

HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.

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~~ALAN AEL~~

INDEX TO ISSUE OF JANUARY 6, 1942

Sharp Set Production Cut For Next Three Months.....	2
Rockefeller Adds Three To Communications Staff.....	4
Cahill New RCA Law Dept. Director.....	4
Radio Censor Finds Happy Home In Apex Building.....	5
U. S. Now Has 57,000,000 Sets.....	5
Fly Believes FCC Will Not Be Moved Out Of Capital.....	6
Radio War Propaganda Quiz Off.....	7
Mackay To Operate Direct From Hawaii To China.....	7
To Coordinate Gov't Program Requests.....	7
Press Protests Duplicate Radio Anti-Trust Suit.....	8
Operators Of Radiolocators To Detect Enemy Planes Wanted.....	9
Trade Notes.....	10
Japs Were Hearing Us Fine.....	11
ACA Submits Further Anti-Espionage Recommendations.....	12
"Don't Speak To Strangers", Communications Employees Warned.....	12

No. 1392

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January 6, 1942

SHARP SET PRODUCTION CUT FOR NEXT THREE MONTHS

OPM has prepared and expects to soon issue a "limitation" order, curtailing radio production during the first quarter of 1942 to a basis of 75 percent compared with the first three months of 1941. This is estimated to provide an average of 675,000 receivers monthly during January, February and March, and is designed to maintain industry operations and facilities pending receipt of large military radio contracts, scheduled in the next few months. Further radio curtailment in the second and succeeding quarters of the new year has also been officially indicated.

Industry leaders were advised regarding the proposed 25 percent production cut in the first 1942 quarter, at meetings of the OPM receiving set and tube groups in Washington. Jesse L. Maury, government presiding officer of the OPM Radio Industry Committee, and his assistant, Myron E. Whitney, respectively, conducted the set and tube conferences, called to arrange special allocations of nickel for tubes, both replacement and initial equipment, and also wire wound resistors for the first 1942 quarter, under the proposed reduced production basis.

Arrangements also were made by the Radio Manufacturers' Association's Priorities Committee, of which Fred D. Williams, of Philadelphia, is Chairman, for procedure to secure special allocations of copper and alloys and also plastics, both for initial equipment and replacement parts, for January, February and March.

The proposed radio production "limitation" order will be the first affecting the radio industry during the present emergency. The 75 percent production rate covering January, February and March 1942, on the basis of 675,000 sets monthly, is only 10 percent less than the production requests presented by the RMA Priorities Committee, which were asked on 750,000 set production basis monthly. The manufacturers voluntarily proposed a reduction of 17 percent from the first 1941 quarter, to a basis of 750,000 sets monthly for January, February and March 1942, and the OPM now proposes to reduce this by approximately 10 percent additional, to 675,000 monthly basis, with the 75 percent over-all "ceiling" on production compared with the first 1941 quarter. During the first quarter of 1941, the basis of the proposed curtailment, receiving set production totaled approximately 2,700,000 sets, and the 75 percent production "ceiling" proposed for the first 1942 quarter would bring the production maximum limit to 2,025,000 sets. With the existing inventories, OPM and also industry officials generally believe that this will provide substantially to continue industry operations until large military radio contracts, scheduled to the extent of several hundred million dollars, will be made available before March or April.

1/6/42

The OPM order proposes that it should not restrict supplies of tubes and component parts for sets in the hands of the public. Manufacturers would have the option of building either small or large receivers within their 75 percent quarterly quota. Continued industry production in January, until the special nickel allocation in prospect becomes available, is regarded as assured, as tube and set manufacturers advised OPM that they have sufficient inventories on hand.

Supplementing the proposed "limitation" order, the OPM contemplates sending an accompanying letter to manufacturers, detailing operations of the proposed 25 percent curtailment during the next three months. Also, OPM proposes to require "freezing" of all present set designs to models now being produced and also to "request" reduction in the number of models. Where new models are being planned, but not tooled, manufacturers will be requested to stop the proposed new models. Changes in cabinets, but not in models, is another contemplated provision. Wide reduction in the number and types of receivers is not expected to become effective until June, except for the immediate suspension of new models.

At last week's OPM conferences, officials of the OPM Production Branch, in charge of military radio contracts, and also of the OPA and the Army Signal Corps were in attendance. Officials announced that it was the OPM policy to maintain the industry during the interim period, until the large military radio contracts are available, and also provide for adequate maintenance repair parts for sets now in the hands of the public.

Last week the RMA Priorities Committee completed arrangements with the OPM Copper and Plastics Sections for procedure to make available special allocations of copper and plastics for the first 1942 quarter, based on the proposed 75 percent production "ceiling". Special allocations will include copper and plastics, both for new set production and also for component parts manufacturers to secure copper and plastics. These arrangements follow similar allocations already made by OPM for aluminum and also nickel for permanent magnet speakers covering January, February and March. Copper allocations will be limited to copper and alloys for functional "electrical circuit" uses. Plastic allocations also will be restricted to functional uses, and there will be no plastic allocated for cabinets, escutcheons, knobs and other similar non-functional uses of plastics. The procedure arranged by the Radio Manufacturers' Association for the special copper and plastic allocations will be initiated through questionnaires sent initially to all set manufacturers.

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ROCKEFELLER ADDS THREE TO COMMUNICATIONS STAFF

Nelson A. Rockefeller, Coordinator of Inter-American Affairs has appointed Russell Pierce, Associate Director of the Communications Division, in charge of administration and projects of the New York Office; John W. G. Ogilvie, Associated Director of the Communications Division with special radio responsibilities; and Merlin H. Aylesworth, as Chairman of the Radio Section, and Sylvester L. Weaver, Director.

