people, you make money for your country. The point in making money is to earn it honorably and always to feel an obligation to use your work and what you make out of it for the benefit of the community as a whole as well as for yourself.

"When it comes to being taught to die for your country, I doubt if that has been left out of the education of the children in any branch of the Roosevelt family."

Asked "What is your favorite radio program?" Mrs. Roosevelt answered:

"The news of the day, Information Please, and Raymond Gram Swing."

X X X X X X X X

### RCA STARTS "BEAT THE PROMISE" DEFENSE CAMPAIGN

Inaugurating a "Beat the Promise" campaign aimed to give national defense orders a fast right of way throughout the entire organization of the Radio Corporation of America, David Sarnoff, President of RCA, tapped off the letter "B" in the radio code with a key on his desk in Radio City last Tuesday. It was a signal to the world that the men and women in the RCA plants, offices and communication centers are doing, and will continue to do, with intensified effort, all within their power to beat the promise of delivery of products needed for the nation's defense program.

While Mr. Sarnoff was sending the "B" - a dash and three dots - the same combination in reverse of the "V" for victory - three dots and a dash - the factory whistles at Camden, N.J., the home of the RCA Manufacturing Company, tooted the "B" in code. It was part of the ceremonies held in Johnson Park, at Camden, where the RCA Victor Band played "The Stars and Stripes Forever"; Barry Wood sang "Gonna Beat the Promise" and Lucy Monroe sang "The Star Spangled Banner." Similar ceremonies were held in the RCA plants at Harrison, N.J., Indianapolis and Bloomington, Indiana; and Hollywood, California.

Enthusiastically, the RCA Manufacturing Company's 19,000 workers patriotically have taken up the challenge "Beat the Promise". Most of them have signed pledges to avert waste of materials, gain the fullest productive use of every tool and machine, and through efficient operation rush the work in radio that is so vital to defense on land, sea, and in the air. To date, the RCA has met and beaten most of its delivery dates on equipment for the armed services. Now the all-out effort will be to surpass the records already established.

X X X X X X X X

## DEFENSE BRINGS NEW WAR ON INTERFERENCE

Technical experts of the Department of Commerce, the Federal Communications Commission, the National Bureau of Standards, and other government agencies are uniting in a defense effort to eliminate man-made interference with international broadcast stations which have assumed a new importance in carrying messages abroad during the present emergency. The automobile or motor truck in ordinary operation is a rough-and-ready broadcasting station and interferes seriously with short wave radio communications, according to radio experts of the Department of Commerce.

"Most motorists are unaware of the annoyance they cause as they drive along city streets. However, radio broadcasting companies, radio manufacturers, government experts in the communications field and automotive engineers are fully alive to the problem," a communique from the Commerce Department states.

One leading broadcasting company has conducted a series of tests and made a large number of measurements to determine the extent of interference from different types of ignition systems installed in motor vehicles.

"A special committee set up by the American Standards Association is giving the problem close attention. A committee of engineers appointed by the Radio Manufacturers Association also is actively at work and a committee of automotive engineers is cooperating.

"One way to eliminate interference of this kind is to place a shield over the spark plugs and other exposed parts of motor vehicle ignition systems. Experiments along this line are understood to have eliminated the interference at least to a large extent. Other means have been devised.

"This type of interference is understood to be especially serious in television operations. Even frequency modulation, designed to eliminate much of the interference normally encountered in radio communications, is said to be affected under certain conditions.

"Technical experts of the Federal Communications Commission, the National Bureau of Standards and other interested government agencies are keeping in touch with developments.

"The automobile is by no means the only offender. Electrical paraphernalia used by the medical profession in the treatment of human ills creates similar interference. That is especially noticeable in a building where a considerable number of physicians have such equipment installed, although certain types of equipment in which bulbs are used are understood not to create this type of interference with short wave radio."

X X X X X X X X



RESPONSIBILITY GRANTING CONVICT LICENSE IS  
COMMISSION'S

"Has a person who has been convicted of a felony and has served the prison sentence imposed the right to make application for a radio operator's license?" a Californian asks. The Commission replies:

"Section 305(1) of the Communications Act of 1934, as amended, provides that the Commission shall 'have authority to prescribe the qualifications of station operators, to classify them according to the duties to be performed, to fix the forms of such licenses, and to issue them to such citizens of the United States as the Commission finds qualified.' The Act does not specifically prohibit the issuance of a radio operator's license to one convicted of a felony, unless, of course, loss of the individual's United States citizenship resulted from such conviction. The duty of determining the qualifications of any applicant for any operator's license is, however, imposed upon the Commission, and in the fulfillment of that duty all of the facts concerning any particular application must be weighed. In any event, there is no statutory bar to the filing of an application for license by such person."

X X X X X X X X

RADIO ISN'T THE ONLY ONE

That radio isn't the only industry hit by the national emergency is seen in Fanshawe Lindsley, editor and publisher of Golf magazine, announcing that due to impossible conditions existing in the golf field he had been forced to cease publication. Rubber and steel priorities have thrown the golf industry into confusion, he said, with the result that the 1942 advertising outlook is so bad that it would require at least \$75,000 in additional working capital to see Golf magazine through the crisis. Up to July the magazine showed a 78 per cent gain in advertising over last year.

X X X X X X X X

VICTORY SYMBOL HIS IDEA SAYS RADIO EVANGELIST

Elder Lightfoot Solomon Michaux, Washington's "Happy Am I" colored radio evangelist has staked claims to having originated the "V" symbol which now is giving hope to oppressed Europeans.

8/5/41

Elder Michaux was discovered and first put on the radio by Harry C. Butcher, then manager of Station WJSV, now Washington vice-president of the Columbia Broadcasting System. Elder Michaux maintains that on September 18, 1938, the V was set into motion in his broadcast to the British Empire.

"We styled Jesus Christ as the Leader of the largest army the world has ever known, made up of men who had once been the enemies of His form of government. . . We offered as the war cry the slogan 'W.J.S.V.', which means W for willingly, J for Jesus, S for suffered and V for victory.

"Through our broadcast, the 'V for victory' found its way into the minds of the British people and now is being used to a great advantage to arouse the spirit of the people of the occupied countries," the Elder said.

X X X X X X X X

TELLS HER TO GET WAVE TRAP

Radio interference is bothersome to a District of Columbia woman. The Commission advises:

"Ordinarily, a frequency separation of 50 kilocycles or more, such as is employed in Washington, is sufficient to prevent objectionable cross-talk interference even when the receiver is operated at a location in the immediate vicinity of the transmitter. Unfortunately, receivers of certain designs, when operated near the transmitter of one station, are not capable of separating the signals of that station from those of another station even when the latter is 50 kilocycles removed. The performance of such sets so located may be improved materially by employing a 'wave trap', a simple and inexpensive device which is easily installed and operated."

X X X X X X X X

FCC's Foreign Broadcast Monitoring Service has translators to dissect most foreign broadcasts. But when Berlin recently started to shortwave to Iceland in the latter's own lingo, Uncle Sam's propaganda analysts seemed momentarily stumped. The Monitoring Service was just about to SOS the State Department when one of the former's own translators, Miss Dema Westman, mentioned that she talked Icelandic to her parents in their own home. Result: German "bombcasts" in Icelandic are now also being thawed out.

X X X X X X X X X X

# HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.

OK

NATIONAL BROADCASTING COMPANY  
GENERAL LIBRARY  
PO BOX 11111

## INDEX TO ISSUE OF SEPTEMBER 9, 1941

New Priority Order On Radio Parts Promised.....	2
MBS To Have Whole Show Friday.....	3
Mellett Would Not Disturb Radio.....	4
17 Companies Now Make FM Sets.....	5
Latins Want More U.S. News, Says Royal.....	5
Radio "Essential To Morale", Says OPA.....	6
Radio Spots Used In Wastepaper Campaign.....	6
Engles Resigns As NBC Vice President.....	6
Bomb Drops In "Industrial Paradise".....	7
Role Of Radio In Inter-American Relations Cited.....	8
Radio Manufacturer Explains Priority Plight.....	8
President Praises Ethridge Report.....	9
Radio's Role In War Held Undetermined.....	9
Trade Notes.....	10
Kostka Quits As NBC Press Chief.....	11
RCA Trains Employees For Defense.....	11
Defense Theme Of Educational Programs.....	12
R. C. A. Communications Return Higher.....	12

September 9, 1941

## NEW PRIORITY ORDER ON RADIO PARTS PROMISED

A new priority order giving all divisions of the communications industry a priority rating is scheduled to be issued by the OPM Priorities Division this week.

This order is expected to ease somewhat restrictions on the allocation of scarce materials to the radio manufacturing industry.

Meanwhile, OPM Priorities Director Donald M. Nelson, promised more prompt handling of all priority requests under the reorganized OPM set-up.

Thousands of pieces of mail and thousands of applications for preference ratings which had become "bottlenecked" during the last several weeks were cleaned up over the week-end, completely processed, and are now on their way back to industry.

New techniques were used to cut through normal procedure, and top members of the Priorities Division's staff worked until the early morning hours several nights to clean up the accumulated paper work.

As a result of this clean-up, Mr. Nelson said, the Division of Priorities is back on nearly normal schedule.

Hereafter it is expected that all ordinary applications or mail inquiries will be handled within forty-eight hours. This will make it possible for business men to get prompt answers to questions without coming to Washington.

"When a business man files an application or sends us an inquiry", said Mr. Nelson, "he deserves a prompt answer. Even if we cannot give him what he wants, he has a right to know where he stands without undue delay. We think we have broken the bottleneck and that from here on we can handle all routine expeditiously.

Steps taken during the last few days to solve the problem included:

(1) Thousands of pending applications for preference ratings were processed by means of a special stamp which turned each approved application into a legal preference rating. Instead of having the usual priority certificate made out, which takes considerable time, the application blanks themselves have been officially stamped with preference ratings on their face, carrying the signature of the Director of Priorities, and are being returned to the applicants, who can use them just as they would an ordinary certificate.

(2) A crew of experts at handling mail and paper work was borrowed from private industry for special duty. Working with top officials of the Priorities Division, these experts cleaned up thousands of pending letters. The emergency work was carried on in the Board Room of the Social Security Building and also in the Old Police Station at 462 Indiana Avenue, where some of the operating sections of the Priorities Division have recently been relocated.

(3) A new routing system has been set up so that applications coming into the Social Security Building can be sent without delay to the proper Commodity Section. Routing slips will be colored - a different color for each day - so that applications close to the forty-eight-hour deadline can be expedited.

During the past several weeks a number of factors combined to build up a large back log of applications for preference ratings which it was impossible to process promptly. Lack of space, lack of sufficient personnel and a marked rise in the number of applications received were all responsible.

In May preference rating applications were being received at the rate of 600 a week. Recently this rate has risen to between 4,000 and 5,000 a week. As a result, the number of applications "in process" has increased.

With insufficient personnel and lack of space hampering normal operations, the back log was growing more rapidly in size every day.

However, this special plan for granting preference ratings and the new handling system for mail will bring all operations up to date this week and operations hereafter, said Mr. Nelson, can be kept on schedule. Applications will be handled in the usual way in most cases, but the special stamp system can be used whenever there is danger of delay.

X X X X X X X X X X

#### MBS TO HAVE WHOLE SHOW FRIDAY

The Mutual Broadcasting System is the only radio representative to request time for the Friday hearing, FCC Chairman Fly stated Monday.

The hearing, before the full Commission, is on the petition filed by MBS requesting amendment of FCC regulations dealing with network option time and the term of affiliation contracts.

Chairman Fly said that the hearing will be in Room 6121 and apologized that there will be so little space for spectators.

Other networks have until Wednesday to file appearances and until Friday to file briefs in the controversy.

X X X X X X X X

9/9/41

## MELLETT WOULD NOT DISTURB RADIO

Lowell Mellett, Administrative Aide to President Roosevelt, believes the radio and the press are doing a splendid job for the United States and that they will be more effective if left alone by the Government.

Writing in the September issue of The Atlantic Monthly, Mr. Mellett, who is Chief of the Office of Government Reports, praises both the radio and the press.

In virtually every country, he said, the press associations and the American radio "have set a standard of truthful reporting that has caused their reports to be believed, particularly the nations of South and Central America.

"Nothing save a sudden switch to dishonesty on our part can take this advantage from us", he said.

"Some would have us out-Hitler Hitler or out-Gabble Goebbels. The American people have been exposed freely to practically every trick in the Berlin bag for several years, and the net result is nothing to make Berlin happy. The net result of it all is that America is lining up solidly and effectively against all that German propaganda represents. The softening-up process apparently has served only to make America hard."

Discussing possible propaganda media, Mr. Mellett said it was a curious fact that, "notwithstanding that it takes months to make a picture as against minutes to write an editorial", the motion picture industry has been first to sense the deep determination of the American people and to respond to it.

Second in response, he said, has been the radio, "an industry wise beyond its years in its understanding to popular feeling."

Third, but rapidly catching up with the other two, he said, is the press - "and we can leave it to the press itself to explain why it elected to be the laggard."

"What would or could the Government do better in the matter of pictures (or radio)", he continued, "if it were the kind of government that wanted to try it? And what would or could it do better than the press will be doing when it finally dawns on the publishers - as it has on very many of them - that if Hitler wins this war on democracy there will be no freedom of the press."

X X X X X X X X X X

## 17 COMPANIES NOW MAKE FM SETS

Manufacturers of FM receivers planning to put models on the market this Fall, other than those already producing them, are The Crosley Corporation, Fada Radio & Electric Co., Brunswick Radio & Television, and Howard Radio Company.

A total of 17 concerns are now making radio sets equipped for satisfactory FM reception. Among others are Stromberg-Carlson Telephone Mfg. Co.; General Electric Co.; Zenith Radio Corp.; Pilot Radio Corp.; Espey Mfg. Co.; Ansley Radio Corp.; The Magnavox Co.; Meissner Mfg. Co.; Stewart-Warner Corp.; Scott Radio Laboratories; Farnsworth Radio & Television Corp.; Freed Radio Corp.; and Halli-crafters, Inc.

In addition, a few other receivers are being offered to the public that do not incorporate the basic principles of noise-free FM reception established under the Armstrong frequency modulation patents.

X X X X X X X X X X X

## LATINS WANT MORE U.S. NEWS, SAYS ROYAL

The Average Latin American wants news broadcasts of the objective kind prepared by The Associated Press and The United Press, but is getting instead a preponderance of Axis propaganda programs and bulletins issued by the British Broadcasting Corporation because not enough money is being spent for sponsoring rebroadcasts of American news, according to John F. Royal, Vice President of the National Broadcasting Company in charge of international relations.

Mr. Royal, who arrived in New York last week after a 20,000-mile trip to most of the South and Central American countries, was interviewed in the RCA Building. He declined to offer any opinion as to how money should be provided for sponsorship of rebroadcast programs of news.

"The Axis powers are spending money, and the United States must spend money to compete with them", Mr. Royal declared. "Germany and Britain are buying space in South American newspapers calling attention to short-wave programs. The United States is not."

The problem is not in getting news to South America, he explained, for his company devotes fifty-six hours a week to broadcasting to Latin America, but in getting it rebroadcast through sponsored programs.

X X X X X X X X

9/9/41

## RADIO "ESSENTIAL TO MORALE", SAYS OPA

Leon Henderson, Administrator of the Office of Price Administration, believes maintenance of the broadcasting system in the United States is important to national defense.

A recent OPA release on the allocation of scarce metals to manufacturers of replacement tubes and condensers, stated:

"Since the maintenance of existing communications is considered essential to morale, the replacement of burned-out radio tubes and defective condensers in radio sets is a matter of prime importance. Manufacturers of tubes and condensers have found it difficult to obtain metals in the face of increasing demands from the defense program and competing civilian industry."

X X X X X X X X X X

## RADIO SPOTS USED IN WASTEPAPER CAMPAIGN

Radio spot announcements in 33 of the Nation's largest cities will be used in the wastepaper salvage campaign opened this week under the auspices of the Office of Price Administration and the Office of Production Management.

The campaign is being financed by the Wastepaper Consuming Industries which have raised \$228,000 for a four-months' trial campaign. If successful, the drive will be extended for a year or more.

Defense agencies are backing the campaign because paper board boxes are needed to pack and transport defense food, clothing, and materials.

X X X X X X X X

## ENGLES RESIGNS AS NBC VICE PRESIDENT

George Engles, Vice President of the National Broadcasting Company, announced last week his resignation of that post, and also of the Managing Directorship of the NBC Concert Service and presidency of the Civic Concert Service, NBC affiliates. He had been associated with the broadcasting company since 1928.

X X X X X X X X X X

9/9/41

## BOMB DROPS IN "INDUSTRIAL PARADISE"

Under the heading "Trouble in Paradise", Time Magazine carried the following on September 1st:

"Radio manufacturing has recently looked like the first U.S. consumer industry to take the guns-v.-butter dilemma in its stride. Although it faced a 75% cut in its normal business and already felt the metals shortage, Bond P. Geddes, Executive Vice President of the Radio Manufacturers' Association, last fortnight said the industry had 'no squawks'. But last week he was squawking as hard as the rest.

"As long ago as last April, OPM had told radio manufacturers, with no trimmings, to count on little or no magnesium, aluminum, other scarce materials. Their own leaders said the same, warned them to 'get out and dig' for defense business to survive. The radiomakers paid good heed. Already they are about 25% engaged in defense work (ammunition and machine-gun parts, wartime radio devices, including the 'walky-talky', a two-way battery set for field use).

"By mid-1942 Mr. Geddes expects his industry to be 75% occupied with defense. In the meantime, its good-soldierliness had caused OPM and OPACS to give it enough materials to keep going while the change-over takes place. The manufacturers were reconciled to making only 2,500,000 sets for the civilian market next year (v. 11,600,000 in 1940). They began 'upgrading' sets in quality and price, to cut down demand, increase longevity (and unit profits).

"Last week a bomb dropped on this comparative industrial paradise. OPM still remained, precariously, in the 'no squawks' category, but OPACS was now, according to one radio bigwig, 'a bunch of goddam, nit-witted, half-baked college graduates.' Reason, a new civilian allocation order for plastics raw materials (induced by an OPM priorities order on formaldehyde, other chemicals, and their synthetic resins). The order eliminated their use for radio cabinets, 40% of which are now made of plastics.

"If the order sticks, radio manufacturers face a painful, costly switch to wood cabinets to house even 2,500,000 sets. It would also mean a 20% jump in radio prices, additional layoffs and losses, and a possibly ruinous scramble for lumber. It would mean still more trouble for radio dealers, already understocked, and for the small manufacturers (30-40% of the industry) who cannot switch over to defense business so readily.

"This week radiomakers were still swearing gently, still pinning their hopes on a change of OPACS' heart."

X X X X X X X X

## ROLE OF RADIO IN INTER-AMERICAN RELATIONS CITED

An extensive program of local long-wave news broadcasts in Latin America, based on the news reports of the United Press and the Associated Press has been inaugurated, under the auspices of Nelson A. Rockefeller, Coordinator of Inter-American Affairs, a report just issued states.

"United States industrial concerns are sponsoring these programs locally", the report explains. "In addition, arrangements have been made for recording in this country of special programs using talent from the other Republics. The recordings are then distributed to local stations in Central and South America. Arrangements have also been completed for a substantial increase in long-wave re-broadcasts in the United States of programs originating in the other American Republics.

"In the field of short-wave broadcasts, arrangements have been made for better editing of news broadcasts by all short-wave stations in the United States, and one of the country's most powerful short-wave stations has agreed to broadcast 700 hours a year of special short-wave news, entertainment, and educational programs to the other American Republics."

X X X X X X X X X

## RADIO MANUFACTURER EXPLAINS PRIORITY PLIGHT

As an example of the plight of small business men in the Defense program, the following letter was published in the September 5th issue of the Congressional Record upon request of Senator O'Mahoney (D.), of Wyoming:

Gray Radio Co.,  
West Palm Beach, Fla., August 23, 1941.

Senator O'Mahoney,  
Washington, D. C.

Dear Sir:

We have tried everywhere we can think of to get consideration for defense work as a small manufacturer.

Unless we get a Government order, we are going to be out of business, and soon.

Our specialty is the manufacture of light two-way radio equipment for use in aircraft and small boats. We have been doing all right up until a few months ago. Now we can't get materials, even though we could sell enough equipment commercially to stay in business. Without priority certificates the big parts manufacturers simply ignore our orders.

We are really small, about 10 employees, but we have built hundreds of radio units and we could build thousands, for we have the nucleus of trained men and the "know how". But all the orders are going to the big radio concerns.

We have written O.P.M., the Army, Navy, Defense Contract Service, etc., all without getting even a chance to bid on contracts.

Unless the small manufacturer gets some consideration - and we represent at least 40 percent of this country's production capacity - the conclusion will be: "National emergency, hell! just a grab bag for the big outfits." And what effect will that have on national morale?

What do you suggest?

Yours sincerely,

(Signed) Gray Radio Co.  
F. E. Gray, President

X X X X X X X X X X

PRESIDENT PRAISES ETHRIDGE REPORT

The report of the Committee on Fair Employment Practices was praised last week by President Roosevelt.

The report cited racial discriminations in Federal employment. Mark Ethridge, prominent in broadcasting, is Chairman of the Committee. David Sarnoff, President of the Radio Corporation of America, is a member.

X X X X X X X X X X

RADIO'S ROLE IN WAR HELD UNDETERMINED

"War on the Short Wave", by Harold N. Graves, Jr. (Foreign Policy Association, 25 cents) has been published recently.

Radio, as a weapon of war, is still in the experimental stage and it may be many years before any definite conclusions can be reached concerning its value and importance in the dissemination of propaganda and in the influencing of civilian and national morale, the author asserts. This pamphlet, written by a former director of the Princeton Listening Center, an organization established in 1939 to study international broadcasting in wartime, may serve as a prospectus of some of the more academic works which are certain to follow upon the close of war. It does not pretend to be an analysis of the problem of radio in relation to war, but merely a summary of the part it has played in the present conflict. But it permits the reader to reach some understanding of the problem, and gives him some idea of the potential value of this new weapon. As the United States is at present the world target of short wave propaganda, this volume carries a message to all who listen to foreign stations.

::: \_\_\_\_\_ :::  
 ::: TRADE NOTES :::  
 ::: \_\_\_\_\_ :::

The National Broadcasting Company has signed a contract with Dan Topping, President of the Brooklyn Dodgers Football Team to televise all the Dodgers home games over NBC's television station WNBT.

-----

Alexander Woollcott will go to London soon to make exclusive broadcasts for the Columbia network. Woollcott is to report conditions in England in a series of programs - short-waved directly to this country - which are expected to start early in October.

-----

Tom Hargis, member of the NBC Central Division production staff, Chicago, has resigned to join the Russel M. Seeds Advertising Agency as producer-director of the Brown and Williamson Tobacco Corporation's "Renfro Valley Enterprises" program.

-----

Five new stations become available to NBC Blue Network advertisers within the next sixty days, William S. Hedges, Vice President in charge of Station Relations, has announced.

KCMO, Kansas City, Mo., is immediately available to advertisers purchasing time on the Basic Blue; effective October 1, WAYS, Charlotte, N.C. will become available to Blue Southeastern Group advertisers; WJHL, Johnson City, Tenn. will become available to Blue Southeastern advertisers on October 15 as a "package" outlet; On October 1 WMRC, Greenville, S.C., joins the Blue Southeastern Group; WCHV, Charlottesville, Va. has become a supplementary outlet for the Basic Blue Network; WSYR, Syracuse, N.Y. has notified NBC that it now expects to start operation with 5000 watts day and night the latter part of September; WMUR, Manchester, N.H., will join the Blue Network as a basic supplementary outlet on the opening of business September 14.

-----

The U.S. Government assumed operation of the nineteen story St. Louis Mart Building, home of KMOX - CBS fifty-thousand watt key station in the Mississippi Valley, August 31 at midnight. Plans call for the Army to move in more than eight hundred civilian employees to take over the entire building with the exception of KMOX studios which occupy approximately 40,000 sq. ft. of space on the second and third floors.

-----

At least 25 radio stations throughout the Midwest are expected to rebroadcast the programs which WLW will air from the gigantic U.S. Army Maneuvers in Louisiana starting tentatively on September 15. The programs will be heard nightly at 6 P.M., EST. Six members of the WLW staff will make their headquarters at Winfield, La., and will make mobile unit expeditions to points throughout the war game territory. All programs will be by transcription.

X X X X X X X X X X

9/9/41

## KOSTKA QUILTS AS NBC PRESS CHIEF

William Kostka, Publicity Director of the National Broadcasting Company, has resigned, effective September 26, to accept a position with the Institute of Public Relations. Mr. Kostka joined the staff of the Press Department in September 1938. In May, 1939, he became Manager of the Magazine Section and, in August, 1939, he was appointed NBC Press Manager.

A native of Chicago, Mr. Kostka, after being graduated from Knox College at Galesburg, Ill. in 1927, became telegraph editor of the Chicago Daily Drovers Journal. Later he joined International News Service in New York, and returned to Chicago as Central Division Manager.

Mr. Kostka also was active for several years in the magazine field, serving as Managing Editor of Fawcett Publications, magazine editor for the Frank A. Munsey Company, and publisher of Everyday Photography Magazine. He is a member of Phi Beta Kappa and of Sigma Delta Chi, the professional journalistic fraternity.

X X X X X X X X X X

## RCA TRAINS EMPLOYEES FOR DEFENSE

The RCA Manufacturing Company has more than 300 employees enrolled in special instruction courses designed for production in defense equipment. Additional courses for employees, who will study defense problems along electrical and radio engineering lines, will be instituted in September, in collaboration with the Federal Office of Education and the Engineering Training for Defense Program. These classes will be held at the RCA Plant in Camden and at the University of Pennsylvania.

More than 300 RCA employees were graduated from a similar 20-weeks course during the past season, and when the instruction is resumed it is expected that from 600 to 700 new employee-students will be enrolled. There is also a course in job-training known as the "OPM Training for Defense", from which 120 RCA employees recently were graduated. Sixty now are enrolled in a new class with expansion in membership expected.

X X X X X X X X X X

Station WCRS, Greenwood, S. C., has become a bonus outlet of the NBC-Red Network Southeastern Group, as of September 1st.

X X X X X X X X X X

## DEFENSE THEME OF EDUCATIONAL PROGRAMS

Emphasis on National Defense in broadcasting was reflected in action taken last Friday by the CBS Adult Education Board in approving the experiment represented by the program "Report to the Nation."

Convening at Columbia's New York City headquarters, under the chairmanship of Lyman Bryson, of Teachers College, Columbia University, the Board voted to place the "Report" in one of the important evening periods originally withheld from network sales for the development of adult education programs.

After careful review of two other programs, "People's Platform" and "Invitation to Learning", the Board decided that both should be continued. Those series were put on the air - the "Platform" on July 20, 1938, and "Invitation to Learning" on May 26, 1940 - on the Board's recommendation.

"Report to the Nation", which continues in its Tuesday at 9:30 P.M. spot as the result of the Board's action, was first heard last November 30. The program was developed as an experiment in civics education by radio, along lines suggested at an earlier Education Board meeting.

Although the series was originally designed to present all aspects of non-political activity of the "biggest business on earth" -- the United States Government -- in recent months it has been devoted principally to depicting various aspects of preparations for National Defense.

Sterling Fisher, CBS Director of Talks and Education, reported on three other new programs in the interest of National Defense. He told how "Proudly We Hail" each week signalizes the achievements of the humbler production line defense workers in American industry; how "Spirit of '41" is designed to bring listeners dramatic, first-hand information about the United States fighting forces, and how "You Decide" was aimed to impress children of high school age.

X X X X X X X X X X

## R.C.A. COMMUNICATIONS RETURN HIGHER

R. C. A. Communications, Inc., reports net income of \$917,241 for the seven months of 1941 through July. The corresponding return in 1940 was \$893,521.

The July gross was \$806,788 against \$657,116 last year. The seven months gross was \$5,584,045 as against \$4,457,010.

X X X X X X X X X X

# HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.

30 ROCKEFELLER PLAZA, NEW YORK, N. Y.  
HEINL LIBRARY  
HEINL COMPANY, INC.

OK

RECEIVED  
SLP 15 1941  
FRANK E. MULLEN

## INDEX TO ISSUE OF SEPTEMBER 11, 1941

Radio Included In Priority Repair Order.....	2
Paul Porter OPM Host To British Visitors.....	3
Press-Radio Hearings May Run Six Weeks.....	4
Radio Research, Technical Jobs Open.....	4
Nets Reported Spending \$1,500,000 On Television.....	5
NBC, CBS Join Argument On Net Rules.....	6
FCC Action.....	6
NAB Approves ASCAP-Net Contracts.....	7
FCC Believed Aware Of FBI Station.....	8
Organization Plans "Packaged" Television.....	9
1650 Kc. Added To Police Radio Band.....	9
Editor Confused By Variety Of Radio Surveys.....	10
Trade Notes.....	11
Zenith Reports \$302,956 Quarterly Profit.....	12
CBS Shows Radio's Salesmanship.....	12

No. 1362

## RADIO INCLUDED IN PRIORITY REPAIR ORDER

Radio communication and broadcasting equipment, but not home receiving sets, were included in a plan to keep defense and civilian industries going full speed as announced by OPM Priorities Director Donald M. Nelson this week.

The plan grants immediately a preference rating of A-10 for repair parts required by twenty industries without the necessity of an application to the OPM for a preference rating certificate, since the purchaser may simply note on his order that the commodity, equipment, accessory, part, assembly or other product is required to fill a repair order of an industry classified as essential. It affects tens of thousands of business concerns.

Mr. Nelson said that the plan displaced the Maintenance and Repair Order announced by E. R. Stettinius, Jr., former OPM Priorities Director, on Aug. 8, "but which was never actually issued because of administrative difficulties in handling the paper work it would have involved."

"The present order is designed primarily to protect industry against sudden breakdowns and is regarded as an interim measure", Mr. Nelson said. "The entire inventory problem is to be studied further with a view to providing broader priority assistance."

"It is felt, however, that the present plan will keep the essential industries covered running on their normal basis and will prevent serious interruption to defense production by giving producers a simple method for obtaining vital repair parts."

It was said that the list of essential industries might be expanded from time to time. The order, effective immediately, will expire Feb. 28, 1942, unless it is revoked sooner or extended by administrative action.

As the order does not solve the problem of providing materials for new manufacturing by the radio industry, the Defense Communications Board will continue its study of the critical situation.

Like other DCB subordinate units, the new committee will be limited in its scope to studies for DCB itself and will function through the main coordinating committee headed by Lieut. E. K. Jett, FCC Chief Engineer, a strong advocate of prompt remedial action. When organized about a fortnight hence, the new committee probably will be asked to plan, study and report on particular situations involving priorities so that OPM and the new SPAB - super defense steering agency headed by Vice President Wallace - can be advised through OCB of minimum requirements.

9/11/41

Membership of the Committee is being drawn, one each, from the following DCB subcommittees; Domestic broadcasting, international broadcasting, amateur, aviation, cable, radio communication, state and municipal facilities, telegraph and telephone. Excluded will be the three purely government subcommittees.

Through the individual members representing industrial groups, the Priorities Committee would be enabled to advise DCB of manufacturers' requirements and of replacement needs. The immediate effort, of course, will be to secure preference ratings in emergent situations, such as broadcasting, and to insure so far as possible that adequate materials will be given essential defense activities.

In an announcement last Friday DCB said it has already planned for utilization of existing communication facilities in the coordinated interest of military, industry, and civilian activities. The need of materials for extension, interconnections, and alternate circuits constitutes an important related problem, it added.

"The board has been greatly concerned about the availability of such equipment. While it is gratified to know that a priority status has been assigned to repair and maintenance materials, it feels that it is equally, and in many cases more, important to provide a high order of priority for new materials and equipment. This is particularly true of new and supplementary facilities directly or indirectly related to national defense expansion."

X X X X X X X X X X

#### PAUL PORTER, OPM HOST TO BRITISH VISITORS

Paul Porter, energetic young attorney for the Columbia Broadcasting System in Washington, has been loaned temporarily to the Office of Production Management to play official host to a small delegation of British visitors.

The Britishers, representing both management and labor, were invited to the United States by OPM to inspect defense industries. The first party was due in New York today.

Mr. Porter will accompany the visitors on a flying tour of the Nation's defense centers. Army planes will be used.

X X X X X X X X X X

## PRESS-RADIO HEARINGS MAY RUN SIX WEEKS

Another month or six weeks of testimony in the Federal Communications Commission's investigation of newspaper-radio tie-ups is in prospect.

The hearings are to resume on September 17th and continue until the inquiry is concluded, with only brief recesses for FCC meetings and the October 6 hearing on multiple ownership.

The FCC investigating staff is still in the field examining station correspondence and files, to ferret out data for the inquiry. This work is being carried on under the direction of David D. Lloyd, chief of the Inquiry Section of the FCC's Law Department. Mr. Lloyd, along with Mr. Harris, conducted all of the Commission's examination of witnesses during the five days of hearing in latter July and Aug. 1.

The hearings will be resumed in Room 6121, New Post Office Building, which is little longer than a conference chamber.

X X X X X X X X

## RADIO RESEARCH, TECHNICAL JOBS OPEN

Two Civil Service examinations were announced this week - one for radio mechanic-technician positions, and the other for technical and scientific aid positions.

The need for radio mechanic-technicians is so pressing that the Commission called for applications even before the formal announcement was off the press. Technical and scientific aid positions in many Government agencies will be filled by persons who are qualified, under the terms of that announcement, to do research and testing in radio, explosives, chemistry, physics, metallurgy, and fuels.

Men and women are needed to do research and testing in radio, explosives, chemistry, physics, metallurgy, and fuels. The jobs pay from \$1,440 to \$2,000 a year.

Among the Government agencies that are expected to utilize the employment lists set up as a result of this examination are: Bureau of Agricultural Chemistry and Engineering, Department of Agriculture; Bureau of Mines, the Department of the Interior; and the Bureau of Standards, Department of Commerce. The War and Navy Departments also have vacancies - the War Department in its Quartermaster Corps, and the Navy Department in its laboratories.

Applications will be rated as soon as possible after they are received at the Commission's Washington office until June 30, 1942. However, since many of these positions are connected with

the National Defense Program, persons who are qualified for and interested in these positions are urged to apply at once.

Radio mechanic-technicians will be paid salaries ranging from \$1,400 to \$2,300 a year. They may file their applications until November 6, 1941. In their applications they must show that they have had appropriate training or experience in one or more of the following:

1. Paid experience in technical radio work such as radio repairman, operator, or electrician.
2. Technical study in residence at a radio school.
3. Resident study including courses in radio in a school of engineering or technology.
4. Completion of an approved Defense Training Course in any branch of radio work.

Further information and application forms may be obtained from the Civil Service Commission's representative at any first- or second-class Post Office, from any District office, or from the U.S. Civil Service Commission in Washington, D. C.

X X X X X X X X X

#### NETS REPORTED SPENDING \$1,500,000 ON TELEVISION

NBC and Columbia are now spending between \$1,500,000 to \$2,000,000 a year on television, according to Variety. NBC, operating on a commercial license, has a budget of nearly \$1,000,000 and, with five regular sponsors, has a gross income of around \$50,000-\$75,000 a year from commercial programs, the weekly states.

CBS declines to reveal how much it is spending a year, but indicates the amount is not much less than NBC's budget. Since it has only a construction permit for commercial operation, CBS has no sponsors as yet and therefore no income. But it claims to have several sponsorship requests.

There is still wide divergence in estimates of the number of television receivers in actual operation in the New York area. NBC officials say their surveys have shown there are 4,500 sets in private homes and 600-odd in public places, mostly cafes and bars. They expect these figures to be doubled by next Jan. 1, they assert.

CBS officials estimate there are between 3,000 and 5,000 sets in the area, inclusive of private homes and public spots, but that not many of these are adjusted to the new television channels. CBS men are pessimistic about future sales, at least for some time, mostly because of the situation in metal priorities.

X X X X X X X X X

## NBC, CBS JOIN ARGUMENT ON NET RULES

The National Broadcasting Co. and the Columbia Broadcasting System at the last minute announced they would participate in oral arguments before the Federal Communications Commission today on a suggested revision of the stringent chain broadcast rules recently issued.

The arguments which opened in the Commission's hearing room in the new Post Office Building, were ordered on the petition filed by the Mutual Broadcasting System suggesting certain changes in the rules originally laid down by the Commission as a result of its long investigation of alleged monopoly in broadcasting.

MBS asked the Commission to change its rules so as to permit the chains to make two or three year contracts with their affiliates. The regulations, which have been held in abeyance for some time, permit only one-year contracts whereas it has been the practice for major chains to make contracts for as long a period as five years.

MBS also asked that the call period under which the chains may exercise their option of time on affiliated stations be made 42 days. The option time now in practice by the large chains is 28 days.

Neither CBS nor NBC accompanied their notice of appearance with briefs.

X X X X X X X X X X X X

## FCC ACTION

Independent Broadcasting Co., Springfield, Mo., granted construction permit for new standard broadcast station to operate on 1400 kilocycles, 250 watts, unlimited time; Pacific Coast Broadcasting Co., Pasadena, Calif. granted construction permit for new standard broadcast station to operate on 1110 kilocycles, 10 kilowatts power, unlimited time, using directional antenna day and night, subject to whatever action the Commission may finally adopt with respect to Order No. 84 (multiple ownership), and approval of antenna site.

National Broadcasting Co., Inc., New York, N. Y., granted extension of authority to transmit recorded programs to all broadcast stations in Canada licensed to operate by the Canadian Government, which may be heard consistently in the United States, thereby continuing the exchange of goodwill programs.

WSXFM, The Crosley Corp., Cincinnati, Ohio, granted extension of special temporary authority to operate a high frequency experimental broadcast station on 43200 kilocycles, 1000 watts power, special emission for frequency modulation for the period beginning September 29, 1941, and ending not later than December 27, 1941,

X X X X X X X X

## NAB APPROVES ASCAP-NET CONTRACTS

The way was cleared for resumption of general broadcasting of ASCAP music and conclusion of the radio-music war this week in New York.

The Executive Committee of the National Association of Broadcasters endorsed the contract forms negotiated between ASCAP and the National Broadcasting Company and Columbia Broadcasting System.

The Committee's action brought to an end, officially, the war between these two interests which started in March, 1939, and which resulted in the absence of ASCAP music on the major portion of America's broadcasting facilities since Jan. 1, 1941. Along with the Committee's endorsement came an announcement that Columbia, like NBC, had agreed to terms and conditions with ASCAP.

As for the date of the resumption of ASCAP music, NBC is planning on Sept. 28 and the indications are that the opening of NBC and Columbia facilities to ASCAP music will be simultaneous.

With the signing of contract, ASCAP will release the networks and affiliate stations of all infringement violations from January 1, 1941, to date. It is understood that before the contract forms receive the actual signatures of NBC, Columbia and ASCAP they will have been gone over by Thurman Arnold, Assistant U. S. Attorney General.

Neville Miller, President of the NAB, issued a statement recommending that members accept the new NBC licensing contracts.

The Executive Committee of the NAB, he declared, "has had ample opportunity to study, through a series of meetings, the terms and conditions of the proposed ASCAP contract. It is the consensus of the Executive Committee that these terms in their present form are highly satisfactory and also broadcasters who desire to use ASCAP music, an eminently fair and equitable basis for such use, provision having been made for the various operating problems which confront the industry. The NAB therefor recommends favorable consideration of that form of contract which best suits the station's individual operating need.

"The contract in its present form", continued the statement, "achieves principles for which broadcasters have been contending for many years. It enables broadcasters to take their choice of a blanket contract for all ASCAP music, or to purchase this music for the programs on which it is played. Moreover, the contract reduces substantially the basis which our industry has hitherto been compelled to pay."

"The proposed contracts with ASCAP, in their final form", said Mr. Miller, "will be mailed to all stations within the next few days and will be subjected to the scrutiny and approval of the

individual broadcaster." Mr. Miller added that the terms and conditions of the proposed contracts were acceptable, he had been informed, to NBC and CBS. Signaturing by these networks, it is understood, is contingent upon the agreement of affiliated stations to bear their portion of the cost of the license."

X X X X X X X X X X

#### FCC BELIEVED AWARE OF FBI STATION

FCC officials are believed to have been aware of the operations of the Federal Bureau of Investigation short-wave station which is said to have been in constant communication with Nazi secret service in Hamburg, Germany.

While officials declined to comment on the case during the trial in New York by 16 persons accused of espionage, it is known that the FCC has worked closely with the FBI in the past.

As one FCC official said: "We hardly could have not known about the station's operations if it actually existed."

The FCC has maintained a constant lookout for outlaw short-wave stations since the war began.

For sixteen months the FBI exchanged worthless "information" about the American defense program for accurate reports on the activities of Nazi spies in this country by means of a short-wave station on Long Island, according to testimony at the Federal trial in New York.

As related by William G. Sebold, 42-year-old naturalized American citizen, it was the German espionage system itself that had conceived the idea of a short wave station in the United States that would enable it to check on American defense preparations and at the same time regulate the activities of their secret agents in this country.

The plan boomeranged because, Sebold testified, he had turned over the information to agents of the FBI on his return from Germany early in 1940.

X X X X X X X X X X

Consular representatives of the twenty Latin American republics spoke in a dedicatory broadcast last week over the new 50,000-watt transmitter of Station KGEI, General Electric Company's international short-wave station at San Francisco. KGEI broadcasts to Latin America five hours daily from 4 to 9 P.M. pst. Also nine hours daily to Asia, the Antipodes and Africa.

X X X X X X X X

## ORGANIZATION PLANS "PACKAGED" TELEVISION

Announcement was made this week of the formation of a new organization to function as an intermediary between television broadcasting stations and advertising agencies. It is known as Telecast Productions, Inc., with offices at 30 Rockefeller Plaza, New York City. Myron Zobel is President.

"Our new organization is designed to render a personal service to agencies and advertisers by producing 'packaged' television programs for commercial sponsors", said Mr. Zobel. "Telecast Productions, Inc., has assembled talent, writers and producers from the small number now available who have already had television experience, and has made arrangements with others from the fields of the theatre, motion picture, and radio to apply their specialized knowledge to television.

"Telecast Productions, Inc., is pioneering in the commercial use of television just as others did in the early days of the radio and motion picture. And we are encouraged by the reception which television's sponsors and potential sponsors have already shown."

Mr. Zobel has been associated with advertising since 1921 when he founded "Screenland" magazine. Since 1928, he has been president of The Graduate Group, Inc., advertising representatives of alumni magazines of colleges and universities.

Associated with Mr. Zobel as Production Director for Telecast is Kenneth Shaw. Mr. Shaw was with the Television Division of NBC for the past two and one-half years and previously was stage manager and assistant director for key theatrical producers, including Herman Shumlin, the Group Theatre and the Chautauqua Opera Co.

Telecast Productions, Inc. has already scheduled a dozen "packaged productions" and negotiations with agencies and advertisers for sponsorship are now under way, Mr. Zobel stated.

X X X X X X X X X X

## 1650 KC. ADDED TO POLICE RADIO BAND

The Federal Communications Commission this week took the following action on Rules and Regulations:

Amended in part Appendix B, Part 2, General Rules and Regulations, and Section 10.41 of the Rules Governing Emergency Radio Services, effective immediately, by adding the allocation of frequency 1650 kilocycles to the police service.

X X X X X X X X X X

## EDITOR CONFUSED BY VARIETY OF RADIO SURVEYS

"Of all the radio's many and mildly insane aspects none is more fascinating than the little question of who listens to what, and why, and at what time of day or night", John K. Hutchens writes in the New York Times. "It is particularly fascinating because no one can discover the answer with exact, altogether scientific precision; wherefore it becomes a sort of perpetual guessing game, the more entertaining because the findings not only vary from month to month but are apt to contradict one another at any given point.

"Probably this is not so entertaining to radio advertisers, who like to know what they are getting for their money, or to actors, who like to know who (if any one) is listening to them; but to almost any one else who pores over the records there is a certain academic interest in the grim determination with which the survey conductors go about their business, putting in telephone calls and ringing door-bells in large cities and small, and then coming back to note solemnly the results of their cross-country labors.

"Do they never have their doubts, these seekers after the truth, these takers of the listening public's temperature? You would not gather so from the finality with which they present their figures, complete to the last decimal point. Do they never awaken in the night, wondering feverishly if perhaps some one who said he liked Jack Benny really did not like Jack Benny? But in the final listings there is no margin for error.

"Having collected a stack of surveys, this confused corner had thought to make, as it were, a master survey, thus arriving at a kind of super-perfection and modestly earning the gratitude of all who care about such things. It won't work out. Here is the Cooperative Analysis of Broadcasting, with a semi-annual report entitled 'Radio Program Audiences - October, 1940, to April, 1941', based on 405,000 completed telephone calls made in 'thirty-three major cities'. Now 405,000 telephone calls obviously represent a lot of work, not counting wrong numbers, and they ought to mean something. In fact, they probably do. But what are you to think when Station WOR announces, as it did the other day, that it will presently use a new survey which does away with phone calls and instead employs only the personal interview?"

X X X X X X X X X X

A. B. Chamberlain, Chief Engineer of the Columbia Broadcasting System, recently delivered an illustrated lecture before the New York Chapter of The Institute of Radio Engineers on the subject, "CBS International Broadcasting Facilities".

X X X X X X X X X X

::: \_\_\_\_\_ :::  
 ::: TRADE NOTES :::  
 ::: \_\_\_\_\_ :::

Top-flight entertainment for service men on leave in New York will be provided through distribution of tickets to NBC broadcasts by the New York City Defense Recreation Committee, according to Vincent J. Gilcher, Director of General Service for the National Broadcasting Company. Passes for tours of the Radio City studios will also be provided.

-----

Robin Kinkead, CBS publicity staff writer, has taken leave of absence from the network to join Col. William B. Donovan's Office of the Coordinator of Information. Mr. Kinkead will start work Monday, September 15, in the New York Bureau of the Office, headed by Robert E. Sherwood, author of "Abe Lincoln in Illinois" and other Broadway plays. Mr. Kinkead's position will be that of news analyst in the shortwave intelligence unit, and he will work directly under Ed Johnson, formerly Director of Columbia's short-wave listening station.

-----

With a collective average topping 97 percent, 26 feminine members of the first American radio industry class in air raid precaution work received diplomas Thursday from Niles Trammell, President of the National Broadcasting Company.

Members of the American Women's Voluntary Services, the girls, all NBC employees, have established a class record higher than any previous group, according to their instructor, May Singhi Breen. More than 5,000 American women have been trained by the AWVS since March.

-----

Two hundred and ten different advertisers chose WOR during the first six months of 1941 as contrasted with 146 during the first six months of 1940, and 207 during the entire year, 1940.

-----

The Canadian Broadcasting Corporation has notified NBC of ten new supplementary stations which are now available in conjunction with CBC network facilities.

-----

Samuel Bruce White, Jr., 25-year-old trainee who only a fortnight ago wrote his mother that he was "dead broke", has just learned through the Columbia network program, "Are You A Missing Heir?" that he was left \$13,000 by his father, who died at sea last April.

Through the same source, Mrs. Lelia Hoagland, 67, of Beaverton, Ore., who always thought her husband died 30 years ago in an avalanche in the Alaskan gold fields, learned that he had only passed away last February leaving an estate of \$6,000.

ZENITH REPORTS \$302,956 QUARTERLY PROFIT

The Zenith Radio Corporation reports a consolidated operating profit for the first quarter ended July 31, 1941, of its current fiscal year, amounting to \$302,956 after depreciation, excise taxes and liberal reserves, but before provision for Federal income and excess profits taxes, as per the company's books, the report states. "Estimated Federal income taxes on this profit, based on the Tax Bill recently passed by the Senate, will approximate \$91,000.

"Shipments during the first two months of the quarter were limited because of the company's inability to secure sufficient quantities of certain materials", according to E. F. McDonald, Jr., President. "This situation was somewhat relieved during the third month, however, total shipments for the quarter were below those of a year ago. Subsequently shipments have been very much improved so that the total for the fiscal year to date now exceeds that for the same period a year ago. Orders on hand from Distributors and material commitments made to cover give promise of a continued larger volume of shipments for the balance of the current season.

"Outstanding features and advanced engineering have again contributed to the continued popularity of the company's product. As a result of its early pioneering and development of the new Frequency Modulation type of receivers, the company now holds a dominant position in this new field of radio broadcasting and reception. The demand for this new type of receiver has greatly increased the sale of higher priced consoles and radio-phonograph combinations.

"The demand for the company's current line of receivers has greatly exceeded that of any previous year. Difficulty in securing materials is the only limiting factor in satisfying this demand.

"Shipments have started on defense contracts and it is expected they will be sufficient to at least take up any slack that may develop in the production of regular products due to possible further curtailment of materials for civilian use."

X X X X X X X X X X

CBS SHOWS RADIO'S SALESMANSHIP

The first extensive study of the influence of radio listening on buying habits, based on 10,000 personal interviews by Elmo Roper, was published this week by the Columbia Broadcasting System, and is available to business executives on request.

Entitled "Roper Counts Customers", the book offers a scientific count of actual customers won by CBS advertisers as a direct result of their radio programs. The study measured all 40 CBS evening programs, and it was found that the 40 programs won 53% more customers for their sponsored products than the same products had won among non-listeners to those programs.

The 40-page book reveals that the 40 CBS programs reached 91 percent of all U.S. adults in a four weeks' period. One program alone, the study discloses, was heard by 55% of the adult population, a monthly audience of 50,336,000 men and women.

X X X X X X X X X X

# HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.

OK

NATIONAL BROADCASTING COMPANY, INC.  
GENERAL LIBRARY  
30 ROCKEFELLER PLAZA, NEW YORK, N. Y.

## INDEX TO ISSUE OF SEPTEMBER 16, 1941

Early Action Promised On MBS Petition.....	2
Defense Agency Distributing S-W Programs.....	4
FCC Held Biased In Newspaper Inquiry.....	5
President Extends Working Time Of W. D. Terrell.....	6
Lewis, CBS Vice President, Joins Office Of Civilian Defense.....	6
Curb On Radio Exports To South Africa Forecast.....	7
Fly Out? Get The Flit.....	7
Hearing Set On 7 FM Applications For New York.....	8
Television To Aid Defense Stamp Sales.....	8
FCC Knew About FBI Station All Along.....	9
Fly To Address Independent Broadcasters.....	9
"Electronics" School Cited In FTC Complaint.....	10
FCC Finds Icelandic Linguist When Needed.....	11
Museum Of Natural History Wired For Sound.....	11
Western Theaters Sue ASCAP, Ask \$235,000.....	12
General Electric To Promote FM.....	12

September 16, 1941

## EARLY ACTION PROMISED ON MBS PETITION

Chairman James L. Fly told newspaper men at his weekly press conference Monday that the Federal Communications Commission will act promptly on the petition of the Mutual Broadcasting System which was argued last Friday. He would not predict the time, however, when a decision may be made.

Four networks were represented at the hearing: MBS, NBC, CBS and the Yankee Network.

Suspension of the rules regulating radio chain broadcasting for the duration of the national emergency were proposed by the Columbia Broadcasting System.

John J. Burns, counsel for Columbia, told the Commission the broadcasters must devote themselves wholeheartedly to their share in the defense effort and that the national interest could best be served by the proposed action. The National Broadcasting Company joined Columbia in asking for a suspension of the rules.

Mr. Burns attacked the authority of the Commission to issue the rules, but suggested that if the rules are suspended during the emergency the FCC go to Congress with representatives of the industry and ask for legislation to provide more stability in network operation. He said such action would permit networks to plan operations in advance without risk of having rules changed suddenly. Mr. Burns, a former General Counsel of the Securities and Exchange Commission, said this method of approach had been used successfully in working out a new law for the investment trust industry.

Louis G. Caldwell, Counsel for Mutual, expressed hope that there will be no delay in putting the FCC chain-monopoly rules into effect. He offered two proposals:

- (1) Longer terms for contracts, possibly two or three years instead of one year, with license periods corresponding in length.
- (2) Permit option time under certain restrictions.

Mr. Caldwell said Mutual could operate under the new regulations without option time, but added that it now recognized that the practice was a convenience. He urged the Commission, however, to put the rules, either as originally written or as modified, into effect immediately, adding that Mutual was suffering from the delay.

However, Mr. Caldwell admitted under questioning by Commissioner T.A.M. Craven that Mutual's business had substantially increased over that of last year.

Mutual, he said, proposes to permit time options under certain restrictions. It suggested that the broadcasting day be divided into three five-hour periods, namely from 8 A.M. to 1 P.M., 1 to 6 P.M., and 6 to 11 P.M. In each five-hour segment Mutual would have the Commission permit  $3\frac{1}{2}$  or possibly 4 hours of option time. It would not permit any optioning of time between 11 P.M. and 8 A.M.

Mr. Caldwell suggested that the Commission make certain that a fair amount of time in each segment is left free of control by the networks.

Both NBC and CBS challenged the power of the FCC to promulgate regulations governing them.

Describing the regulations as arbitrary and unreasonable, Mr. Burns reiterated Columbia's position that Congress had not given the Commission power to regulate network-station regulations and practices.

"The language of the Act makes it clear that the only power to make regulations with respect to chain broadcasting which Congress intended to confer upon the Commission is that dealing principally with the physical operations of stations", Mr. Burns said.

"The record before the Commission demonstrates that the Commission has founded its regulations upon speculation. It has drawn on its imagination to find evil without adequate appraisal of the confusion its reforms will bring to radio broadcasting. We repeat that these regulations are not justified by any existing or threatened evils. They are not founded upon adequate demonstrable facts or upon common knowledge or experience."

"The effect of the Commission's order", Mr. Cahill, counsel for the National Broadcasting Company, said, "will be the destruction of nation-wide broadcasting."

Paul Spearman, attorney for the Yankee Network, urged that exceptions be made for regional networks in the chain regulations. He was given permission to file a brief.

X X X X X X X X

Peter Q. Nyce, Alexandria (Va.) attorney, has amended his application to ask for a permit to construct a broadcasting station in Washington rather than Alexandria. He wants assignment on 1600 kc. with 5 KW power.

X X X X X X X X X

## DEFENSE AGENCY DISTRIBUTING S-W PROGRAMS

The Office of the Coordinator of Inter-American Affairs has begun weekly mailings of United States short-wave radio program schedules to the other American Republics, the Coordinator's Office announced today (Tuesday).

Forty thousand programs for the week of October 12 were distributed in the first mailing which went out last week. The programs are printed in three languages - Spanish, Portuguese and English.

Distribution of these schedules is designed to supply detailed information on all short-wave programs broadcast from this country which can be heard in the other American Republics. Each program on the schedules is listed by title, the hour at which it may be heard and the wave length of the broadcasting station.

Only programs broadcast in Spanish are listed in the Spanish language schedules, and similarly, Portuguese programs are listed in the Portuguese schedules, and English in the English schedules. To further facilitate the location of programs, the Spanish schedules are published in four separate issues, each showing the time in effect in the area in which it is distributed.

The distribution is being handled by the Radio Section of the Coordinator's office under the direction of M. H. Aylesworth, formerly President of the National Broadcasting Company. John H. Payne, Associate Director of the Radio Section has developed this project in cooperation with the Columbia Broadcasting System, the Crosley Corporation, the General Electric Company, the National Broadcasting Company, WCAU Broadcasting Company, the Westinghouse Radio Stations, Inc., and the World Wide Broadcasting Foundation - all international short-wave broadcasters.

Don Francisco, of Chicago, former Chairman of Lord & Thomas, is head of the Communications Division of the Coordinator's Office.

The U. S. short-wave broadcasters, in order to make their programs attractive to the millions of listeners among our neighbors to the South, regularly direct their broadcast to them by means of antennae which greatly increase the signal strength in each locality in which they are directed.

There has been a crying need for these U.S. short-wave programs, which were published for about five years by the Department of Commerce under the direction of Mr. Payne, but only in English and thus had a very limited distribution, and it is believed that this new service will largely fill that need. They should develop a vastly increased audience for these short-wave broadcasts and thus greatly increase a common understanding and improve relations throughout the Western Hemisphere.

NOTE: A SAMPLE OF THE NEW SHORT-WAVE PROGRAM SCHEDULE IN ENGLISH IS INCLUDED WITH THIS LETTER.

X X X X X X X X X X

## FCC HELD BIASED IN NEWSPAPER INQUIRY

Charges that the Federal Communications Commission is discriminating against newspapers were made last week by the Newspaper-Radio Committee as the Commission prepared to resume the radio-press inquiry on Wednesday.

The statement, released by Harold Hough, of the Fort Worth Star-Telegram, Chairman of said committee, asserted that this hearing has singled out newspapers from all other classes and kinds of owners and prospective owners and that no comparative study of other kinds of ownership has been sought.

"The Commission should not point a discriminatory finger against a few newspapers, any more than it should against a few bankers, clergymen, lawyers, electricians, equipment manufacturers, merchants, insurance companies, utilities, fraternal and economic groups, or any other group or kind of those who may own or seek to own radio stations", it says.

"The proceedings had the appearance not only of an attack, but of being a deliberate attempt to discredit newspapers and to prejudice their case before the public."

The fact is brought out that the Commission apparently had an after-thought in its second order and three months later brought in the alternative purpose of recommendations to Congress. The Newspaper-Radio statement asks, "What next?" and raises the question of whether the Commission is now aiming to lay the evidence before Congress.

"If this investigation is to proceed with the purpose of making recommendations to Congress, it should be carried on with such impartiality that no one could assume that newspapers were already indicted and were being tried", the statement says.

It then points out that proceedings at the first hearings in July were not carried out with such impartiality. "Class journals committed to a policy of hostility to the daily press hailed the proceedings as an 'attack' upon newspapers, and such they appeared to be", it adds.

The Committee asks "whether or not the FCC questioning has been directed to setting up a case for the divorcement of news service to radio stations from that to newspapers."

"This unquestionably would inaugurate more supervision over news dissemination than has heretofore existed in this country", it continues. "It might pave the way to control and censorship of news by a Government agency."

The Newspaper-Radio Committee will be represented at the reopened hearings by Judge Thomas D. Thacher, Chief Counsel, and

Sydney M. Kaye of New York and A. M. Herman of Fort Worth, as Assistant Counsel.

The renewed hearings in the newspaper-radio inquiry will run for several weeks, Chairman James L. Fly predicted this week. The sessions will not be continuous, however, but will run two or three days a week, he said.

Questioned about the case of James G. Stahlman, Nashville (Tenn.) publisher, Mr. Fly admitted that the inquiry may be over before the U. S. Court of Appeals finally acts on the case. However, he argued that the FCC had won its point regarding its ability to subpoena witnesses and would see the matter through. No other publishers are to be summoned, he indicated.

X X X X X X X X

#### PRESIDENT EXTENDS WORKING TIME OF W. D. TERRELL

By Executive Order, President Roosevelt has waived the Retirement Act to permit the Federal Communications Commission to retain William D. Terrell, as Chief of the FCC Field Section for at least another year.

Mr. Terrell, who at one time was the one-man authority directing U. S. radio operations, was 70 years old on August 10th. He would have had to retire at that time had not the President interceded.

Beginning his career in communications with the Postal Telegraph Company in Washington, Mr. Terrell was with the U. S. Treasury for a few years before going to the Department of Commerce. He was in charge of the Radio Section of the Commerce Department from 1915 to 1930 when radio was in its infancy.

X X X X X X X X X X

#### LEWIS, CBS VICE PRESIDENT, JOINS OFFICE OF CIVILIAN DEFENSE

W. B. Lewis, Vice President of the Columbia Broadcasting System in Charge of Programs, has accepted an important radio assignment in Mayor Fiorello H. LaGuardia's Office of Civilian Defense. He assumed his new responsibilities yesterday (Sept. 15).

Edward Klauber, CBS Executive Vice President, announced that Columbia had gladly extended Lewis an indefinite leave of absence for the period of his service in defense work. While he is away, Douglas Coulter will be acting head of the Program Division.

X X X X X X X X

## CURE ON RADIO EXPORTS TO SOUTH AFRICA FORECAST

Curtailement of American shipments of radio equipment to the Union of South Africa was forecast this week when it became known that South Africa had placed restrictions on the imports of goods from non-sterling countries.

Coincident with the imposition of the restrictions, a ban was issued on a long list of articles, mostly luxuries, the importation of which is halted entirely.

During the first six months of this year, according to statistics of the Department of Commerce, exports to the Union of South Africa, exclusive of war goods, amounted to \$76,966,000, or almost as much as for the twelve months of the last pre-war year, 1938. During the same period of 1941 imports from South Africa, largely manganese and chrome, amounted to \$22,000,000, also more than double the figure for the whole of 1938.

Principally affected are American manufacturers of automobiles, machinery and ready-to-wear goods, which make up the bulk of the exports from the United States to South Africa. Radios and refrigerators also are exported in considerable quantity.

With shipping space at a premium, imposition of the new restrictions will mean a double check on our exports. After a "certificate of essentiality", is obtained by the South African importer and the order placed, the goods will be subject to shipping priority as decided by the South African Purchasing Commission which began functioning here a few weeks ago.

X X X X X X X X X X

FLY OUT? GET THE FLIT

In New York last week this writer ran across the trail of an impression that has prevailed in Washington from time to time that Chairman J. L. Fly in some way was to be rubbed out of the Federal Communications Commission picture because of supposed dissatisfaction of the White House at his handling of the broadcasting situation.

The question was asked in New York if Mr. Fly were not removed outright might there not be a chance of transferring him to some other job just as he was himself wished on to the broadcasting and communications industry. The story was prevalent at that time that the power industry was good and sick of him and was just as anxious to get rid of him as the radio people apparently now are.

-----  
Leonard Lyons in his New York column "-by Another Name" wrote today (Tuesday):

Chairman Fly of the FCC soon will be the loser in his dispute with Mark Ethridge".

X X X X X X X X X X

## HEARING SET ON 7 FM APPLICATIONS FOR NEW YORK

The Federal Communications Commission has decided to hold a joint hearing on seven of the applications still ungranted for F.M. channels in New York, where the demand exceeds the supply.

Eleven commercial FM licenses for New York City have already been approved. Most of the stations are now under construction.

The seven applications to be considered at the joint hearing will be those of the New York Daily News; FM Radio Broadcasting Co.; Debs Memorial Radio Fund, Inc. (WEVD); Knickerbocker Broadcasting Co. (WMCA); WBNX Broadcasting Co.; Greater New York Broadcasting Corp. (WOV); and Wodaam Corp. (WNEW). In addition, the FCC will consider at the same time the application of the Mercer Broadcasting Co. (The Trenton Times) for a station at Ewing Township, N.J.

In announcing the hearing - for which no definite date has been set - the FCC pointed out that only three Class B channels remain unassigned in the New York region. (A Class B type FM station is one intended to cover the basic trading area of a city over 25,000 population. It may be as large as 15,000 square miles. New York's established area is 8,500.

The three remaining stations available to New York - but not yet assigned, will have the call letters W 79NY, W83NY and W87NY, conforming with their channel frequencies.

X X X X X X X X

## TELEVISION TO AID DEFENSE STAMP SALES

Under the auspices of the State Committee for Defense Savings Bonds and Stamps, in cooperation with fashion editors, department stores and specialty shops, the National Broadcasting Company will televise a fashion pageant in the sunken gardens in Rockefeller Center Friday at 2:45 P.M., it was announced Sunday by Richard C. Patterson, Jr., Chairman of the Treasury Department's Committee promoting the sale of Defense Savings Bonds and Stamps in New York State.

American Fall fashions to be displayed will include furs, evening gowns, dresses, coats, suits and millinery. Each purchaser of a Defense Savings Stamp Book containing \$5 worth of Savings Stamps or more will receive a ticket of admission to the pageant.

X X X X X X X X X X

The International Telephone and Telegraph Corporation in a statement for the six months ending June 30, 1941, report net income of \$73,760 after payment of all interest charges of parent company as against a loss of \$126,977 for the corresponding period in 1940.

X X X X X X X X

## FCC KNEW ABOUT FBI STATION ALL ALONG

Confirming a report in the previous issue of the Heinl News Service, Chairman James L. Fly told his press conference this week that "of course the Commission knew" about the secret short-wave station which was disclosed at the current New York trial of Nazi spies.

In connection with this same Nazi spy trial, William G. Sebald, who turned his German assignment in espionage over to the Federal Bureau of Investigation, testified that a German Gestapo leader had given him five micro-photographs of instructions to be distributed to spies here. One of the postage stamp size documents, which Sebald said was addressed early last year to Frederick Duquesne, a defendant, asked for detailed information, among other things, on:

Catalogue of newest radio sending and receiving devices and latest operators' manuals.

An American Telephone & Telegraph Co., bombing device, believed offered to Britain and France, under which one ray would direct a bomber to its target while another ray would release the bombs over the target.

X X X X X X X X X X

## FLY TO ADDRESS INDEPENDENT BROADCASTERS

Giving his implied blessing to a movement to organize independently-owned radio stations, Chairman James L. Fly has agreed to be the principal speaker at a meeting in Chicago September 22-23.

National Independent Broadcasters, Inc. sent to some 750 station owners formal invitations for an extraordinary convention to be held at the Palmer House, Chicago.

All stations but those owned, managed or operated by NBC and CBS were extended invitations to the convention, called to appraise the whole regulatory and business outlook for broadcasting stations.

Among other Government officials scheduled to address the broadcasters are Victor O. Waters, Special Assistant to the Attorney General in charge of copyright and music activities, and Maj. Gen. Joseph M. Cummins, Commanding General of the Sixth Corps, area, Chicago, who will discuss radio's role in National Defense.

Despite lack of official comment from NIB, it is believed that the Association may make an open break with NAB, on the ground that the latter organization is in serious conflict with the FCC and other governmental agencies with which broadcasters must maintain contact and amicable relations.

Impetus was given the report of a bolt from the NAB banner by Chairman Fly's active collaboration with the NIB executives in arranging the Chicago convention. The FCC Chairman bitterly condemned the NAB as a result of developments at the trade association's annual convention in St. Louis last May when a serious rift developed.

X X X X X X X X

### "ELECTRONICS" SCHOOL CITED IN FTC COMPLAINT

Thomas J. Casey, formerly doing business under the name of National Institute of Technology, and since June, 1939, doing business under the name of National School of Electronics at 529 South Seventh St., Minneapolis, Minn., is charged, in a complaint issued by the Federal Trade Commission, with misrepresentation.

The complaint charges that the respondent has been engaged in the sale and distribution in commerce of courses of study and instruction designated "Electronics" which include such subjects as photo cells, television, ultra short waves, sound broadcasting, talking movies, public address system, commercial and aircraft radio, and design construction research.

The respondent, in the conduct of his business, the complaint continues, has, through letters, circulars and catalogs circulated in commerce, represented that the school is a residence school occupying a large six-story building covering half a block; that the respondent is connected with most of the larger electrical companies, airports and radio and police broadcasting stations; that some of the best engineers in the country collaborate in preparing the courses and that a staff of engineers corrects each lesson for inaccuracies; that students have the benefit of frequent visits from "field engineers" who act in the capacity of traveling teachers or instructors; that the respondent's airplane, equipped with radio devices, and the respondent's trucks, similarly equipped, will be flown or driven to the student's home and used for the purpose of testing equipment built by the student; that only a limited number of applicants in each community will be accepted; that a United States Government radio operator's license will be issued to the student upon completing the course of study; that the prospective student will receive remunerative employment or special paying assignments from the respondent while taking the course of instruction or thereafter; and that many graduates of the school are drawing high salaries in the radio field, and that several of its graduates are heads of broadcasting stations.

All these representations are declared by the complaint to be grossly exaggerated, false and misleading. The complaint alleges that the trade school occupies only a small portion of one floor of the Sexton Building in Minneapolis; that it has no connections with any electrical companies, radio or police broadcasting stations or airports; that the members of the respondent's field

9/16/41

force are merely high school graduates who have received their radio or electronic training from the respondent's school; that the respondent does not visit, nor do his agents visit, students at frequent intervals or at all with airplanes and trucks for testing the equipment built by students, and that the respondent does not provide students with employment or special paying assignments.

The complaint also charges that the respondent has presented that a powerful short-wave radio station, W9VXZ, is a part of the school's operating equipment, when in fact, the respondent does not control or operation Station W9VXZ, the license for which is held by a trustee for an amateur society known as "National Institute of Technology Radio Club".

Twenty days are allowed the respondent for filing answer to the charges.

X X X X X X X X X X

#### FCC FINDS ICELANDIC LINGUIST WHEN NEEDED

Federal Communications Commission's Foreign Broadcast Monitoring Service has translators to dissect foreign propaganda. But when Germany recently started to shortwave to Iceland in the latter's own lingo, Uncle Sam's propaganda analysts were momentarily stumped. FCC was about to SOS the State Department when one of its own translators, Miss Doma Westman, mentioned that she had been taught the Icelandic language by her parents. Result: Nazi "bombcasts" in Icelandic are now being thawed out.

X X X X X X X X X

#### MUSEUM OF NATURAL HISTORY WIRED FOR SOUND

Using a new sound amplification system to give added appeal to its lectures, the American Museum of Natural History in New York, has opened its annual education program.

The Museum described its sound system as a "long step forward in graphic museum presentation". It was installed after a year of experimentation under the supervision of Dr. Charles Russell. The apparatus makes it possible to broadcast from a central control room such subjects as travel talks, recordings and music of foreign lands to 100 outlets in the Museum's exhibition halls, classrooms and offices. It includes facilities for direct lines to three radio broadcasting stations.

X X X X X X X X X

## WESTERN THEATERS SUE ASCAP, ASK \$235,000

Suit was filed in Federal Court last week/by 137 Western theater owners against the American Society of Composers, Authors and Publishers charging violation of the Sherman Anti-Trust Act in its music licensing arrangements and demanding triple damages of \$235,000.

In addition to ASCAP, the complaint named as defendants Gene Buck, its President, 25 individual officers and Directors and 19 corporations, for the most part with offices in New York.

The complaint charged the defendants employed "threats, coercion and intimidation" in demanding license fees from the plaintiff theaters covering use of copyrighted music, and asked an injunction against the practices complained of.

It declared ASCAP controls more than 75 percent of the musical compositions demanded by the public, but that the theaters were able to use only a small portion of the music rights for which they were forced to contract.

X X X X X X X X

## GENERAL ELECTRIC TO PROMOTE FM

A substantial part of the advertising and sales promotion for the 1942 line of General Electric radios is designed to do an educational job on the advantages of frequency modulation radio, according to H. J. Deines, Advertising Manager of the G.E. Radio and Television Department.

Cooperative newspaper, national magazine and radio advertising is planned. The campaign will open with full-page, two-color advertisements in three national magazines late in October. Two types of ads will be used in newspapers. One, designed for markets where FM is already on the air, will go "all-out" for FM. For general use, there will be other newspaper ads in which FM is mentioned but not featured.

X X X X X X X X X

John Roland Pinelli, a second class radio man in the Navy, whose home is in Trenton, N. J., won special commendation last week for his "interest and ingenuity" in developing an improved type of radio sending key. According to a Navy announcement, the key makes possible the speedier transmission of messages.

X X X X X X X X

Y.D.

D.O'B

# HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.

OK

## INDEX TO ISSUE OF SEPTEMBER 19, 1941

Broadcasters See Mess In Split-Daylight Time.....2

FCC Authorizes Three More Television Stations.....3

Newspapers Operate Stations Best, FCC Told.....4

FM Stations For West Coast And Great Lakes.....6

Army And Navy Again Deny Press And Radio Censorship.....7

Radio Propaganda Hearing Still Far Off.....8

Pegler Questions Newspaper Radio Probe Sincerity.....9

Trade Notes.....10

Radio Editor Has 11,000 Recordings.....11

School Radio Program Aids "Good Neighbor" Plan.....11

NBC Completes Fifth Selling Programs Study.....12

WGN Air Theatre Opens Oct. 4.....12

No. 3164 1364

## BROADCASTERS SEE MESS IN SPLIT-DAYLIGHT TIME

Broadcasters in the South are up in arms over the mixup that will be caused Sunday, September 28th, when clocks in all other Daylight Saving areas will go back to Standard Time but because of the Federal Power Commission declaring an emergency, the southeast portion of the United States will remain on Daylight Time. Aluminum is produced there and the demands for electricity for defense purposes have doubled and tripled. However, there has been a lack of rain to fill the reservoirs to keep the generators running. To save power, the Power Commission proposes to keep that part of the country on Daylight Time at least until they see how much the Fall rains yield. Even if the downfall is satisfactory, because so much more power is required, the chances are that the Southeast may stay on Daylight Time indefinitely regardless of the inconvenience caused to broadcasters and others by one time there and Standard Time in the balance of the country.

The Power Commission hasn't asked for Daylight Time for any period and the assumption is that they can keep it as long as needed.

"It would be very foolish for us to give it up now and find that we needed it later and then have to go through all the readjustment of putting it into effect again", an official of the Power Commission said, adding, "Somebody has got to quit using electricity and somebody has to get hurt."

It was said at the Interstate and Foreign Commerce Committee in the House where a bill is pending which would give the President the power to move the clocks up in any part of the country as much as 2 hours if he feels there is any necessity for doing it, that protests had been received from numerous broadcasters and from the National Association of Broadcasters. The bill introduced by Representative Clarence F. Lea (D), of California, Chairman of the Committee, is expected to be reported favorably at an early date.

With regard to the confusion liable to be caused in the South by operating on different time schedules, a very prominent Southern broadcaster had this to say:

"Stories in the press here contend that not a kilowatt hour of power has been saved during the few weeks Daylight Saving Time has been in effect. If such is the case, how in the world can the Power Commission expect to save any power during the fall and winter months when darkness prevails most of the time, and electric lights would be required whether at the beginning of the day or at the end. In the summer time I can see where some power should be saved, but in the next few weeks it will be dark as pitch when most people arise, whether it be 5:00 or 6:00 o'clock."

"I suppose I am just dumb as hell, but it doesn't occur to me yet how we are going to save power in the wintertime by the application of Daylight Saving Time, when it is plenty dark at rising time, and equally as dark when most people retire. . . .

"There is one thing pretty sure, if the Southeast is expected to continue on Daylight Saving Time, and the remainder of the country goes on Standard Time the 28th, us broadcasting stations are in one grand and glorious mess, and furthermore, there will be even more confusion than we had this summer because right now a goodly portion of Virginia is still on Standard Time, and there you have the preposterous spectacle of Washington, D. C., remaining on Standard Time when so many of its workers and others reside in Daylight Saving Time areas. What a cock-eyed existence we are going through these days."

A bill to conserve fuel and electric power was to be introduced into the City Council to add a month to each end of the present period of Daylight Saving Time in New York City. Newbold Morris, President of the Council was the sponsor and the bill was not expected to go into effect, if passed, until next year.

X X X X X X X X X X

#### FCC AUTHORIZES THREE MORE TELEVISION STATIONS

The Federal Communications Commission during the week gave the go ahead signal to three initial television enterprises in the widely separated cities of Los Angeles, Milwaukee and Philadelphia.

They were:

Earle C. Anthony, Inc., Los Angeles, Calif., construction permit for a new commercial television station to operate on Channel No. 6, 96000-102000 kilocycles; The Journal Company (The Milwaukee Journal), Milwaukee, Wis., construction permit for a new commercial television station to operate on Channel No. 3, 66000-72000 kilocycles; Philco Radio & Television Corp., Philadelphia, Pa., construction permit for a new commercial television broadcast station to operate on Channel No. 3, 66000-72000 kilocycles.

X X X X X X X X X X X

The following appeared in Leonard Lyons' New York Column on Thursday, September 18:

"Federal Communication Commission: The radio chains agreed on Friday that as soon as your Commission delivers its final ruling in the monopoly regulations case, they'll seek immediate relief in the law courts."

X X X X X X X X X X X

## NEWSPAPERS OPERATE STATIONS BEST, FCC TOLD

Far from accepting the charges inferentially made against the newspaper owned stations by the Federal Communications Commission, Roy A. Roberts, Managing Editor of the Kansas City Star, owner of Station WDAF, countered by declaring that newspapers were the best radio station operators. Mr. Roberts testified on Thursday on the second day of the resumption of the investigation of newspaper owned broadcasting stations, for the purpose of determining whether special policies should be adopted in regard to the ownership and operation of stations by newspapers.

The hearings were adjourned yesterday (Thursday) to be resumed next Wednesday (Sept. 24) when the witnesses will be Luther Hill, General Manager, Iowa Broadcasting Company, which is controlled by the Register and Tribune Publishing Company, publishing the only daily newspapers in Des Moines, Ia., and Joe Maland, Vice-President and General Manager of Central Broadcasting, licensee of WHO in Des Moines.

Mr. Roberts said because of newspaper affiliations, Station WDAF had been able to do a better job in Kansas City. He said the station had grown like Topsy, adding "Once a stepchild, now a beautiful debutante." He said he thought the operation of a broadcasting station and a newspaper went hand in hand.

Hearst's policies on radio were explored at the first day's session when Emile J. Gough, former General Manager of Hearst Radio, Inc., took the stand.

Newspaper ownership of stations, Mr. Gough said, had contributed, in his judgment, greatly to the formulation and maintenance of existing standards in radio advertising and to the high quality of news broadcasting. He said that nearly all the best news broadcasters were newspaper men.

A letter offered for the record gave a revealing cross-section of what a Congressman thanks most about.

Written to Harry M. Bitner, an official of the Hearst Newspapers, by Gough, the letter told of a meeting in New York in April, 1937, of representatives of newspaper-owned stations. Former Senator Clarence C. Dill of Washington, described as the man who wrote the Communications Act, was present.

"Senator Dill gave a most interesting discourse on the problems confronting owners of newspapers and radio stations", Mr. Gough wrote.

"He said that he spoke from experience as a member of Congress of more than 20 years' standing; and he knew that probably the closest thing to a Congressman - next to his suit of clothes - was the next election; that his every act in Congress is predicated on elections. He further said that many Congressmen have found

that newspapers opposed them and are fearful that with newspapers owning stations that they may, in turn, keep them from reaching their constituents. He said this growing fear transcends all party lines. . .

"Furthermore, Senator Dill paid a great compliment to newspapers operating stations by saying they had done more to advance the art than any other group of station owners.

Mr. Gough, who succeeded Elliott Roosevelt as General Manager of Hearst Radio, said that unlike others in the beginning, Mr. Hearst had not been apprehensive about radio as an advertising competitor to the newspapers. He thought it valuable for promotion purposes. Mr. Gough introduced a letter written to him by J. V. Connolly, President of King Features, Inc., a portion of which read:

"Through your own intelligent guidance", Connolly wrote, "the Hearst newspapers that own or are affiliated with radio stations have been able to protect themselves against the deflection of advertising appropriations from their newspapers into radio broadcasting companies, and, also, you have shown the radio editors how not to give a news report over the air that would make it unnecessary for the listener to buy a newspaper."

Difficulties incident to the Earl Browder and Father Coughlin broadcasts and over a C.I.O. program, "Labor on the Air", a problem presented by the KYA station in San Francisco, were subjects of correspondence presented by D. B. Lloyd, FCC attorney.

The C.I.O. program started in 1938 under contract was characterized as "dangerous" by E. M. Stoer, present General Manager of Hearst Radio, in a series of letters written to John S. Brookes, Jr. of the Hearst Corporation in New York, reporting the desire and effort of KYA to "get the program off the air".

Donald B. Davis, President of Station WHB, Kansas City, was questioned as to whether he thought it "unfair" of the Kansas City Star on some occasions to list only WDAF as carrying a certain program, although competing stations also were carrying the same program.

"Not so much unfair to us, as to listeners", the witness said.

He told the Commission that he thought his station had been given "fair treatment" in the columns of the Star with regard to publicizing his station.

H. Dean Fitzner, Manager of Station WDAF, was asked about a Sunday radio page in the Star which carried a news story announcing that WDAF would broadcast the Third Inaugural of President Roosevelt but made no mention of a similar broadcast scheduled for other Kansas City stations. Likewise other Kansas City stations were not listed in the regular program as broadcasting the event. Mr. Fitzner observed that "we don't think the listener needs two radio stations to hear one program."

## FM STATIONS FOR WEST COAST AND GREAT LAKES

The Federal Communications Commission has granted three more FM licenses as follows:

Earle C. Anthony, Inc., Los Angeles, Calif., construction permit for new high frequency broadcast station provided applicant file within 60 days for modification of construction permit to specify 43,700 kilocycles with not less than 38,000 square miles, embracing San Diego and Bakersfield, Calif.; Hughes Tool Company, San Francisco, Calif., construction permit for new high frequency broadcast station to operate on 44,500 kilocycles with a service area of 10,800 square miles; WRJ, The Goodwill Station, Detroit, Mich., construction permit for a new high frequency broadcast station to operate on 45,300 kilocycles with a service area of 6,800 square miles; applicant to assume responsibility for adjustment of any reasonable complaints arising from signals.

The 38,000 square mile area stipulated in the Earle C. Anthony permit was unusually wide and the same range as was granted the Columbia Broadcasting System for an FM station on Mt. Wilson, near Pasadena.

Fifty-eight FM licenses have now been granted and 52 applications are on file. The latest application comes from the William Penn Broadcasting Company (WPEN) of Philadelphia where five stations are now under construction.

Frequency Modulation received a new impetus when the Federal Communications Commission authorized its use on a regular service basis in certain services other than broadcast effective October 1. Last spring FM was made available for commercial broadcasting.

In amending its rules and regulations so as to permit use of FM by ship, coastal and emergency services on the ultra-high frequencies, the Commission declared that the successful operation of approximately 1600 frequency modulated transmitters in various radio services since January 25, 1940, has demonstrated the practicability of this new type of modulation for these services.

On the basis of the data obtained through this experimental use, it is anticipated that no material difficulties will arise from the concurrent operation of frequency and amplitude modulated stations on the frequencies now allocated to these services. Operation reports indicate that FM offers a number of advantages over the conventional amplitude modulation among these being a reduction in interference resulting from static and a material reduction in the required geographical separation between stations operating on the same frequency.

It was also pointed out by the Commission that frequency modulated equipment can now be obtained from a number of manufacturers at prices comparable to those of the conventional amplitude modulated equipment.

## ARMY AND NAVY AGAIN DENY PRESS AND RADIO CENSORSHIP

No provisions for compulsory censorship of press or radio are contemplated by the Army and Navy but the official scrutiny will be confined to the control of communications passing between the United States and foreign countries, both the Army and the Navy have again assured Congress.

The position of the Navy was disclosed in a letter which James Forrestal, Acting Secretary of the Navy sent to the Chairman of the House Naval Affairs Committee:

"House Resolution 299, 'requesting the Navy Department to furnish to the House of Representatives information whether or not censorship of the press exists in this Department', was referred to the Navy Department by your committee with request for reply.

"The purpose of the resolution is to direct the Secretary of the Navy to furnish the House of Representatives with certain information relative to 'a plan by the Navy Department providing for compulsory censorship of the press and radio concerning activities within the purview of the Department'.

"The control of information, the disclosure of which would be inimical to the operations of the fleet is but one of the many problems which is under constant study by the Navy Department. Working in close liaison with the War Department, joint plans have been prepared setting forth the measures which should be taken to obtain such control. Subject to approval by higher authority, and supported by such legislation as may be necessary, these plans provide the necessary machinery for the censorship of international communications.

"It may be stated without injury to the public interest that such plans contain no provisions for compulsory censorship of the press, but are limited to the control of communications passing between the United States and foreign countries or overseas possessions and between ships and shore."

A similar explanation of the censorship plans was given in a letter received by the House Military Affairs Committee from Robert P. Patterson, Under-Secretary of War. Mr. Patterson also emphasized the absence of any plan to censor the press and radio.

"The purpose of these plans", he said, "is to have in readiness for use in event of an emergency which requires them, the necessary machinery for the control and regulation of the transmission of information into or out of United States territory in such a manner as will best safeguard the interests of our country."

Mr. Patterson added that President Roosevelt had not expressed his views on the question of censorship.

X X X X X X X X X

## RADIO PROPAGANDA HEARING STILL FAR OFF

With the brickbats flying through the air and Wendell Willkie and others so successfully keeping the motion picture war propaganda investigation on the front page, the radio angle of the inquiry seems almost lost in the shuffle. At the office of Senator Worth Clark, of Idaho, Chairman of the Senate sub-committee, it was said that it would be at least a month before any radio people would be called on. One report current was that the Committee might avail itself of the questionnaire sent out to the stations at the request of Congress sometime ago seeking information from the stations with regard to any war propaganda or information.

When asked if a list of radio witnesses had yet been prepared, the reply was that the question of who would be called in the radio industry had not even been discussed.

A radio listener - who is totally blind - Eleanor Catherine Judd, of Kew Gardens, N.Y., - has written the following letter to the New York Times, containing her views on the radio or war propaganda question:

"I wish to add my little word of comment concerning this ridiculous and wildcat so-called investigation into war propaganda. Because of the clear-cut issues of morality and decency involved, I think it would be physically impossible for the movies to make too many anti-Nazi films or for the papers to stress these truths too greatly.

"But it is about radio that I wish to speak more particularly. I am read to, and also get about to shows quite often, but it is upon radio that I depend for most of my information, not to mention entertainment, and I manage to keep pretty well informed thereby. It happens that I am totally blind - hence my special interest in radio.

"I follow the schedules carefully, so as not to miss what I want to be sure to hear, and so I know from actual count that there are constant and abundant listings of programs by and for isolationists. I seldom listen to them any more, because I know their line by heart, and what is the use? If one did not hear the opening and closing announcements on their programs, one would not be able to determine whether the stuff was coming from said isolationists, or from the Berlin and Rome propaganda offices.

"However, my point is that they are there in quantity to be heard, and one cannot blame the lack of quality on the radio stations. That is due simply to the nature of the material.

"At a time when the patience of all of us is being tried to the limit of endurance, it is surely particularly commendable that the radio industry bends over backward in its continued effort to present the side of a question whose supporters at best challenge our credulity in their sincerity and loyalty to this very democracy which is allowing them this very freedom."

## PEGLER QUESTIONS NEWSPAPER RADIO PROBE SINCERITY

Westbrook Pegler, in a syndicated article, recently wrote:

"The scrap in Washington over the inquiry into the movie industry can be divided into two phases.

"First, does the sly and dishonest procedure by which this inquiry moves into action, disguised as a preliminary inquiry to determine whether a formal, full-dress investigation should be made, consist with New Deal morals and custom?

"You bet your sweet life it does.

"It is a rotten, Hitlerian subterfuge but, unfortunately for the Administration, and for all of us, it is solidly based on a recent precedent set by the Administration itself in the preliminary investigation of the relationship between newspapers and radio stations under common ownership. That clever little scheme has now turned on the cunning tricksters who thought it up and fanged them good. In the radio case the Government highbinders weren't going to investigate the main proposition. No, they were only going to do a little preliminary questioning, insinuating and smearing and get over the effect of a full inquiry anyway, just in case there should be no full inquiry.

"Now the so-called isolationists who may not be pro-Hitler but couldn't help Hitler half as much if they admitted that they were, have adopted the same unprincipled method of approach and, although it is still a nasty and depressing example to beset the people by an agency of their Government, the Government itself is in no position to denounce the trick, because the Government's own hands aren't clean. . . .

"The Communists have burrowed into all departments except the finance management, and the retention of Jimmy Roosevelt at \$33,000 a year, ostensibly by Sam Goldwyn but actually by God knows whom, when the heat was rising was typical of the brassy nerve of those who think they can buy anything and haven't been far wrong many times."

X X X X X X X X X X

It will be orchids to the cleverest women workers in the RCA Manufacturing Company's factory at Bloomington, Ind., in a three-month drive to get things done for National Defense, according to an Associated Press dispatch.

Manager Jay M. Allen said an orchid would be given weekly to the woman who had turned in the best idea on how to simplify work and save time and materials.

X X X X X X X X X X

---  
 :::  
 ::: TRADE NOTES :::  
 :::  
 ---

The World Wide Broadcasting Corp., Boston, Mass., was granted construction permit for new international broadcast station to operate on 6040, 11730, 11790, 15130, 15350, 17750 kilocycles, A3 emission, 50 to 100 kilowatts, share time with WRUL and WRUW, subject to certain engineering conditions.

-----

James H. Fassett has been named Acting Director of the CBS Music Department, succeeding William H. Fineshriber, who becomes Director of CBS shortwave programs September 22nd.

-----

Hygrade Sylvania Corporation - Seven months to July 31: Net profit \$623,315, equal, after preferred dividend requirements, to \$2.57 each on 207,184 shares of common stock; net sales, \$10,819,891. Provision for income and defense taxes and excess profits taxes for the first seven months this year was \$667,000, against \$427,000 tax deductions for full year 1940.

-----

Foreign Broadcast Monitoring Service will transfer 20 of its employees to Portland, Oreg., next week. Twenty-five more will go later. Of the 20 who are being transferred to Portland, 12 lived on the West Coast and are anxious to get back.

-----

The first of a series of recordings dramatizing the activities of the American Red Cross are being shipped to more than 300 radio stations. Programs were written and produced for the Red Cross by Charles Dillon and recorded NBC Orthacoustic by NBC Radio-Recording Division's Washington office.

-----

The Federal Communications Commission suspended the amateur radio operator license of Elwyn B. Hazlewood, Baton Rouge, La., for a period of 60 days, because licensee while engaged in operation of radio station W5IUG communicated with a station located in a foreign country, in violation of a Commission defense order.

-----

A. E. Chamberlain, CBS Chief Engineer, described the network's "International Broadcast Facilities" before the Connecticut Valley section of the Institute of Radio Engineers in Hartford last night.

-----

The latest list of commercial FM stations operating, under construction, and FM applications pending has been prepared by FM Broadcasters, Inc., 52 Vanderbilt Avenue, New York City, correct as of September 15. A copy may be had on request.

X X X X X X X X X X

9/19/41

## RADIO EDITOR HAS 11,000 RECORDINGS

The following is from "PM", New York tabloid:

"To you and me, when we hear something over the radio, that's all there is to it. It's gone, but for memory.

"But not to T. R. Kennedy, Jr., Associate Radio Editor of the New York Times, Mr. Kennedy is perhaps the leading amateur collector of recordings of radio broadcasts.

"They tell a story about him - that he happened to hear the abdication address of the guy who is now the Duke of Windsor, and made a record of it; and that England itself had to get the record from him because no broadcaster did as good a job.

"If you drop in at Mr. Kennedy's home, and feel an electric tension in the air, don't think you're nervous. There is an electric tension; the whole place is wired from front to back. And no telling what kind of radio waves are passing through your solar plexus. He has more than 11,000 radio recordings, friends say, and is making more all the time.

"Around Times Square the radio shop owners bow when Kennedy passes; and the newsstand owners try to get him to autograph their wireless magazines. Especially back during the days when Admiral Richard E. Byrd was communicating by wireless from the South Pole (copyright New York Times.)"

X X X X X X X X X X

## SCHOOL RADIO PROGRAM AIDS "GOOD NEIGHBOR" PLAN

"Our American Cousins", a series of radio programs designed to interpret the other Americas to the students of Washington (D.C.) schools, will be featured in the 1941-42 school broadcasting schedule.

The series will be the Washington schools' contribution to aid President Roosevelt's "good neighbor" plan.

The programs will be prepared with the cooperation of the Pan-American Union and designated staff members of the Embassies and Legations of the Latin American Republics.

X X X X X X X X

## NBC COMPLETES FIFTH SELLING PROGRAMS STUDY

"Heads - They Won", a Red Network brochure, the fifth in a series of nationwide studies on the selling effectiveness of network radio programs, will be released within a few days by the National Broadcasting Company. The new study, like the others in the series inaugurated more than two years ago, was conducted by C. E. Hooper, Inc. It documents the selling job which "Mr. District Attorney" (another NBC sustainer which went commercial) has been doing for its sponsor, Vitalis.

Vitalis was found to be used by 255% more listening families than non-listening families; the monthly audience for the program was found to be 50% greater than its weekly listening audience as revealed in program ratings. Frequent listeners proved better customers than occasional listeners.

Hooper's survey of the Vitalis program is confirmed and amplified by a letter from the sponsor, Bristol-Myers.

Once again scientific measurement of NBC network radio effectiveness reaffirmed the conclusions dramatically drawn from NBC's first study conducted in September 1939: 1. When they listen they buy, and 2. The more they listen, the more they buy.

With his background of rating programs for advertisers, agencies and broadcasters, Hooper developed a method of double check verification which involved:

1. Segregation of listeners from non-listeners by use of coincidental telephone interviews.
2. Verification of program listening by call-back.
3. Determination of brand of product used.

X X X X X X X X

## WGN AIR THEATRE OPENS OCT. 4

The curtain of the Chicago Theater of the Air will be lifted Oct. 4 in the WGN audience studio. A new series of operettas, led off by the "Merry Widow", presented to meet the demand of a multitude of last year's listeners, will be offered to the coast to coast audience of the Mutual Broadcasting System.

Twenty-six operettas, half of them old favorites of the 1940-'41 season, will be presented. The broadcasts will go on the air at 9:45 P.M.

First the audience will hear the theme. Then Col. Robert R. McCormick, editor and publisher of The Chicago Tribune, who has been heard through the Summer on the Saturday night Chicagoland hour, will speak.

At the conclusion of last season's operetta series, WGN called for an expression of audience sentiment as to future presentations of operettas. The affirmative mail response was tremendous. There were scores of thousands of letters from all parts of the country. So, in this sense, the WGN and Mutual radio audiences has acted as its own program director.

Y Y Y Y Y Y Y Y

# HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.

RECEIVED  
SEP 25 1941  
SPARK E. MULLEN

NEW YORK  
LIBRARY  
GENERAL LIBRARY  
30 ROCKEFELLER PLAZA, NEW YORK, N. Y.



## INDEX TO ISSUE OF SEPTEMBER 23, 1941

RMA Moves To Block Foreign Competitors' Supplies.....	2
Government Agencies Need Radio Specialists.....	3
Hands Off Broadcasting Even In Wartime, Says FCC Head.....	4
Didn't Sound Like Fly's Swansong.....	7
Life Believes Television Will Open New Horizons.....	8
Paul Ellison Goes Upstairs.....	8
FCC Applications Received.....	9
Lemmon Plans Radio Drive To Bring Hitler's Downfall.....	9
Trade Notes.....	10
American Cable And Radio Net Income Increases.....	11
Mutual Settles Strike With Musicians' Union.....	11
Aurora Brings Out Big Research Guns.....	12

No. 1365

September 23, 1941

## RMA MOVES TO BLOCK FOREIGN COMPETITORS' SUPPLIES

Pointing to the fact that our own radio manufacturers can't get the supplies they need because of the defense priorities conditions, the Radio Manufacturers' Association is asking the Government to clamp down on "the practice of supplying foreign competitors with materials to compete with and destroy the business of bona fide American manufacturers".

This is believed to be aimed at the N. V. Philips Company of the Netherlands, one of the largest radio manufacturing concerns in the world, which, having been forced to leave Eindhoven because of German occupation, has been establishing itself in South America. Also having sets built in the United States which are later sold in direct competition with American sets in foreign markets. It is said the Philips people, though bitterly competing with us, have even been to Washington asking for special priority consideration.

The action of the RMA came through the unanimous approval of the Executive Committee of a strongly worded report of the Special Committee on Foreign Competition of which Commander E. F. McDonald of the Zenith Radio Corporation of Chicago, is Chairman. The report will now be brought to the personal attention of every Government department interested. It is also signed by Fred D. Williams, Assistant to the President of the Philco Corporation of Philadelphia, and follows, in part:

"We find that foreign competitors are having built in the United States, under contract, complete radio receivers and are obtaining parts and materials which have been used and will be used to compete with American manufacturers in foreign markets. The American manufacturers are unable to obtain an adequate supply of materials to fill their own export orders for American brands.

"We find that foreign brands made in America are reaching overseas markets and building up foreign trade-marks at the expense of American goods and American firms.

"In view of the fact that American manufacturers are hopelessly behind in the delivery of their export orders, we believe the materials which are now being used to manufacture products of foreign-controlled organizations should be diverted to American manufacturers for furtherance of American trade-marks in foreign fields.

"The situation presently prevailing would be analogous to the Packard Motor Car Company building cars for Mercedes, at the expense of its own production, and permitting same to be sold in foreign fields in competition with American manufacturers.

"It is fully believed by our Committee that, if there are any American radio manufacturers who have excess facilities and materials, other manufacturers within the industry will supply them with sufficient business for radio sets to be used in the export market under American brands.

"We find the conditions which have been reported to us by your Subcommittee to be of such a serious nature as to warrant the attention of the Association and also of the Federal Government. This action is required for the present, as well as future, protection of vital American foreign business under trade-marks which have been established in the export field at considerable expense to the American manufacturer.

"We believe the American manufacturers should concentrate all their efforts on preserving and building up their own valuable trade-marks, rather than aiding foreign competitors, especially any that are Axis-controlled or influenced.

"It is the unanimous recommendation of your Committee that no further orders be accepted by American manufacturers from foreign-owned or controlled companies for the manufacture of radio apparatus to be used in competition in export fields with goods bearing American trade-marks.

"Under normal conditions, the practice of supplying foreign competitors with material to compete with and destroy the business of the bona fide United States manufacturer is un-American, but in the present emergency it is doubly so."

X X X X X X X X X X

GOVERNMENT AGENCIES NEED RADIO SPECIALISTS

Information specialists are needed by the Government in connection with every phase of national defense activity. Publications of all kinds must be prepared for special interest groups and for the general public, and interpretative radio broadcasts written and put on the air. To these jobs, and many others, War, Agricultural, Interior, the Office for Emergency Management, and other agencies assign their information specialists.

To fill these positions, the Civil Service Commission has just announced an examination for information specialists in press and publications, and in radio. There are over one hundred jobs to be filled in the various Government agencies. Salaries range from \$2,600 to \$4,600 a year. Eligibles on the employment list established last year as a result of the Information Specialist examination need not take this new examination unless they have acquired additional experience and wish to apply for a higher grade, as their names will be retained on the current register.

Applications must be on file with the Commission's Washington office not later than October 23, 1941.

X X X X X X X X

## HANDS OFF BROADCASTING EVEN IN WARTIME, SAYS FCC HEAD

Addressing the annual convention of the National Independent Broadcasters at Chicago last Monday, Chairman James L. Fly, of the Federal Communications Commission, said:

"I repeat once more what I have said so often - that neither the Federal Communications Commission, nor the Defense Communications Board, nor so far as I know any other agency of the Government, has any plans for taking broadcasting out of private hands, even in time of war. It is obvious that in the event of hostilities, stations within actual combat areas may be required to coordinate their broadcasts with the plans of military authorities in that combat area. Also, broadcasting would in the event of war be an important factor in civilian defense; indeed the DCB has appointed a subcommittee to cooperate with Mayor LaGuardia's Office of Civilian Defense in considering such problems. But DCB plans are contingent on an actual military need; and are based upon the fundamental premise that broadcasting will remain in private hands throughout any foreseeable emergency. For my part I should wholeheartedly oppose any proposal to "take over" radio broadcasting - though I have never heard such a proposal from any source worthy of serious consideration.

"I mentioned a moment ago the use of broadcasting by various defense agencies. I doubt whether any of you have found such requests for time unduly burdensome so far, but perhaps some of you fear that they may become burdensome hereafter. If at some future date broadcasters feel that an inordinate portion of the broadcast day is required for this purpose, the matter can no doubt be adjusted by joint conferences with the appropriate government agencies. Certainly the Federal Communications Commission has no desire to see the effectiveness of radio curtailed by an overload of programs of one kind; and my impression is that that danger is not on the horizon at present. Indeed, the quality of many defense programs now on the air is a real asset to the stations broadcasting them. The Treasury Hour, to single out one program from many compares favorably in popular appeal with the most popular of commercial hours. It seems to me clear that your industry's contribution of time for defense broadcasts is bread cast upon the waters; it is already being returned many fold in terms of increased public respect and increased public attention."

Mr. Fly told the convention how he had opposed the recent defense tax on broadcast time, saying:

"The Commission now has instituted a study of a possible franchise tax, under which each of the industries regulated would be assessed a proportionate part of the cost of regulation; but I hardly think so relatively small a tax need seriously concern any of you.

"It seems to me clear that the public interest requires a prosperous broadcasting industry. Any circumstances which jeopardize

broadcasting income are bound to affect adversely the quality of programs, and hence the public benefits from radio broadcasting. While the Federal Communications Commission has no direct concern with your profits and losses, we know that the tremendous progress of radio has been due in no small measure to the financial success of broadcasting as a business enterprise, and we welcome that knowledge."

The speaker came through with quite a television alibi:

"Some of you with long memories may recall the 'hullabaloo' which accompanied the Commission's postponement of commercial television a year or more ago until the industry engineers could develop an agreed set of standards. Looking back, I think that there are few competent observers today who would not agree that our caution then was sound. Many of the people who were the loudest in their condemnation of the postponement have since agreed that it was a wise and necessary action.

"There is a moral in this, and I think I would be remiss in my duty if I did not point it out. The moral as I see it is that uproar and commotion do not always or even customarily reveal truth. The Commission, acting after full hearings and consultation with representatives of the industry, sometimes finds itself obliged to take steps which for a time at least may seem unpopular. But the long-range wisdom and rightness of the steps cannot be judged by the temporary tumult they elicit. Noise may not be convincing. These matters must be viewed in a proper perspective, with an eye to the public interest and the good of the industry as a whole.

"Now the industry has developed television standards and television is on its way. However, television still faces serious obstacles - chiefly, delays by reason of the defense program. But these are nothing compared with the difficulties it would be facing if it had plunged into unwarranted premature exploitation.

"How will the opening up of television and FM affect the standard broadcasting field? I hesitate to prophesy, and yet it seems to me clear that the long-term result of television will be on the whole beneficial to aural broadcasting. I base this prediction upon the fact that broadcasting is essentially an institution of the American home. By strengthening the hold of the home upon families, both television and FM will similarly strengthen the hold of broadcasting in general."

As to the status of certain Commission proceedings, Mr. Fly said:

"The network regulations were to have gone into effect early last month. Informal conferences were held with representatives of the networks, in the course of which it appeared that the chief bone of contention was the wording of one of the eight regulations - the one governing option time, and even on that narrow issue, the networks were unable to agree among themselves.

"With respect to the ownership of more than one station in a community by one licensee or set of interests, I would prefer not to comment, since the matter is now under adjudication. With respect to the investigation of newspaper-radio relationships, however, I think it proper to repeat an assurance contained in the original announcement of the inquiry. The investigation is concerned primarily with grants of FM licenses to newspapers, since in the FM field the measures or recommendations should grow out of the investigation - and on that I express no judgment - they will not be concerned with existing licenses, but rather with future acquisitions."

Taking a shot at the networks and the National Association of Broadcasters, the speaker said:

"It seems to me that in matters such as these, or any other matters of common concern, the National Independent Broadcasters should take a real interest and have a real voice. Representing as you do hundreds of independent station owners all over the country, your carefully considered views and opinions should carry real weight. In this body is concentrated the free and untrammelled opinion of a free industry. Ventriloquism is an entertaining art, but it is hardly necessary in your relations with the Government. You need not hide behind the skirts of women's clubs or the cloak of religion, or come to Washington with a piece of hay in your teeth. Yours is the voice, and your voice is entitled to be heard."

With regard to the charges that the FCC has its axe out for the broadcasters, Chairman Fly said:

"Some observers claim to distinguish in the Commission proceedings a common factor of antagonism towards the broadcasting industry. Nothing could be farther from the truth. I view the fostering of the American system of broadcasting, and its protection from any unwarranted attacks which may harrass it, as one of my prime duties as Chairman of the Federal Communications Commission. It is true that there is a common factor underlying our concern with these matters. That common factor is based on a feeling of duty to protect broadcasting, and in particular the private system of broadcasting, from attacks which will otherwise certainly assail and perhaps overthrow it. Let me explain as simply, as frankly, and as briefly as I can exactly why the weeding out of monopolistic tendencies in broadcasting is a prime requisite if you gentlemen are to remain undisturbed in your ownership and operation of American broadcasting stations.

"The kind of attack to which broadcasting under private auspices might become vulnerable was very forcefully made quite recently before a Senate subcommittee inquiring into moving picture propaganda. It was there charged that a few men had seized control of American microphones and were using their position to propagandize the American people. It was further alleged that these few men wielded far more power than any duly elected representative or responsible government official.

"The broadcasting industry has on the whole been comparatively immune from such attacks, though there is no assurance that its relative immunity will continue.

"Without entering even indirectly into this particular debate, and without commenting even indirectly on either the attack or the defense, I do want to direct your attention to the thought which lay behind these words. The real justification of private ownership of radio is that control can thereby be left, as Mr. Neville Miller, President of the NAB, says, in the hands of hundreds of 'men and women of all creeds and political beliefs', hundreds of everyday Americans. To the extent that this diversity of ownership and dispersion of control to which Mr. Miller points with pride is a fair description of the facts, to that extent the broadcasting industry will remain impervious to the kind of attack recently launched. But any trend to concentrate this control anywhere, will lay broadcasting under private control open to ever more insistent attacks, to which it may well succumb."

X X X X X X X X X

#### DIDN'T SOUND LIKE FLY'S SWANSONG

Those with their ears to the ground hoping that the rumor was true that J. L. Fly, skipper of the Federal Communications Commission, was on his way out were not given much encouragement by his Chicago speech to the Independent Broadcasters, virtually inviting himself to their next year's convention. Mr. Fly said:

"One day last May I was fortunate enough to receive from a network official a queer little plaster figure called a 'wackeroo'. A 'wackeroo', let me explain to those who may not have one, is an object specifically designed to be smashed. Thrown against a wall or other solid surface, it is guaranteed to fly into enough fragments to relieve the tension, lower the blood pressure, and cool the brow of the person hurling it.

"You may be interested to know that the 'wackeroo' still sits on my desk - unsmashed. Mine is a tough job - you may not know how tough. Yet should I be so fortunate as to be invited to your annual convention in 1942, I hope to show you that little 'wackeroo' - still intact."

X X X X X X X X X

More than a million bus and trolley passengers are speeded along the streets of New York City every day with the help of radio, yet none of them ever hears the broadcasts. To aid in rerouting buses and trolleys around traffic snarls, the Brooklyn and Queens Division of the New York Traffic System has equipped a fleet of 20 patrol cars with two-way Westinghouse police radios. This communication system relays emergency calls and instructions to cruising cars in less than 30 seconds.

X X X X X X X X X

9/23/41

## LIFE BELIEVES TELEVISION WILL OPEN NEW HORIZONS

Life, in its current issue (Sept. 22) gives television a two-page picture spread, one illustrating the progress made in color television, and the other large screen images. The magazine goes on to say:

"During this last Summer, two years since television made its fanfares studio debut, the biggest television news was made, as before, in the laboratory. In the laboratory, it now appears, television will stay for the duration of the emergency. At the bottom of any priorities list, television's audience will continue to be limited by the insignificant number of sets sold and selling. Television's promoters, however, are satisfied that their Federal Communications Commission commercial franchise, their 22 stations and audience of 6,000 receiver sets are a nucleus on which television will survive and be ready to expand when the war ends. Meanwhile they are cheered by two recent milestones in television's technical progress: large-screen projection of television images and color television.

"Large-screen television, which was developed by NBC engineers and has successfully demonstrated its power to project television programs on a full-sized movie screen, opens up a new horizon for practical application of the television art. Color television is the invention of CBS's engineers, headed by young Dr. Peter C. Goldmark. It employs a simple principle first applied to color movies, explained on the opposite page. As compared with the 30-to-1 contrast range of black-and-white television, CBS's color system has demonstrated an almost unlimited reproduction range for all colors, hues and shades in the spectrum. Though its resolution of detail is weaker than black-and-white television, CBS's color television system transmits much more information, in clear and brilliant images. There is every reason to believe that all television programs in the future will be transmitted in color."

X X X X X X X X X X

## PAUL ELLISON GOES UPSTAIRS

Paul S. Ellison has been appointed Director of Advertising and Sales Promotion of Hygrade Sylvania Corporation, radio tube and lamp manufacturers. He was formerly Advertising and Renewal Sales Manager of the Radio Tube Division.

X X X X X X X X X

## FCC APPLICATIONS RECEIVED

The following applications, among others, have been received by the Federal Communications Commission:

KOWH, World Publishing Co., Omaha, Nebr., construction permit to install new transmitter, install directional antenna for day and night use, increase power from 500 watts to 10 kilowatts, change hours from daytime to unlimited time, and move transmitter (660 kc.); WHOM, New Jersey Broadcasting Corp., Jersey City, N.J., construction permit to install directional antenna for day and night use, new transmitter, increase power from 500 watts night, 1 kilowatt day to 5 kilowatts day and night and move studio from New Jersey to New York, N. Y. (1480 kc.); WRGB, General Electric Co., Schenectady, N. Y., reinstatement of construction permit for a new commercial television station on Channel #3, 66000-72000 kilocycles, ESR, 3100, emission A5 and special for frequency modulation, unlimited hours.

Also, Susquehanna Broadcasting Co., York, Pa., construction permit for a new broadcast station to be operated on 900 kilocycles, 1 kilowatt and daytime hours; Tar Heel Broadcasting System, Inc., Washington, N. C., construction permit for a new broadcast station to be operated on 930 kilocycles, 1 kilowatt and daytime hours; Albert S. and Robert A. Drohlich, d/b as Drohlich Bros., Jefferson City, Mo., construction permit for a new broadcast station to be operated on 800 kilocycles, 1 kilowatt and daytime hours.

X X X X X X X X X X

## LEMMON PLANS RADIO DRIVE TO BRING HITLER'S DOWNFALL

Plans to "try to break the German people away from the yoke of Nazi-ism" by means of "intensified" radio broadcasting from an American short-wave station that is designed to be the most powerful in the world, have been disclosed by Walter S. Lemmon, President of the World Wide Broadcasting Foundation, an Associated Press dispatch from Boston states.

Founder of Station WRUL, which now is the strongest short-wave unit in the Western Hemisphere, Mr. Lemmon said the Federal Communications Commission had just authorized the establishment of new transmission facilities that would eventually add another 100,000 watts of power to the Foundation's radio arm.

He said he knew of only one other short-wave station, a Russian one, that would approach it in power, and declared it would be much stronger than Hitler's radio voice at Zeisen.

Declaring plans already had been made to "double our broadcasts within 60 days to the German people and to German-speaking people in occupied countries", he added: "Up to now our broadcasts to the Germans have been mainly digests of news, but now we're really going to make a drive to reach the people and show them what they have lost in culture under the Hitler regim."

X X X X X X X X X X

::::  
 :::: TRADE NOTES ::::  
 ::::

It was noticed when the recent Aurora display was at its height, the brilliant streamers had no influence upon television. The NBC show from Radio City went on as usual, unstreaked and untainted in any way, even on Long Island where the Aurora was sharp. Engineers explain that the ultra-short waves which carry the pictures are immune to static and fading, even of the calibre stirred by sunspots and the Northern Lights.

-----

Dr. James Rowland Angell, public service counselor of the National Broadcasting Company, will address a joint meeting of six Mamaroneck (N.Y.) Parent-Teacher Associations, Sept. 30, at Mamaroneck Junior High School on "The Moral Problems of the Modern Child".

-----

The amateur radio club of the Young Men's Christian Association, Washington will inaugurate a "defense training course" for the Fall season when classes begin tonight in Central Y.M.C.A.

-----

John Walker Hundley, who for the last year and a half has been coordinator of the Program and Production Departments at WCBX, CBS international station, yesterday became Assistant Director of Columbia shortwave programs.

-----

Two more radio stations - WCOS, Columbia, South Carolina, and KBTM, Jonesboro, Arkansas - join the Mutual Broadcasting System as affiliates, bringing the total of outlets connected with this network to 175.

-----

Said to be the largest half-hour daytime network ever used in radio has been scheduled by the Armstrong Co. to promote Quaker rugs and Quaker floor covering. The program, entitled "Armstrong's Theatre of Today", will be aired each Saturday noon, starting Oct. 4, over 105 stations of the Columbia Broadcasting System.

-----

Dr. Crestes H. Caldwell, during his "Radio Magic" program over the NBC Blue Network" last Friday, explained that the new development, which was introduced to speed up Uncle Sam's production of warplanes but which undoubtedly will find much wider uses, employs a special rivet with a small charge of TNT in the shank and is specifically adapted to the fastening together of metal plates, such as those in the noses and wings of planes, which are accessible only from one side. The rate of installation of old-style rivets averages only two to four per minute, as against 15 to 20 per minute for the explosive type. The rivets are set by radio.

X X X X X X X X

## AMERICAN CABLE AND RADIO NET INCOME INCREASES

The Consolidated net income of the American Cable & Radio Corporation and subsidiaries for the six months ended June 30, 1941, amounted to \$624,127 as compared with \$586,923 for the corresponding period of 1940, as shown in the accompanying statement of consolidated income accounts.

The consolidated net income of all American Corporation and subsidiaries, after deducting interest charges in full on the outstanding Income Debentures and Serial Notes, amounted to \$757,763 and \$512,290 for the six months ended June 30, 1941, and 1940, respectively.

Operations of Commercial Mackay Corporation and subsidiaries for the six months ended June 30, 1941, resulted in consolidated net loss of \$120,058, after deducting the full interest accumulating on the outstanding Income Debentures in that period, as compared with consolidated net income of \$88,875 for the corresponding period of 1940.

The report made by John L. Merrill, Chairman, also explained that All America Corporation recently purchased \$610,500 of its own 4 percent series A income debentures from Mackay Radio at 95 flat and has agreed to buy an additional \$289,500 of such debentures before the end of the year at 95, plus interest at the rate of 4 percent from Sept. 15. Mackay Radio received \$300,000 cash and \$900,000 of All America's debentures from I. T. & T. for Federal Telegraph, so arrangements have been made for the sale of all the \$90,000 of All America debentures this year to the issuing company.

X X X X X X X X X

## MUTUAL SETTLES STRIKE WITH MUSICIANS UNION

As a result of an agreement reached last Friday between James C. Petrillo, President of the American Federation of Musicians, and Steve Cisler, General Manager of Station WGRC, Louisville, Ky., complete musical program service has been resumed over the Mutual Broadcasting System, it was announced by Fred Weber, General Manager of the network.

Broadcasts by dance orchestras playing outside radio studios had been cancelled since September 12, due to a dispute involving WGRC and the local Louisville Musicians' Union.

Mr. Cisler stated that the dispute involved wages and hours and that the matter had been satisfactorily settled. He pointed out that he had been voluntarily negotiating for the additional employment of musicians on his station with the local Louisville union for over a year. Inability to deal successfully with these representatives made it necessary for the WGRC executive to fly to New York to confer with Mr. Petrillo.

X X X X X X X X X X

## AURORA BRINGS OUT BIG RESEARCH GUNS

Bombarded by powerful sunspots and magnetic storms while the Aurora Borealis staged a spectacular display of solar "fireworks" all along the Eastern Seaboard on Thursday evening last, radio men brought up the big "guns" that research has provided them to combat such attacks. Based upon world-wide results, they reported that as far as international communications were concerned, they were able to outwit the elements.

While operators at RCA's "Radio Central" at Riverhead, L.I. found the Northern Lights bright enough by which to read a newspaper, they called up all their scientific tricks to cut through the Aurora's scintillating curtains and great fingers of light that stabbed at the stars.

Experience has taught the engineers of R.C.A. Communications, Inc., that when a magnetic storm rages, the effect on radio usually plays more havoc on waves traveling east-west and west-east. Therefore, to keep the messages flowing, for example, to London, New York flashes the traffic on short waves to Buenos Aires where it is automatically made to "turn the elbow" and relay on to London, thereby dodging the storm over a 12,000-mile detour. The messages make no stop in the Argentine, they merely turn there and flash directly across the South Atlantic to cut-trick Nature's bombardments.

Success was also achieved in reaching Europe by resorting to the long-wave alternators at the RCA station at Rocky Point, L.I., upon which the earth's magnetic currents usually have minimum effect. Therefore, while the powerful vacuum tubes, now generally employed in international communications on short waves, were overpowered at times by the magnetic storm, the old alternators, of 1918 World War fame - the only ones in service in this country - came to the rescue and kept the transatlantic channels open across the Northern Hemisphere. London, too, has similar long-wave alternators in readiness for any emergency, as has Sweden and Germany.

Based upon past observations, the engineers expect minor ethereal disturbances, possibly beginning yesterday, September 22, and continuing for four or five days. This, the radio men say, is predictable, because the sunspot storms are directly associated with the rotation of the sun, which requires 27 days to expose its entire circumference to the earth. These periodic storms are of little concern to modern radio, because they generally are not severe, and communications have learned how to dodge them.

X X X X X X X X X

# HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.

---

INDEX TO ISSUE OF OCTOBER 24, 1941

Hanson Again Argues FCC Without Press Probe Power.....	2
Proposed Denial Of Radio Burglar Alarm Applications.....	4
OPM Radio Industry Committee Authorized.....	5
Program Costs Up 24%.....	6
Radio Manufacturers Rescind Foreign Competition Action.....	7
FCC Revised Rules Assure Fair Competition, Says MBS.....	8
See New IB Organization As Further Jab At NAB.....	9
Action Of The Federal Communications Commission.....	10
Trade Notes.....	11
Trammell Again Explains NBC Stand Re BMI.....	12

No. 1366

## HANSON AGAIN ARGUES FCC WITHOUT PRESS PROBE POWER

Hammering away at his contention that the Federal Communications Commission has no power to consider or to adopt a policy by which newspapers may be differentiated for the purpose of assignment of radio facilities or from disqualification from engaging in broadcasting, Elisha Hanson, counsel for James G. Stahlman, publisher of the Nashville Banner, in his appeal to the U. S. Court of Appeals for the District of Columbia, states that therefore the Commission has no power to initiate an investigation to consider the adoption of such a policy.

The summary of Mr. Hanson's argument is that:

"Order No. 79 (The FCC order for the inquiry into newspaper ownership of radio stations) asserts such power. Its validity must be determined solely by its terms and the Order shows on its face that it exceeds the express or implied powers conferred upon the Commission by Congress under the Act.

"The discretion of the Commission is limited. In each case it is under a duty to pass upon a particular application or conflicting applications for the same facilities as measured by the statutory standard of 'public interest, convenience or necessity'.

"The Commission cannot add standards at variance with that standard nor can it increase the limitations upon the holding and transfer of licenses as they are set forth in Sections 310 and 311 of the Act.

"The broadcasting field is open to everyone, provided there be an available frequency without interference to others and the applicant can show competency, adequacy of equipment and financial ability.

"Order No. 79 oversteps these limits. It singles out as a special class for discriminatory treatment the applications of persons associated with newspapers.

"This would constitute an injurious discrimination in violation of the Fifth Amendment to the Constitution of the United States. Such a discriminatory policy would also be in conflict with the nondiscriminatory policy written by Congress into the Act.

"Under the Sanders decision affiliation with a newspaper cannot be made a separate and independent element - an inoperative fact - in passing upon applications. The test is not the mere fact of joint control of newspapers and radio stations, or whether there

is competition or monopoly, but what will best serve the interest of the public. No provision of the Act or rule of law prohibits broadcasting by the owner of a newspaper.

"Order No. 79 is not an assertion of authority to weigh joint control of a newspaper and radio station merely as one circumstance governing particular applications in relation to the considerations enumerated by the Supreme Court. On the contrary the said Order places applicants in the newspaper field in a separate category for preference or incapacitation. This is in substitution rather than in fulfillment of the policy clearly expressed by Congress.

"How far Congress could legislate on the matters hereinabove mentioned is not before this Court in this proceeding grounded on Order No. 79. The Commission cannot usurp the legislative function of making a choice between a policy of favoring integration of newspapers and radio stations and a policy of compelling divorcement of the two forms of enterprise.

"Since Order No. 79 exceeds the Commission's powers it is without warrant of law and the subpoena issued and served upon appellant pursuant thereto is a nullity.

"The Commission can derive no aid from the broad terms of Section 403 because Order No. 79 goes beyond the Act itself. The Sanders and Tri-State Broadcasting Corporation cases remove Order No. 79 from the bounds of any matter within the authority of the Commission or any question which may arise under the Act and in relation to its enforcement.

"The investigation was not ordered by the Commission for the purpose of making recommendations to Congress for additional legislation as provided in Section 4(k) of the Act. The face of the Order shows that its sole purpose is to conduct an inquiry to lay the basis for the adoption of a policy to be issued by and to be applied by the Commission for its own guidance.

"Even if Section 4(k) is deemed to be involved herein the Commission can only demand information relevant to a power conferred upon it by Congress. The Commission's powers of investigation by testimonial compulsion are not as broad as the regulatory powers of Congress itself in the field of communications. By falling outside the Act Order No. 79 necessarily falls outside Section 4(k).

"In any event the investigation initiated by Order No. 79 is a general fact-finding inquiry which exceeds the powers of the Commission.

"The cases of Harriman v. Interstate Commerce Commission, 211 U.S. 407 (1908) and Federal Trade Commission v. American Tobacco Company, 264 U.S. 298 (1924) support the conclusion that no matter how broad the terms of the investigatory provisions of the statute may be, an investigation by an administrative agency either on its own motion or pursuant to Congressional resolution must be ancillary

10/24/41

to a lawful purpose embraced by the powers granted in the statute.

"In reaching for the power claimed by Order No. 79, the Commission, the creature of Congress, seeks to become greater than its creator contemplated."

X X X X X X X X X X

#### PROPOSED DENIAL OF RADIO BURGLAR ALARM APPLICATIONS

Applications by the No-Bel Radio Burglar Alarm of San Francisco to construct two experimental radio stations at that city and Oakland, Calif., to experiment with a radio burglar alarm, have brought proposed denial by the Federal Communications Commission. The applicant sought to use the frequencies 1658 and 2466, with power of 50 watts, for this purpose.

In its proposed findings, the Commission concludes:

"1. The applicant has not shown itself technically and financially qualified to conduct an experimental program which could be expected to contribute to the progress of the radio art or to accomplish the objectives set forth.

"2. Since the applications involve the use of the frequencies assigned to police radio systems located in the proposed area of operation, mutual objectionable interference would be expected to result at times of simultaneous operation.

"3. Since the proposed operation could not be conducted as outlined without the full assent and cooperation of the police departments which would be affected thereby, and there is no indication that these requisites have been obtained or are obtainable, from responsible officials, the Commission is unable to find that applicant has made a sufficient showing as to the adequacy of facilities for conducting the proposed program of experimentation.

"4. Service of the character herein proposed is available through existing wire facilities, and there is no showing that the proposed radio alarm system will produce any substantial advantage over such facilities.

"5. Public interest, convenience or necessity will not be served by the granting of these applications."

X X X X X X X X

## OPM RADIO INDUSTRY COMMITTEE AUTHORIZED

Establishment of a Radio Industry Defense Advisory Committee has been authorized by the Office of Production Management and the Department of Justice, the Radio Manufacturers' Association reports.

OPM will hold an industry conference in Washington, to receive nominations and organize the industry committee, on Thursday, October 30. Invitations have been sent, according to the information from OPM to RMA, to a large selected list of radio companies, representative of all radio manufacturing groups, including sets, tubes, parts and accessories, transmitting and other radio apparatus. The organization of the industry committee on October 30th is being arranged by Sidney J. Weinberg, Chief of the OPM Bureau of Clearance of Defense Industry Advisory Committees. The government presiding officer who has been appointed is Jesse L. Maury, Chief of the Electrical Products and Consumers' Durable Goods Branch of the OPM Commodity Section who will act as Chairman of the Industry Committee.

The Radio Industry Committee is the nineteenth established by OPM for major industries and is purely advisory. The automobile, electrical, rubber, shoe, hosiery, paper and other industry defense Advisory Committees already have been organized, all with many sub-committees, or panels, such as the "Refrigerator Panel" of the Electrical Industry. Attendance and participation in the OPM radio industry conference on October 30th will be restricted to the radio companies sent invitations, and this OPM list has not been announced.

Production and allocation problems, both for defense and civilian purposes, together with conservation, simplification and efficient utilization of industry facilities, are among problems designated by Attorney General Biddle for consideration of the Radio Industry Committee.

A meeting of the RMA Priorities Committee will be held in Washington on October 29th, prior to the industry meeting called by OPM. The Priorities Committee will be continued for action on immediate industry problems and also liaison with and assistance to the OPM industry committee.

X X X X X X X X X X

Export procedure and applications for export licenses are now being handled by the Economic Defense Board, and export license applications, other than for munitions, should be submitted to the Chief, Office of Export Control, Economic Defense Board, Washington. This agency now handles all export matters except those of the Army and Navy Munitions Board.

X X X X X X X X X X

## PROGRAM COSTS UP 24%

At the start of the broadcast season of 1940-41, Variety estimates on program costs (talent, music, arrangements, royalties, etc.) as distinct from time expenditures reveal that Sunday night on the three coast-to-coast webs, NBC, CBS and Mutual, represents a \$137,000 "Free show" to the Nation. This total outlay for performances greatly exceeds that of any other night of the week.

Inclusive of daytimers the aggregate cost of commercial network entertainment has reached a new high of \$671,000 a week for programs, as such. This figure when compared to the expenditures prevailing at the height of the 1940-41 season represents a boast of 24%. Aside from the increase in the total number of network shows the relatively big margin may be attributed to the replacement of the inexpensive quiz-audience participation show by considerably more expensive variety and dramatic programs.

The estimated cost of some of the leading network programs for 1941-42 (production expenses, inclusive of actors, musicians, writers, directors, royalties, prizes, etc.) are:

Fred Allen, \$13,000-14,000; "Amos 'n' Andy", \$7,500; Jack Benny, \$18,500; Edgar Bergen, \$11,000-12,000; Ben Bernie, \$7,500; "Big Town", \$8,500; Major Bowes, \$16,000; Burns and Allen, \$7,500; Bob Burns, \$6,000; Eddie Cantor, \$11,000; "Cavalcade of America", \$5,500; "Spotlight Bands", \$10,000; Ford Concerts, \$11,000; Gillette Boxing Bouts, \$175,000; Helen Hayes, \$7,500; "Hollywood Premiere", \$5,000; Bob Hope, \$10,500; "Information Please", \$8,500;

Also, "Kraft Music Hall", \$11,000-12,000; Kay Kyser, \$7,000; "Lux Radio Theatre", \$8,500-11,000; "Maxwell House Coffee Time", \$9,500; "Fibber McGee", \$7,500; Metropolitan Opera - Lump sum of \$250,000 paid for season of 16 broadcasts; "Millions for Defense", \$4,500-5,000; "Pause That Refreshes", \$6,000-7,000; Al Pearce, \$8,500; "Prudential Family Hour", \$8,500; "Screen Guild Theatre", \$13,600; Red Skelton, \$5,500; "Silver Theatre", \$6,000; Kate Smith Hour, \$10,000; Phil Spitalny, \$5,500; "Telephone Hour", \$7,500-8,000; "Three-Ring Time" (Milton Berle-Chas. Laughton), \$7,000; "Time to Smile", \$11,000; Rudy Vallee, \$9,500-10,000; Fred Waring, \$12,000; Orson Welles, \$8,000; and Walter Winchell, \$5,000.

X X X X X X X X

Ten awards of \$15 each have been presented by the Columbia Broadcasting System to elementary and secondary school teachers who reported interesting and valuable ways in which the "School of the Air of the Americas" has been used in classrooms. The contest was arranged with the cooperation of the Department of Classroom Teachers of the National Education Association.

X X X X X X X X X X

## RADIO MANUFACTURERS RESCIND FOREIGN COMPETITION ACTION

A bulletin of the Radio Manufacturers' Association dated September 19, 1941, contained a Report on Foreign Competition made by an RMA special Committee, dated September 17, 1941, with a notation thereon that the report had been unanimously approved by the Radio Manufacturers' Association's Executive Committee on September 18, 1941, and a further reference was made to this subject in the bulletin of September 25th.

At a meeting of the Association's Executive Committee, held on October 15, 1941, at which all members present voted in the affirmative except two present and not voting, a resolution was passed rescinding all previous approval action on this report. This act of rescission was approved by the Board of Directors of the Association at a subsequent meeting on the same day, with instructions not to carry out the recommendations or proceed with the subject matter.

The Foreign Competition report urged the Government to clamp down on "the practice of supplying foreign competitors with materials to compete with and destroy the business of bona fide American manufacturers". The action was supposed to have been directed against the Philips Company of The Netherlands, which, having been forced to leave that country, has established itself in Latin-America and is having some of its sets built in the United States.

X X X X X X X X X X

A C O R R E C T I O N

We are indebted to an official of the General Electric Company for the following:

"I feel sure you won't mind a comment on one of the items that appeared in your September 23 issue. On page 9 you state that Station WRUL 'now is the strongest shortwave unit in the Western Hemisphere'. This we believe to be contrary to fact. I am told that WRUL is now operating at 50,000 watts, while WGEO here in Schenectady is operating at 100,000 watts. If you will check the F.C.C. records, I believe you will find that WRUL has never been licensed to operate at more than 50,000 watts.

"I am writing this, not to suggest a correction, but merely in the interests of greater accuracy in the future."

Correct!

FCC says "No. WRUL has never been licensed to operate on more than 50,000 watts."

R. D. H.

X X X X X X X X X X

## FCC REVISED RULES ASSURE FAIR COMPETITION, SAYS MBS

Analyzing the Federal Communications Commission's recent revision of its chain broadcasting regulations, a second "White Paper" prepared by the Mutual Broadcasting System contends that the Commission's order as modified October 11, 1941, has for the first time inaugurated an era of fair and equal competition so that in the future the success of a network will depend not on artificial restraints and unreasonable control over station independence but on its ability to furnish superior service to its affiliate stations, to the public, and to the advertiser.

Mutual's Second White Paper is signed by Fred Weber, General Manager, W. E. Macfarlane, President, and Alfred J. McCosker, Chairman.

"Never again will the public awake to find that a successful and popular program which it has been receiving regularly for weeks or months has suddenly disappeared from the radio dials in the community because another network, exercising arbitrary privileges under a contract, has decreed that the affiliate station must carry another and later program for which it has arranged", the "White Paper" continues. "No longer will there be contraction of additional network service because stations have been forced to cancel programs thus causing the termination of permanent lines providing additional choice of sustaining and commercial programs to those important communities with less than four stations.

"Henceforth an advertiser will be free to make his decision wholly on the merit of the facilities. No longer will it be possible for a network to go to the advertiser and state that the advertiser's purchase of another network at the same identical hour would result in the withdrawal of his program from the air in many important 3-station cities. No more will a network and an advertiser, who, for example, have in good faith entered into an arrangement for a nightly half-hour program and have secured acceptance of the program by the network's affiliates, be subjected to the indignity and the economic loss resulting from having the continuity of the program interrupted one, two, or more nights a week or of having the program completely forced off the air in important 3-station cities, by the action of another network acting under existing option-time contracts and, by threats of litigation or loss of network affiliation, compelling the stations in such cities to accept another advertiser's program (secured, perhaps, by rate concessions and designed largely, if not entirely, to injure the first network and the advertiser who has elected to do business with it).

"The dire prophecies of some of the industry's self-constituted spokesmen are without basis in fact and will never materialize. The Commission's action will tend to promote and not to injure a truly American system of broadcasting. There will be no chaos, no disruption of operations, no deterioration in service, no impairment in cooperation by broadcasters in national defense, no paralysis of freedom of the air, and no danger of government

operation. There will be every incentive toward improvement in service through healthy competition and its encouragement of incentive, ingenuity and resourcefulness in accordance with the American traditions. \* \* \* \* \*

"No one, including Mutual, would go so far as to assert that the revised regulations are without possible defect or that further amendments may not prove necessary in the light of practical experience, although it is doubtful that any major change will be required. \* \* \* \* \*

"If such contingencies should arise, Mutual will again take steps to bring the need for further amendments to the attention of the Commission. "

X X X X X X X X X

SEE NEW IB ORGANIZATION AS FURTHER JAB AT NAB

In one quarter the recent organization of Independent Broadcasters, Inc., at Chicago was regarded as just another evidence of dissatisfaction on the part of stations with the National Association of Broadcasters.

"The National Association of Independent Broadcasters was organized because certain broadcasters felt that the National Association of Broadcasters wasn't doing the job and because they believed that NAB was dominated too much by the networks", a broadcaster commented. "I think you will find that the NIB will be a sort of holding company for Independent Broadcasters, Inc. It is about the same crowd that attended the NIB convention, addressed and encouraged by Chairman Fly at Chicago. IB, Inc., or the "Major Markets Group", as they originally called themselves, has been organized to represent certain commercial interests of the independents which a national association couldn't very well do, such as copyright and ASCAP matters, opposition to super-power, labor unions, and so on. It is really a trade association.

"The NIB can only speak in general and on non-controversial matters for its members, that is to say, presentations to the FCC for the group as a whole, appearances before Congress, and other more or less non-commercial matters upon which the entire group is in accord. It was the original intention that NAB should develop in this manner, but it didn't do so."

Eugene Pulliam of WIRE, Indianapolis, was Chairman and organizer of IB, Inc. at Chicago. Organizational and membership committee chosen was headed by Walter Damm of WTMJ, Milwaukee, and included Henry Slavik, Ronald Woodyard, William O'Neill, Campbell Arnoux; Copyright Committee which met with ASCAP leaders in New York was comprised of Hoyt Wooten, John Gillin, Stanley Hubbard, Ed Craney and Hulbert Taft. On the Super-Power Committee are John Shepard, III, John Kennedy, William Scripps, Ed Craney and Luther Hill.

X X X X X X X X X

It was reported that those assembled in Chicago to organize IB, Inc. represented upwards of 60 stations. There are to be 12 Directors. Stations allied with networks will have equal voting power so that no one network will be able to dominate the organization.

X X X X X X X X X

## ACTION OF THE FEDERAL COMMUNICATIONS COMMISSION

Applications Granted: Modification of license to increase power to 500 watts daytime granted to KVAN, Vancouver Radio Corp., Vancouver, Wash.; now operates on 910 kilocycles, 250 watts daytime only; WRGB, General Electric Co., Schenectady, N. Y., granted construction permit in accordance with provisions of forfeited permit, for television broadcast station with completion date as Dec. 31; W8XAL, The Crosley Corp., Mason, Ohio, granted extension of special experimental authority to international broadcast station W8XAL to operate on 6080 kilocycles, 1 kilowatt night and day; share with WLWO using emission AO and A1, for the period November 1, 1941, to November 1, 1942; WBYN, Brooklyn, Inc., Brooklyn, N. Y., construction permit in part, to install new transmitter (transmitter formerly used by WVFW), increase power from 500 watts, unlimited, to 500 watts night, 1 kilowatt day, unlimited; KFAR, Midnight Sun Broadcasting Co., Fairbanks, Alaska, granted authority to rebroadcast certain sponsored programs from International Station WRCA, on a commercial basis for the period ending December 6, 1941.

Also, W59C, WGN, Inc., Chicago, Ill., granted extension of special temporary authority to operate frequency modulation station W59C commercially on 45900 kilocycles with power of 3 kilowatts, on a temporary basis only for a period beginning Oct. 21, 1941 and ending not later than December 19, 1941, subject to determination of the issues in the hearing on Commission Order No. 79, pending completion of construction; WABA, Agricultural Broadcasting Co., Chicago, Ill., granted extension of special temporary authority to operate a special laboratory transmitter as a relay broadcast station on 39820 kilocycles with power of  $\frac{1}{2}$  watt in order to record on the ground and to rebroadcast over WLS the human voice and the rate of the heart beat, and other scientific data during a free fall in the air prior to the opening of a parachute, for the period beginning October 24, 1941, to not later than November 22, 1941; WEGA, Agricultural Broadcasting Co., Chicago, Ill., granted extension of special temporary authority to operate relay station WEGA with crystal controlled 50 watt transmitter aboard Lockheed Lode-star stratosphere plane, for testing purposes and also to relay to Station WLS information in connection with parachute jumps to be made by Arthur Starnes between Oct. 21, 1941 and Nov. 19, 1941 only.

Applications Received: KVI, Puget Sound Broadcasting Co., Inc., Tacoma, Wash., construction permit to install new transmitter and increase power from 5 kw to 5 kw night, 10 kw day (570 kc.); KABC, Alamo Broadcasting Co., Inc., San Antonio, Texas, construction permit to install new transmitter, changes in antenna system, change frequency from 1450 to 1470 kc., and increase power from 250 w. to 500 w. night, 1 kw day.

X X X X X X X X X

10/24/41

::: \_\_\_\_\_ :::  
::: TRADE NOTES :::  
::: \_\_\_\_\_ :::

Two more stations are joining the NBC Blue Network within the next two months. They are KTKC, Visalia, California, and WFTC, Kinston, North Carolina.

-----  
William B. Bartlett, trading as Champion Battery Co., 549 West Washington St., Chicago, engaged in the sale and distribution of a so-called sales stimulator plan, has been ordered by the Federal Trade Commission to cease and desist from the use of unfair and deceptive acts and practices in commerce. The respondent is also ordered to cease using the word "Champion" to describe his products, or otherwise representing that his products are the products of the Champion Spark Plug Company of Toledo, Ohio.

-----  
Two new CBS Sectional Educational Directors have been appointed by Sterling Fisher, Columbia Network Education Director. Lloyd W. Dennis, Program Director at WJSV, CBS's Washington station, is to supervise Columbia's education activities in the East. Robert R. King, of KTSA, Columbia's station in San Antonio, Texas, is the new Educational Director for the Southwest.

-----  
A story that a container of acid large enough to burn out the wiring in the control room had been found in the National Broadcasting Building in New York causing a "bomb scare" was declared unfounded by John McKay, Manager of NBC Press Department.

-----  
First in a series of awards by Harper and Brothers, publishers of Norman Weiser's "Writer's Radio Theater", has been won by the CBS Kate Smith Hour and Jean Holloway, one of its most prolific dramatic writers.

-----  
The contents of the RCA Review for October are:  
"A Survey of Research Accomplishments with the RCA Electron Microscope", G. A. Morton; "Receiver Control by Transmitted Signal - 'Alert Receiver'", Harmon B. Deal; "A Two-Side Non-Turnover Automatic Record Changer", B. R. Carson; "A Method and Equipment for Checking Television Scanning Linearity", Vernon J. Duke; "A Modern Control Room for a Commercial Radio Transmitter Central", L. E. Fletcher and C. L. Kennedy; "The Development of a Frequency-Modulated Police Receiver for Ultra-High-Frequency Use", H. E. Thomas; "Photography of Cathode-Ray Tube Traces", H. F. Folkerts and P. A. Richards; "A Simplified Television System for the Radio Amateur and Experimenter", L. C. Waller and P. A. Richards; Technical Articles by RCA Engineers.

X X X X X X X X X X X

10/24/41

TRAMMELL AGAIN EXPLAINS NBC STAND RE BMI

Following is the text in part of a letter sent to Neville Miller, President of the National Association of Broadcasters, by Niles Trammell, President of the National Broadcasting Company:

"Some broadcasters have requested that we clarify the position of the National Broadcasting Company with reference to BMI. We made the following statements at meetings of the NAB Board of Directors and the NAB Executive Committee, and I am pleased to restate them to you at this time.

"NBC believes that there should always be an open, competitive market in music and that no one licensing agency should be permitted to become or remain the sole source of supply of the music so necessary to the continued existence of broadcasting. BMI was formed for the purpose of establishing such an open and competitive market.

"While the execution of the proposed ASCAP agreements will make available to broadcasters a considerably larger catalogue of musical compositions than is currently available, the open, competitive market in music which has now been established can be maintained only by the continuance of BMI and other licensing organizations.

"NBC sincerely hopes BMI will be continued and will be happy to do its part in this connection. You may, therefore, consider the following a firm offer on the part of NBC, subject to acceptance by BMI on or before March 1, 1942.

"NBC will execute license agreements with BMI, which shall --

- (a) run concurrently with its proposed ASCAP license agreements;
- (b) provide for payments to BIM in the same amounts as those currently being made, so long as the BMI revenue and expense budget remains the same; and
- (c) provide for an increase or decrease in such payments dependent upon and proportionate to any increase or decrease in the BMI revenue and expense budget.

"So long as BMI music continues to be made available to NBC, NBC will not discriminate between it and the music of other licensors. Assuming the continued high quality of BMI music, this should assure its continued popularity."

X X X X X X X X X X

# HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.

NATIONAL BROADCASTING COMPANY, INC.  
GENERAL LIBRARY  
30 ROCKEFELLER PLAZA, NEW YORK, N. Y.

*2* *OK*

RECEIVED  
OCT 1 1941  
FRANK E. MULLEN

## INDEX TO ISSUE OF SEPTEMBER 30, 1941

Newspaper Comeback Proves FCC Headache.....	2
Because of Service To U.S. NIB Would Bar Radio Tax.....	4
IRE-RMA Rochester Meetings Nov. 10.....	5
Amateur Licenses Extended.....	5
Multiple Ownership Hearings To Be Expedited.....	6
Don Lee To Televisе News Photos.....	7
FCC Chairman Takes Up Priorities Cudgel.....	8
FCC Action.....	8
Large FM Station To Be Built On Carolina Mountain.....	9
Hearing FM Best Tells What It Is, Says Col. McCormick.....	10
BBC Overseas Broadcasts On Winter Schedules.....	10
Trade Notes.....	11
Our Priority System Needlessly Drastic, Say Canadians.....	12

No. 1367

September 30, 1941

## NEWSPAPER COMEBACK PROVES FCC HEADACHE

The forceful manner in which the newspapers defended themselves and the poor case made against them by the Federal Communications Commission indicates a victory for the papers. According to an authoritative source, the FCC majority, which originally voted for the investigation, feels that it has been thoroughly "licked" and was particularly embarrassed by the Commission making out such a poor case and the inexcusable weakness of the Commission lawyers.

A guess was ventured that as a result of the fiasco, few restrictions would be made with regard to the issuance of FM licenses to the newspapers whose applications are now pending. One of these might be that no license would be issued to a newspaper when it was the only paper in town and had the only station. This, it was explained, would be based on the old Port Huron case back in '38 when the Commission favored a non-newspaper applicant for a radio station in that city because it would afford the community "a medium of the dissemination of news and information to the public which will be independent of and afford a degree of competition to other such media in the area".

Mr. Fly stated definitely in his St. Louis speech that whatever new regulations were made, if any, would be confined entirely to FM newspaper licenses issued in the future and would not affect licenses already granted.

Those who originally voted to "put the newspapers on the spot" were Chairman Fly and Commissioners Thompson, Walker and Payne. Those against it were Commissioners Craven and Case.

It was reported that the investigation was instigated by President Roosevelt who still felt the sting of the newspaper opposition to him in the last presidential election. Whether this was true or not, certainly Chairman Fly was strong for it. Considerable surprise was expressed that Commissioners Payne and Thompson, both former newspaper men, voted for the inquiry. Commissioner Thompson is now out of the picture, his term having expired, but Mr. Payne is said to have told friends that he favored the hearing because of the desire of Mr. Fly to thresh the thing out, Payne simply wanting to "see what all the shooting was about".

Judging from the apparently more or less disgusted attitude of Mr. Payne at the exhibition the Commission lawyers made of themselves, it is pretty safe to say that he will be found voting with Messrs. Craven and Case. This would make it a tie if the others voted as previously. Thus a single vote could now probably be the deciding factor.

One Commissioner expressed the greatest impatience over the attitude of the FCC not only towards newspapers but other interests.

"Just why the Commission had to stick its neck out and antagonize the newspapers is more than I can see. First they antagonized the biggest radio manufacturing companies in the business by blocking television, then they antagonized the biggest broadcasting networks by the sweeping network regulations, and then they antagonized the newspapers by cracking down on the newspaper-owned stations. That about makes it unanimous."

The newspaper-radio hearings will be resumed Thursday, October 2, when the press association and network phases will be gone into. It was said at the Commission that the hearings would last several weeks longer, several days each week.

Chairman Fly was asked at his press conference last Monday if it wasn't unusual for the Commission to go into the files of the stations as in the newspaper investigation. The Chairman said there was nothing out of the ordinary in this procedure. In every such case that is the way to carry it on. He further said that he didn't see how a case like this could be run without access to the files.

The questioner wanted to know the main objection to a newspaper owning a radio station, adding: "If you are going to condemn a newspaper for owning a station on the basis that they are two media of dissemination of news, then why not condemn an individual newspaper covering a single area on the basis that there is but one medium of expression for that area?"

Mr. Fly inquired if the newspaper man was asking whether we should abolish a single newspaper where that is the only expression of news?

"You can always carry a theory to the extreme and make it appear to be a vicious theory", Mr. Fly said. "I don't think you establish anything by taking it to extremes. The question is where there is more than one medium of expression whether public interest is served by having them concentrated in single hands."

Mr. Fly thought the situation where there was only one newspaper and no station in a community unfortunate, but saw nothing to do about it except hope for additional media of expression in the future.

X X X X X X X X X X

NBC's International Division broadcasts covers news from home for the benefit of Uncle Sam's forces in the Navy, Army and Air services. In addition to the many programs sent abroad on a regular schedule, special feature broadcasts are recorded and sent over the directional beam antennas at an hour of the day most likely to insure a good listening audience.

X X X X X X X X X X X X

## BECAUSE OF SERVICE TO U.S. NIB WOULD BAR RADIO TAX

Because there is no Government subsidy as in other countries, and because of the free service it gives the Government, especially in such an emergency as this, and since it is already being taxed, the National Independent Association of Broadcasters at its St. Louis convention urged that the radio industry not be subjected to a special tax. They also opposed negotiations between the networks and ASCAP on new copyright contracts, primarily because of affiliate station requirements.

## Other NIB resolutions included:

That NIB expects BMI to develop a workable per-program and per-piece contract which will not contain such onerous reporting requirements as to force acceptance of a blanket contract, and also to provide an alternate blanket license agreement; and that NIB also expects BMI to continue to be operated for the benefit of the industry and of the individual stations which have contributed to its creation, its finances and its success.

That since there are grave doubts that the proposed licenses on a per-use basis proffered by ASCAP and BMI meet the spirit and intent of the consent decrees, the Department of Justice be urged to take all necessary and appropriate steps to compel strict compliance.

That after deliberate consideration, the association feels that the granting of superpower in excess of 50,000 watts would not be in the interest of public defense, is economically unsound, and would impair the effectiveness of service now being presented by various governmental agencies.

That the FCC be requested to give due consideration to the economics of broadcasting in all applications for new stations.

That steps be taken to expedite and secure priority ratings which will enable stations to obtain equipment necessary to furnish proper broadcast service to the public.

That NIB bylaws be amended to eliminate the requirement of NAB membership as a condition precedent to NIB membership.

X X X X X X X X

Station WABA, Agricultural Broadcasting Co., Chicago, Ill., will operate a special laboratory transmitter as a relay broadcast station on 39,820 kilocycles with power of  $\frac{1}{2}$  watt in order to record on the ground and to rebroadcast over WLS, the human voice and the rate of the heart beat, and other scientific data during a free fall in the air prior to the opening of a parachute for the period September 24, to Oct. 23.

X X X X X X X X X X

## IRE-RMA ROCHESTER MEETINGS NOV. 10

The annual joint engineering meeting of the Institute of Radio Engineers and the Radio Manufacturers' Association will be held at Rochester, N. Y., beginning November 10. Unusual interest is being manifested because of the added engineering problems, due to shortages and substitutions of material caused by the National Defense Program, and these problems will be prominent in the discussions at Rochester.

Virgil M. Graham, of Emporium, Pa., and A. F. Van Dyck, of New York, are the nominees for the presidency of the Institute of Radio Engineers.

Meetings of many RMA engineering committees and subcommittees, including the Materiel Bureau, will be held, and several hundred radio manufacturers and executives are expected to attend.

The annual stag dinner, with L. C. F. Horle presiding as Toastmaster, will be held Tuesday evening, November 11, and the annual message of Dr. W. R. G. Baker, Director of the RMA Engineering Department, will be delivered at the Tuesday morning session. Arrangements for the IRE-RMA Rochester meetings are in charge of Harold P. Westman, Secretary of IRE, and Mr. Graham, Assistant Director of the RMA Engineering Department.

X X X X X X X X X

## AMATEUR LICENSES EXTENDED

The Federal Communications Commission has ordered that all amateur radio station and amateur radio operator licenses which by their terms have expired or will expire during the period July 1, 1940, to December 31, 1941, inclusive, and for which applications for renewal have not been granted or denied prior to the effective date be extended in respect to each such license until such further action as the Commission may take upon application for renewal or otherwise, but in no event beyond December 31, 1941;

Provided, however, that this extension is granted only to such amateur licensees as have submitted or do submit a proper application for renewal in accordance with the Rules and Regulations of the Commission and have complied or do comply with the requirements of Commission Order No. 75.

Provided further, that this extension shall not apply to licensees whose licenses have been or, prior to December 31, 1941, may be revoked, suspended or designated for hearing.

X X X X X X X X X

## MULTIPLE OWNERSHIP HEARINGS TO BE EXPEDITED

Everything will be done to speed up the oral arguments before the Federal Communications Commission beginning Monday, October 6, on the proposed order banning multiple ownership of broadcast stations in the same area. At first Chairman J. L. Fly said he didn't think the hearings would last more than a day. When told that sixteen briefs had been put in, the Chairman said that it might very well run several days.

According to an announcement by the Commission yesterday, September 29, briefs and appearances had been filed by the following:

Oregon Publishing Co. (KGW and KEX), Portland, Ore., represented by John C. Kendall, Ben S. Fisher, and Charles V. Wayland; Buffalo Broadcasting Corp., Buffalo, represented by former Congressman Frank D. Scott; Westinghouse Radio Stations, Inc., (WOWO and WGL), Fort Wayne, Ind., represented by Donald C. Swatland, and Richard H. Wilmer; Johnson Kennedy Radio Corp. (WIND), Gary, Ind., and WJJD, Incorporated (WJJD), Chicago, represented by former Assistant Attorney General Mabel W. Willebrandt; Louis Wasmer, Inc., (KHQ and KGA), Spokane, represented by John C. & John W. Kendall, Fisher & Wayland; Reading Broadcasting Co. (WRAW) and Berks Broadcasting Co. (WEEU), Reading, Pa., represented by George C. Sutton and Arthur H. Schroeder; Delaware Broadcasting Co. (WILM), and W D E L, Incorporated (WDEL), Wilmington, Del., represented by George O. Sutton and Arthur H. Schroeder, and Gene T. Dyer, represented by Andrew G. Haley.

Also, Pittsburgh Radio Supply House (WJAS) and K Q V Broadcasting Co. (KQV), Pittsburgh, represented by George O. Sutton and Arthur H. Schroeder; West Virginia Broadcasting Corp., (WWVA), Wheeling, West Va., and Monongahela Valley Broadcasting Co., (WMMN), Fairmont, West, Va., represented by H. L. Lohnes and F. W. Albertson; National Broadcasting Co., Inc. WJZ and WEAJ, N. Y. City, WMAQ and WENR, Chicago, WRC and WMAL, Washington, and KPO and KGO, San Francisco, represented by D. M. Patrick and P. J. Hennessey; Massachusetts Broadcasting Corp. (WCOP), and Broadcasting Service Organization, Inc., (WORL), Boston, represented by Ben S. Fisher; International Broadcasting Corp. (KWKH) and Tri-State Broadcasting System, Inc., (KTBS), Shreveport, La., represented by George B. Porter and Ben S. Fisher; Fisher's Blend Station, Inc., (KOMO & KJR), Seattle, represented by Donald G. Graham, Ben S. Fisher, C. V. Wayland, C. F. Duvall; Evansville On The Air, Inc., (WGBF & WEOA), Evansville, Ind., represented by Henry B. Walker.

Although only sixteen briefs were filed, more than forty communities would be affected by the new order. The NBC is more concerned than anybody else because it has two stations each in New York, Chicago, Washington and San Francisco, contended in its brief that the Commission has no authority to adopt a regulation of the type proposed. It held also that no provision of the law expressly authorizes the enactment of the regulation and that it is not necessary to the exercise of any power expressly conferred upon the Commission.

Even if authority had been conferred upon the Commission to enact the multiple ownership rule, the proposed regulation is "too vague, indefinite and uncertain to constitute a valid regulation", NBC insisted. Because it is impossible to determine from the language of the regulation proposed "who, and what, is meant to be included within its prohibitions", NBC said, "we submit that it is fatally defective".

In conclusion, the network contended the Commission has no power under the Act to adopt any regulation of the character proposed and that if it had, the regulation as now phrased would not constitute a valid exercise of such power.

Contending that the two stations enjoy no monopoly of programs or facilities in Chicago, the brief of Mabel Walker Willebrandt, former Assistant Attorney General, representing WJJD, Chicago, and WIND, of nearby Gary, Ind., whose owner is Ralph L. Atlass, recited that the total amount of business done by them is approximately 10% of the gross net time sales for the Chicago area. If after a survey the Commission reaches the conclusion that a dual ownership rule should be adopted, Mrs. Willebrandt contended that it should be so worded as not to prevent the continued dual ownership or control of stations "where actually there is no monopolistic result and where the public is being benefitted".

Such a rule, she said, would give the Commission greater administrative flexibility in policing monopolistic practices. Each station or group of stations could be made the subject of study. In cases where question arises as to public interest, such stations could be set for hearing on applications for renewal of license and each case determined on its merits after hearing, she concluded.

X X X X X X X X X X

#### DON LEE TO TELEVISION NEWS PHOTOS

A television photonewscast using pictures from current International News Photo syndicate releases will be the subject of an experiment to be tried on Don Lee Television Station W6XA Thursday evening, October 2, at 8:30 P.M., PST, it was announced by Thomas S. Lee, owner-operator of the new \$200,000 studio on a mountain above Hollywood.

Scores of photographs selected from hundreds made by photographers all over the world and supplied by special arrangement to W6XA) will be placed before the camera lens at the television studio while a commentator will voice specially prepared caption material from a telescript. Harry R. Lubcke, Director of Television is supervising production of the first television Photonewscast which will feature pictorial stills of war, sports, fashions and Hollywood personalities.

Sound effects, musical themes and other facilities of the telecasting art will be used in making the presentation.

X X X X X X X X

## FCC CHAIRMAN TAKES UP PRIORITIES CUDGEL

Expressing a desire to assist broadcasters in securing essential materials during the present emergency, Chairman James L. Fly, discussing this situation, said:

"As many of you know, during the past summer the manufacturers of radio receivers were faced with a crisis by reason of a shortage of metals. I felt that a curtailment of receivers and hence of listeners would adversely affect the morale and national defense, and so, in cooperation with the progressive leadership of the Radio Manufacturers' Association, I called the attention of both the OPM and APACS to the strategic importance of broadcasting in national defense.

"The immediate priorities crisis which the receiver manufacturers faced has been averted; but as you know the problem is a continuing one. It affects transmitter equipment as well as receivers. Some of you may be familiar with the recent case of Station WIBC at Indianapolis, which blew out both its regular 5 kilowatt tube and its spare. Unable to get a replacement tube, it has been forced temporarily to operate with the only tube available -- a 1 kilowatt tube. Such a case brings the priorities problem home to us.

"I have no pat solution to offer to this problem. But I want to point to its urgency, and to assure you that the Commission stands ready to cooperate in seeking a solution.

"As one step towards a solution, the Defense Communications Board has established a special priorities committee. The primary purpose of this Priorities Liaison Committee is to cooperate with and assist the priorities allotment officials. The Committee will be concerned with telephone, telegraph, and radio communication priorities as well as broadcasting."

X X X X X X X X

## FCC ACTION

Everett L. Dillard, tr/as Commercial Radio Equipment Co., Kansas City, Mo., granted construction permit for new high frequency (FM) broadcast station to operate on 44,900 kilocycles, with a service area of 4,400 square miles; W6XHT, Hughes Productions Division, of Hughes Tool Co., San Francisco, Calif., modification of construction permit as modified for a new television broadcast station, requesting extension of commencement and completion dates from 4-15-41 and 10-15-41 to 12-15-41 and 6-15-42, respectively; W6XHH, same as above (Hughes) Los Angeles, Calif.; WAWZ, Pillar of Fire, Zarephath, N. J., granted construction permit subject to proof of performance and taking care of complaints in blanket area, to install new transmitter, increase power to 5 kilowatts day, using

directional antenna day and night. Station now has 1 kilowatt day and night, S-WBNX on 1380 kilocycles.

Applications Receives: WWSW, Walker and Downing Radio Corp., Pittsburgh, Pa., construction permit to install new transmitter, directional antenna for day and night use, change frequency from 1490 to 970 kilocycles, increase power from 250 watts to 1 kilowatt night, 5 kilowatts day and move transmitter; amended to increase power to 5 kilowatts and make changes in proposed directional antenna; John and Marcia Arrington, d/b as Arrington & Arrington, Roanoke, Va. construction permit for a new broadcast station to be operated on 1240 kilocycles, 250 watts and unlimited hours; WHCU, Cornell University, Ithaca, N. Y., construction permit to install new transmitter, directional antenna for night use, change frequency from 870 to 640 kilocycles, increase power from 1 to 5 kilowatts, and change hours of operation from limited WWL to unlimited hours; KIDO, Boise, Idaho, construction permit to increase power from 1 kilowatt night, 2½ kilowatts day to 5 kilowatts and install new transmitter (1380 kc.).

X X X X X X X X X X

#### LARGE FM STATION TO BE BUILT ON CAROLINA MOUNTAIN

Gordon Gray of Winston-Salem, N. C., has announced that authorization has been granted by the Federal Communications Commission for the operation of frequency modulated station W41MM that "probably will be one of the largest stations of its kind in the world".

Operation of the station, which will be erected on Mount Mitchell, in Western North Carolina, the highest mountain east of the Rockies, is expected to begin late in the Fall.

Mr. Gray, publisher of the Winston-Salem Journal-Sentinel said the station received an authorization to operate on a temporary basis of 3,000 watts, but that the ultimate power of the station would be 50,000 watts.

The top of the antenna will rise 6,885 feet above sea level, 200 feet higher than the summit of Mount Mitchell. The calculated area within the 50-microvolt contour is approximately 70,000 miles, covering parts of seven States. Programs will be transmitted from Winston-Salem by frequency modulated relays.

"The erection of the station", Mr. Gray said, "was undertaken because of active interest in the many organizations and projects engaged in the promotion of economic and cultural developments in the South. I believe that F.M. broadcasting stations of this power and coverage operated from Winston-Salem will be of great value in furthering these public services".

X X X X X X X X

## HEARING FM BEST TELLS WHAT IT IS, SAYS COL. McCORMICK

Speaking at the dedication of the Chicago Tribune's new high frequency (FM) station W59C recently, Col. Robert R. McCormick, publisher of the paper, who is also making quite a name for himself as a radio speaker, said:

"A natural question would be 'What is this new method of transmission and what is FM?' A question easier to answer by hearing than by simply telling.

"Radio by the FM method will provide you with program service in your home, free from interference; free from the crash of lightning; free from the noise of nearby electrical instruments; free from the hum and buzz of natural or man made static - the four freedoms.

"Moreover, it carries the entire range of sound which the human ear is capable of hearing. Music becomes perfectly rounded and balanced. The notes of the highest register and the lowest register are audible in perfect clarity. The human voice, or sounds you hear about you in life, are undistorted. FM is sound exactly as you hear it. In music it conveys the instrumental tones as you hear them in this room.

"There is much more that the technician - the engineer - could tell you about FM, and no more that I could tell you. My recommendation to you is - listen to it, and over our station.

"Tonight I wish to salute our new station - W59C, and welcome it to our family enterprise. Like The Tribune, and like W-G-N, I dedicate it to service for the public in its particular field."

X X X X X X X X

## BBC OVERSEAS BROADCASTS ON WINTER SCHEDULES

Revised program and frequency schedules will come into operation in all four transmission periods of the BBC's Overseas Service in English on October 5.

Retimed (4:15-11:45 P.M. EST), the North American Service will open 55 minutes earlier than before and so brings to Canada and the U.S.A. each night seven and a half hours' continuous broadcasting from "the island fortress". Many of the regular items will be heard at new times, the replanned schedule of the chief daily broadcasts being: 5:45 P.M. (EST)- News; 5:55 P.M. - News Analysis; 6:00 P.M. - War Commentary; 6:15 P.M. - News in French; 6:30 - "Canada Calls from London"; 7:45 - "Democracy Marches" (repeat at 11:15); 8:00 - News; 8:10 - "Listening Post"; 8:30 - "Britain Speaks"; 9:00 - Headline News and Views and "Flashback"; 10:30 - "Radio News-reel"; "Front Line Family" will be broadcast from Mondays to Fridays inclusive at 4:30.

X X X X X X X X X X

: : :  
: : : TRADE NOTES : : :  
: : :  
-----

W2XYU, Columbia Broadcasting System, New York, was granted special temporary authority to use a 25-watt test transmitter on 330.4, 333.4, and 336.4 megacycles in order to conduct antenna and propagation tests from either the Salmon or CBS Building in New York City in connection with proposed operation of ST Broadcast Stations W2XYN, W2XYO and W2XYP for period of 30 days.

-----

Majestic Radio and Television Corporation - Aug 9, 1940, to May 31, 1941; Net loss, \$189,668, net sales \$173,305.

-----

A plan is now being worked out to enlarge and equalize stock membership of Mutual among its present seven stockholders and an additional four (WFBR, Baltimore; WIP, Philadelphia; WCAE, Pittsburgh, and WGR, Buffalo). Present stockholders are WOR, New York; WGN, Chicago, the Don Lee Network of California, the Colonial Network of New England, WKRC, Cincinnati; CKLW, Detroit-Windsor, and WHK, Cleveland.

-----

The donor of the "wackeroo" which adorns the desk of Chairman James L. Fly, was Frank M. Russell, Washington Vice-President of the National Broadcasting Company. A wackeroo is something to throw when you get so mad you have to throw something.

-----

Kenneth W. Church, Sales Manager and Assistant General Manager of KMOX, St. Louis, will pack up his belongings and move over to WKRC, Cincinnati, where he will work in an executive position under Hulbert Taft, Jr. Mr. Church, a veteran in radio, has been with KMOX since 1933, having worked previously on the St. Louis Post Dispatch and the St. Louis Globe Democrat handling radio advertising.

-----

Coincident with the start of the new Fall school term, more than 260,000 copies of the teacher's manual for the thirteenth season of CBS's "School of the Air of the Americas", which opens for the 1941-42 season October 6th, are being distributed to teachers and other educators in every State in the union, in Canada, Alaska, Hawaii, the Philippines and all the Latin American countries.

-----

It is expected that the Maxine Elliott Theater on West 39th Street in New York will be taken over and used for most of the Mutual Broadcasting System's audience shows. Mutual plans to occupy the playhouse, effective November 3, when the Coca Cola series premieres. Station WOR now uses the WOR-Mutual Playhouse (New Amsterdam Roof) for many of its programs.

-----

Harper & Brothers, New York, are about to publish a volume which they think might be of interest to our readers. The book is The Writer's Radio Theatre, 1940-1941, by Norman Weiser, drama critic of the Radio Daily.

X X X X X X X X X X

9/30/41

## OUR PRIORITY SYSTEM NEEDLESSLY DRASTIC, SAY CANADIANS

Emphasizing that priorities in the United States have been criticized severely and have caused serious disturbances in civilian business, the magazine Hardware and Metal, of Toronto, expresses opposition to Washington hints for a more sweeping program in the Dominion of Canada.

"Large scale industrial production to win the war is possible without entirely 'killing the goose that lays the golden eggs' of governmental revenues", the Canadian magazine asserts.

"A few administrative officials in their zeal, and lacking business experience, are inclined to apply unnecessarily harsh regulations upon business and industry with little thought to the immediate and post-war dislocation which may result.

"In the United States particularly, there is a feeling that some priority regulations have gone much farther than necessary in throttling production of civilian needs. Now Canada is being urged to adopt the same program for fear of criticism."

The article emphasizes that the supply of certain raw materials for civilian use in the United States has been curtailed more drastically than in Canada.

"This has been due to a variety of circumstances which don't necessarily indicate any less concern in Canada about war needs than in the United States", the publication says.

The magazine contends that no more oppressive measures are needed because present Canadian priorities have accomplished their purpose of providing materials for arms industries.

"The immediate question", it says, "is whether it is essential for Canada to follow the lead of the United States and adopt a more restrictive priorities program that would create still further burdens for domestic business. There are many persons who, while not denying the urgency of war materials production, hold that the United States priorities plan is not well arranged and is proving unnecessarily burdensome to business.

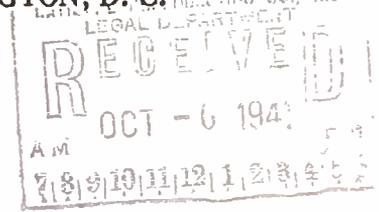
"Canada's priority program to date has been less disturbing to business, and there is little question of its general effectiveness. There would appear to be no reason for our departing from that policy and adopting a more ruthless program merely to avoid any little criticism that might be forthcoming."

X X X X X X X X X X

# HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.



~~AL-A~~  
+ A e

## INDEX TO ISSUE OF OCTOBER 3, 1941.

Census Reports 58% Furniture-House-hold-Radio Sales.....	2
What! They Didn't Thank Mr. Fly?.....	4
New Type Liberty Ship Radio Unit Simply Plugged In.....	5
Radio Companies Evidently Not Alarmed By Telegraph Unity.....	5
Rockefeller Calls Set Makers Together On S-A Situation.....	7
Charges Papers With Unfair Radio Hearings Reporting.....	7
Rochester First Under Wire On Proposed CBS ASCAP Pact.....	8
Trade Notes.....	9
FCC Action.....	10
Heavy Selenium Demand For Rectifiers Foreseen For 1942.....	11
Calls It "Nation's Bulletin Board Of Agriculture".....	11
Twice As Many Listeners Buy As Non-Listeners.....	12

No. 1368

g R  
ly p  
B s

## CENSUS REPORTS 58% FURNITURE-HOUSEHOLD-RADIO SALES

The Census of Business retail trade report presenting an analysis of commodities sold by stores in the furniture-household-radio group has just been made public. It is based upon a sample of all establishments in this classification that were enumerated in the Census of Business of 1939. Sales of the furniture stores that reported commodity analyses amounted to over 61 percent of the sales of all stores classified as furniture stores by the Bureau of the Census. Almost 31 percent of the furniture stores reported commodity analyses. Sales of the 4,718 household-appliance stores that reported commodity data amounted to over 68 percent of the sales of the 11,095 stores so classified.

The commodity coverage for radio-household appliance stores was over 58 percent, this volume of sales being reported by 29 percent of such stores. The samples for the other kinds of business in this furniture-household-radio group are as follows: Floor-coverings stores, 77.3 percent of sales and 36 percent of stores; drapery, curtain, upholstery stores, 50.7 percent of sales and 22 percent of stores; interior decorators, 55.5 percent of sales and 31 percent of stores; radio stores, 44.8 percent of sales and 8 percent of stores; radio, musical-instrument stores, 60.4 percent of sales and 36 percent of stores.

In the explanation of terms, stores selling radios are defined as follows:

Radio - household appliance stores. These stores are engaged in selling radios in combination with household appliances.

Radio stores. - These stores specialize almost exclusively in the sale of radios, television sets, and parts. Radio repair shops are classified in the Service Census.

Radio - musical instrument stores. These stores are engaged in the sale of radios in combination with musical instruments.

The U. S. summaries for radio in these various classifications for 1939 are:

COMMODITY	Stores Reporting Commodity Data	Sales of such Stores (add 000)	Reported Sales of Stated Commodity Amount Reported (Add 000)
	Num-ber		
<u>Radio Stores</u>			
United States Summary			
All stores	2,409		
Sales	\$22,901,000		
Commodity coverage	44.8 percent		
Total analyzed	181	10,252	10,252
Radio, television sets, parts	181	10,252	8,929
<u>Radio - Musical Instrument Stores</u>			
United States Summary			
All stores	502		
Sales	\$25,774,000		
Commodity coverage	60.4 percent		
Total analyzed	184	15,564	15,564
Radio, television sets, parts	184	15,564	4,976
<u>United States</u>			
All stores	6,907		
Sales	\$190,180,000		
Commodity coverage	58.8 percent		
Total analyzed	1,983	\$111,830	\$111,830
Radio, television sets, parts	1,983	\$111,830	\$111,830

The number of stores, sales, personnel and payroll of the radio-household appliance stores for cities over 500,000 is as follows:

CITY	Number of stores	Sales (Add 000)	Total No. of Employees (Average for year)	Total Payroll (Add 000)
Boston, Mass.	21	\$ 731	72	\$ 92
Chicago, Ill.	136	6,555	388	592
Cleveland, O.	45	1,966	150	215
Detroit, Mich.	76	4,995	401	640
Los Angeles, Cal.	108	4,139	323	393
New York, N.Y.	290	19,460	1,341	2,201
Philadelphia, Pa.	80	2,561	200	241
St. Louis, Mo.	37	1,210	132	132
San Francisco, Cal.	25	776	74	103

The exact title of the report is "Census of Business: 1939 - Retail Trade - Commodity Sales - Furniture - Household - Radio Group", and copies are for sale by the Superintendent of Documents, Washington, D. C. Price 15 cents.

X X X X X X X X X X X X

WHAT! THEY DIDN'T THANK MR. FLY?

A story has been going the rounds that though congratulations poured in on the National Association of Broadcasters for the fight the broadcasters made which resulted in having the \$12,500,000 tax on radio time sales killed, that a sufficient number forgot to adequately thank Chairman James L. Fly for going to the bat for them.

It seems to be generally admitted that Mr. Fly's testimony was quite a factor in having the huge levy eliminated. He called the tax "pretty dubious". This apparently friendly gesture came as quite a surprise because it followed quite a series of crack-downs on the industry by Chairman Fly. The only "fly-in-the ointment" in his Congressional plea, as it were, was that while condemning the \$12,500,000 tax, Mr. Fly also took the occasion to put in a few kind words for a franchise tax of his own which he had been nursing along. This would only call for two or three million, just enough to pay the annual expenses of the happy and rapidly growing family of boys and girls at the Federal Communications Commission, but it was nevertheless quite a drop from the amount Congress tried to extract.

"Maybe the broadcasters have since got around to thanking his nibs for what he did for them, but gratitude is a rare flower and I am told Mr. Fly was far from pleased at the initial response", a high official of the Commission observed to this writer, "and as a result of this apparent lack of appreciation, I think Mr. Fly would go pretty slow next time helping the broadcasters pull their chest-nuts out of the fire."

X X X X X X X X X X X X

## NEW TYPE LIBERTY SHIP RADIO UNIT SIMPLY PLUGGED IN

A new type of commercial marine radio equipment of revolutionary design which can be installed on board ship in one-fifth of the time usually required has been developed in connection with the emergency shipbuilding program. Among the vessels on which it is to be installed are the 312 Liberty type ships now being built by the Maritime Commission. The new unit combines in a single cabinet, radio equipment which ordinarily requires as many as twelve separate units and eliminates the intricate system of interconnecting wiring in the radio cabin. It includes all of the radio apparatus necessary for safety and communication purposes.

The new set is being manufactured by the Federal Telegraph unit of International Telephone & Radio Manufacturing Corporation. It will be available to shipbuilding companies through the Mackay Radio and Telegraph Company. Both companies are associated with the I. T. & T.

The equipment was designed by the Federal Telegraph to meet the speed requirements of the emergency shipbuilding program to do away with all wiring and other work usually done on the ships. It is practically ready to "plug in" at the power supply and radio antenna system when it arrives at the ship. This releases many hours of highly skilled labor for other National Defense work.

The combining of all apparatus in a single cabinet also means an important saving in space on the ship.

The fact that all installations are standard is expected to speed considerably the training of new operators. Each switch and each button is in exactly the same place on every ship carrying the equipment.

X X X X X X X X

## RADIO COMPANIES EVIDENTLY NOT ALARMED BY TELEGRAPH UNITY

There is no apparent alarm in the radio-telegraph industry at the recommendation of a Senate Interstate Commerce sub-committee that the Communications Act be amended to permit a merger of domestic telegraph companies of the nation and an independent merger of American-owned international telegraph facilities.

It was pointed out by a radio telegraph representative that if there were a merger between the Western Union and the Postal that the Western Union would continue to operate the cables but that evidently there was no clause permitting the merger companies in the foreign service to continue domestic services. This referred to R. C. A. Communications and Mackay companies handling domestic radio telegrams between cities in the United States where they have offices of their own.

It was said that the Senate subcommittee evidently misjudged the value of having the domestic offices to pick up foreign messages and apparently contemplated their discontinuance of handling of domestic telegrams.

This brings to mind that last May Chairman James L. Fly of the Federal Communications Commission advocated the abandonment of domestic (inter-city) radio telegraph in the United States. This was vigorously opposed by radio telegraph representatives. Among these was W. A. Winterbottom, Vice-President and General Manager of R.C.A. Communications, Inc., who when he appeared before the Senate Interstate Commerce subcommittee, said in his general conclusions:

"If Congress should adopt new legislation which may result in mergers or a monopoly in the domestic telegraph field, but not in the international telegraph field, I cannot urge upon you too strongly the importance from the standpoint of the nation and the public of safeguarding the competing carriers in the field of international communication against destruction or deterioration by putting them between the pressures which can be exerted by monopolies abroad and the pressures which can be exerted by a monopoly at home. This can be avoided by prohibiting any domestic merger from owning, controlling or engaging in international communication services and by requiring, as suggested by Chairman Fly, that all outgoing international traffic shall be divided among the international carriers in the proportions in which they turn over incoming messages to the domestic monopoly for delivery. Unless these safeguards are provided, there is nothing surer than the ultimate destruction of the services of the competing carriers engaged in the international field, and of their ability to carry on further research and development.

"If there are to be mergers or monopolies, let there be two distinct monopolies; one in the domestic field and the other in the international field. Then all questions of international traffic distribution would disappear automatically and the single American international carrier would meet foreign governments and carriers on an equal footing as to bargaining power."

Among the Senate subcommittees recommendations last Tuesday were the following:

"There should be no requirement that the domestic or international mergers be carried out simultaneously or at all.

"The legislation should define 'domestic' and 'international' operations and should not prevent the inclusion of all existing operations of any domestic carrier which may be engaged partially in international telegraph communication, and should empower the FCC eventually to permit the merged domestic carrier to restrict itself solely to domestic operations if found to be in the public interest.

"The merged companies should be required to be of the simplest possible financial structure."

X X X X X X X X

## ROCKEFELLER CALLS SET MAKERS TOGETHER ON S-A SITUATION

Considerable secrecy attended a meeting of radio set manufacturers which Nelson Rockefeller, Coordinator of Inter-American affairs called in Washington last Tuesday. No statement was given out by Mr. Rockefeller. One suggestion ventured as to the object of the meeting was that it was to discuss the possibility of enlarging the South American listening audience to U. S. programs by offering for sale cheap all-wave receivers.

Apparently the Rockefeller officials were very much disturbed that anything had been printed about the meeting and stated that the Government had made no promises that priorities would be granted to manufacturers making these cheap sets, and that no manufacturers were told to go ahead on their own pending the Government's getting the matter arranged. So far the whole thing was said to be all just talk.

Among the radio manufacturers Mr. Rockefeller called to the Capital were said to have been Larry E. Gubb, of Philadelphia, President of Philco; E. F. McDonald, Jr., of Chicago, President of Zenith, and George K. Throckmorton, of Camden, N.J., President of RCA Manufacturing Company. Don Francisco, head of the Communications Division of the Rockefeller group, and M. H. Aylesworth, credited with being the author of the cheap set idea, were understood to have been the Government representatives present.

X X X X X X X X X X

## CHARGES PAPERS WITH UNFAIR RADIO HEARINGS REPORTING

Strong opposition to newspaper-owned stations was voiced by Morris L. Ernst, counsel for the American Civil Liberties Union, when hearings were resumed on Thursday by the Federal Communications Commission to determine future policy towards newspaper applications for broadcasting licenses.

Mr. Ernst even went so far as to say that the newspapers had been unfair in their reporting of the radio press hearings which are being held by the Commission. He said they fail to state their stake in the matter - the money they had invested in radio stations. The witness said the joint ownership of newspapers and broadcasting stations was a menace to the Bill of Rights.

Mr. Ernst said that he was willing to concede that newspapers could do a better job of running radio stations than any other interests, but he felt that radio could preserve freedom of speech only if there were diversity of ownership.

Mr. Ernst charged the newspapers with unfairness in reporting the present hearings because, he said, they fail to state their stake in the matter - the money they had invested in radio stations.

"Don't tell me", the noted attorney and author said as he was questioned sharply by Commissioners and attorneys, "that the owner of a 'mike' hasn't an advantage in forming the public opinion of a community."

Personally, he emphasized, he would deny newspapers the right to run stations, on the theory that this was placing too much power in one group.

Mr. Ernst said that if newspapers came to dominate "this pipeline to human thought", he feared practices resulting would bring about a public demand for the Government to take over all radio. "And that", he added, "is what I fear most."

He saw as one of the undesirable features of newspaper-radio affiliation the failure of these two means of communication to criticize each other.

Pointing out that radio already was dominated to a large extent by chains, he asked: "Do you think any radio chain would hold a debate on the present issue before the Federal Communications Commission? Never."

Mr. Ernst said he did not care who owned radio stations, but added:

"What I want is diversity of ownership."

X X X X X X X X

#### ROCHESTER FIRST UNDER WIRE ON PROPOSED CBS ASCAP PACT

First reaction on the CBS letter to its affiliates on the proposed agreement with the American Society of Composers, Authors and Publishers came from Rochester, N. Y., as Clarence Wheeler, Vice President of WHEC, wired that he had signed the station-network agreement.

Mr. Wheeler's enthusiastic telegram to Edward K. Klauber, CBS executive Vice President, follows:

"Have read your letter of September 27th thoroughly and am sending you signed copies of agreement between WHEC and CBS. I have followed the negotiations from the beginning and feel that all parties are to be congratulated on arriving at the terms for returning ASCAP music to all who wish to use it."

The WHEC official added that his station would sign a local agreement with ASCAP as soon as the Society adjusts an audit made by its own auditors. He did not indicate which of the several proposed local station-ASCAP agreements he would sign.

X X X X X X X X X X

: : :  
: : : TRADE NOTES : : :  
: : :

The Chicago Board of Education for the fifth consecutive year has selected the stations of Ralph L. Atlass, WJJD, of Chicago, and WIND of Gary, to broadcast its official educational programs.

The hearings before the Committee on Interstate Commerce in the Senate last June before Senator Burton K. Wheeler, of Montana, on the resolution introduced by Senator Wallace White, of Maine, to authorize a study of the network regulations of the Federal Communications Commission, have now been printed. As yet the Committee has made no report and there is no indication when or if it will do so.

A pamphlet "Meet Mr. Big" has been sent out by the Clear Channel Broadcasting Service, a group of independent stations, emphasizing the importance of clear channels as a part of a campaign to prevent the FCC from breaking down these channels. The pamphlet is directed to the listener - especially in rural and small communities - and shows how essential it is to keep these channels clear and free from interference.

Alfred H. Morton, Vice President of NBC's Television Division, has assumed active supervision of all television programs now being transmitted over WNBT, the National Broadcasting Company's television station. Warren Wade, a pioneer in the television field, has been named by Mr. Morton as Executive Producer. Arthur Hungerford, another television pioneer, has been named Business Manager.

WJZ, New York's oldest radio broadcasting station and key outlet for the Blue Network of the National Broadcasting Company on Sunday, October 5, will celebrate twenty years on the air. Next week will be known as "WJZ's 20th Anniversary Week", with special programs, both local and network, honoring the station.

During August, never noted as a period of heavy merchandising, the national total of FM sets increased by 27.6%. It was the greatest single monthly gain of listeners since FM began. The national total of sets is now estimated at about 70,000, with totals of receiver distribution in September expected to top by a good margin those of August.

It was recently announced that the combined output of Armstrong licensees among the set makers is now about 1000 units a day. In spite of this, demand is still well ahead of supply.

Philco Distributors of New York, now featuring a newly developed FM receiving set, has bought time on WOR's all night program for six announcements per night, six nights a week.

The traffic jam confronting the NBC Chicago Spot Sales Department due to the fact that Chicago will remain on Daylight Time for another month while the rest of the country returns to Standard Time, has been solved without the loss of a single local account on stations WMAQ and WENR, an NBC bulletin states.

Three additional programs in English, French and Dutch have been launched by KGEI, General Electric's 50-kilowatt short-wave station in San Francisco, for the benefit of listeners in Asia, the Antipodes and Africa.

Chinese, both Cantonese and Mandarin, are used on the station's "Chinese Good Neighbor Hour", directed to Asia. KGEI is said by G.E. to be the only U.S. station consistently heard in the Orient.

Mrs. Franklin D. Roosevelt now has 129 stations on her hook-up for Pan-American Coffee which ties her for the largest hook-up on NBC with the "Fibber McGee and Molly" program which also has 129 stations this season, Variety reports.

X X X X X X X X X X

#### FCC ACTION

Applications Granted: KFEQ, KFEQ, Inc., St. Joseph, Mo., construction permit to increase power to 5 kilowatts, increase hours to unlimited, move transmitter locally and install new transmitter and directional antenna for day and night use. Now operates on 680 kilocycles, 500 watts night, 2½ kilowatts-LS, D to LS at San Francisco; KDON, Monterey Peninsula Broadcasting Co., Monterey, Cal., construction permit to increase power to 250 watts day and night and install new transmitter. Now operates on 1240 kilocycles, 100 watts, unlimited time.

Designated for Hearing: WLOL, Independent Merchants Broadcasting Co., Minneapolis, Minn., application for construction permit to install new transmitter, change frequency to 630 kc., increase day power to 5 KW, move transmitter locally, make changes in directional antenna system; WMIN, WMIN Broadcasting Co., St. Paul, Minn., application for construction permit to change frequency to 630 kilocycles, change power to 1 kw night, 5 kw day, directional antenna day and night, install new transmitter and directional antenna; KSAN, Golden Gate Broadcasting Corp., San Francisco, Calif., application for construction permit to change frequency to 1460 kc., increase power to 1 kw day and night, install a new transmitter and make changes in equipment and antenna; John R. Scripps, Ventura, Calif., removed from pending files application for construction permit for new station to operate on 1460 kc., 1 kilowatt, unlimited time; this application to be heard jointly with KSAN above.

X X X X X X X X

## HEAVY SELENIUM DEMAND FOR RECTIFIERS FORESEEN FOR 1942

Metallic selenium of the absolute purity which is required in electric current rectifiers is now being refined in the United States in increasing commercial quantities to meet the requirements of the International Telephone & Radio Manufacturing Corporation for the manufacture of I. T. & T. Selenium Rectifiers. Early this year the Company doubled its Varick Street space, where the rectifiers had been manufactured. Last month it started production of the rectifiers in its East Newark, N. J. factory.

George Lewis, Vice President of I. T. & T. Manufacturing Corp., estimates that his requirements of ultra-refined selenium may be 10,000 pounds monthly next year compared with only 1,500 pounds monthly at present.

As for the raw material supply, selenium is found chiefly in copper ore and years ago it was tossed on the slag piles. Inasmuch as the United States and Canada together normally produce two or three times more copper than the rest of the world combined, Mr. Lewis says that selenium is one metal of which a shortage seems unlikely in spite of its rapidly growing importance in the electrical industry.

X X X X X X X X X X

## CALLS IT "NATION'S BULLETIN BOARD OF AGRICULTURE"

"Whenever this department wants to send out facts nationwide we think first of the National Farm and Home Hour. It's one of the Old Reliable in our business of taking information to the American people. I know we'd be lost without it, and I think that millions of farm and city homes would be lost too."

This is a quotation from a letter written by Secretary of Agriculture Claude R. Wickard, of Indiana, to Niles Trammell, President of the National Broadcasting Company, in commemoration of the 4,000th broadcast of the Farm and Home Hour.

Vice President Wallace, who also wrote Mr. Trammell, said:

"These broadcasts have done much to add to the knowledge and enjoyment of the people throughout the country, and I wish the National Farm and Home Hour many more years of usefulness."

The story of the National Farm and Home Hour has made radio history. Back in 1923 when radio was in its swaddling clothes, a young man named Frank E. Mullen came out of South Dakota to take a job with the "National Stockman and Farmer" to direct farm broadcasts for them over KDKA in Pittsburgh, and he went ahead and organized his programs.

10/3/41

On those farm programs, the "Daddy" of the present nationwide daily broadcasts, Mr. Mullen was very much the whole show, "doubling in brass" as theme player, sound effects expert, announcer, commentator, weather and market analyst. And the farm folks loved it. In those days a 100 mile radius was all that was anticipated by KDKA, but letters began to pour in from far afield, and Mr. Mullen added telegraphic reports from the Midwest as well as the East to his programs, and also arranged the first regional weather forecasts compiled by the U. S. Weather Bureau in Washington. By 1924 he was receiving from 2,000 to 3,000 letters a week.

In 1926 the National Broadcasting Company was formed and in 1927 Frank Mullen was appointed Agricultural Director of NBC, and transferred to Central Division headquarters, Chicago, where he planned, organized and directed the first broadcasts of the National Farm and Home Hour. This was the first network show ever broadcast from Chicago.

Mr. Mullen, the fond parent of the Farm and Home Hour, is now Vice-President and General Manager of NBC.

X X X X X X X X X X

TWICE AS MANY LISTENERS BUY AS NON-LISTENERS

A booklet, "Heads...They Won", presents in summary form the results of a fifth study for NBC by C. E. Hooper. Specifically, it is an analysis of the selling job being done by "Mr. District Attorney" for Vitalis.

"A further step in each study has been to confirm our research findings with the advertiser's own sales records", Roy C. Witmer, Vice-President, concludes. "Thus we add to our verification of listeners and non-listeners a double check on the sales effectiveness of each program studied. These five separate program studies...involving interviews with more than fifteen thousand families from California to New York and two years of analytical tabulation...have revealed definite patterns in the sales effectiveness of network programs. For example, the ratio in sales of a given network advertised product to listeners vs non-listeners to that program has averaged  $2\frac{1}{2}$  to 1. That is, two and one-half listener homes buy a radio network advertised product to one non-listener home."

X X X X X X X X X X