Mr. Pierce helped organize the South American operations of the J. Walter Thompson Co. Mr. Weaver was formerly Advertising Manager of the American Tobacco Company. Mr. Ogilvie has travelled extensively in Argentina, Chile, Cuba, and Puerto Rico. He was recently Director of Radio for the International Telephone and Telegraph Company.

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CAHILL NEW RCA LAW DEPT. DIRECTOR

Following the retirement of Col. Manton Davis, General Counsel of the Radio Corporation of America, John T. Cahill has been appointed Director of the RCA Law Department. At the same time, Mr. Cahill's firm - Wright, Gordon, Zachry, Parlin and Cahill, of New York, have been appointed counsel for the Radio Corporation. The company has established a Washington office in the Union Trust Building.

Mr. Cahill, who is chief counsel in the NBC monopoly proceedings, is a native of New York City, is 39 years old, with an A. B. degree from Columbia University in 1924 and LL. B from Harvard in 1927. He has had a distinguished legal career, having been associated with the law firm of Cotton & Franklin in New York from 1927-31; was Second Assistant Attorney General of New York, 1931-33; partner law firm Cotton, Franklin, Wright & Gordon, from 1933-36; appointed Special Assistant to the District Attorney of New York County 1936-37; partner Wright, Gordon, Zachry & Parlin 1937-39, and U. S. District Attorney, New York Southern District in 1939. Mr. Cahill is a member of Psi Upsilon.

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The National Committee on Education by Radio is discontinuing publication of its quarterly bulletin Education by Radio. Readers who wish to keep up with the trends in educational radio may write for the Service Bulletin (free), Federal Radio Education Committee, United States Office of Education, Washington, D. C., and the Journal (\$2 a year), Association for Education by Radio, 228 North LaSalle Street, Chicago, Illinois.

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1/6/42

RADIO CENSOR FINDS HAPPY HOME IN APEX BUILDING

After meandering all over the place looking for somewhere to light, Byron Price, U. S. Censor, finally managed to secure quarters in the Apex Building, at 6th, Constitution Avenue, about half way down Pennsylvania Avenue from the Treasury to the Capitol. Here will also be found John H. Ryan, Assistant Director of Censorship in Charge of Radio. And, confidentially, the hope is expressed that these quarters may be permanent. The telephone number is National 8206, Extension 265.

The Apex Building is really the home of the Federal Trade Commission and whether any part of the FTC will be moved out to make room for the censor remains to be seen.

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U.S. NOW HAS 57,000,000 SETS

According to a compilation just finished by O. H. Caldwell, there are today in the United States a total of 57,400,000 radio sets. New York leads with 6,750,000 sets; Pennsylvania second with 4,740,000; Illinois third, 4,000,000; California fourth, 3,700,000 and Ohio fifth, 3,500,000. In Montana, the State of Senator Burton K. Wheeler, who has much to do with radio policies, there are 240,000 sets and in Maine, where resides Senator Wallace White, 439,000. In the District of Columbia there are 335,000 sets. The fewest are in Nevada, 62,000.

The estimated number of radio sets in some of the States are:

Alabama 790,000; Arkansas 534,000; Colorado, 505,000; Connecticut 875,000; Florida 640,000; Georgia 780,000; Idaho 208,000; Indiana 1,750,000; Iowa 1,240,000; Kansas 790,000; Kentucky 1,070,000; Louisiana 640,000; Maryland 762,000; Massachusetts 2,300,000; Michigan 2,440,000; Minnesota 1,200,000; Missouri 1,860,000; Nebraska 610,000; New Hampshire 261,000; New Jersey 2,200,000; North Carolina 878,000; North Dakota 252,000; Oklahoma 960,000; Oregon 601,000; Rhode Island 330,000; South Carolina 420,000; South Dakota 278,000; Tennessee 975,000; Texas 2,226,000; Utah 235,000; Vermont 188,000; Virginia 850,000; Washington 940,000; West Virginia 738,000; Wisconsin 1,320,000 and Wyoming 105,000.

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FLY BELIEVES FCC WILL NOT BE MOVED OUT OF CAPITAL

The present judgment of James L. Fly, Chairman, is that the Federal Communications Commission will not be moved to some other city. Asked about this, he said:

"My best guess is that we will not be moved out", Mr. Fly said. "No substantial attention has been given to the possibility because our defense work is becoming more extensive and intensive and we have moment-to-moment close liaison with the other war and defense agencies. While I am not forming judgment I would be very surprised if serious question was given and I have heard none raised."

Mr. Fly was then asked about a suggestion said to have been made to the House Subcommittee on Decentralization by Theodore L. Bartlett, FCC lawyer, that the Commission be moved to a temporary building across the river. Mr. Fly neither confirmed nor denied this.

Mr. Bartlett told the Congressional Sub-Committee that it was "indispensable" for FCC offices to be kept here because of the Commission's service to War agencies such as War, Navy and FBI. He said the agency couldn't operate at Chicago, New York or Baltimore unless the War and Navy departments were moved with it.

Mr. Bartlett said FCC employees worked substantial amounts of overtime and that 60 percent of the employees in the monitoring division worked irregular hours. Cots, he said, have been installed in the division for employees to catch an occasional 40 winks.

Commenting upon the growth of the monitoring system (listening posts for foreign propaganda), Mr. Fly said:

"We need to have a flock of people covering the spectrum. Our monitoring work, to say the least, is becoming more and more important, more burdensome in terms of operation and more important in terms of the significance of the work than ever before."

Asked if the seizing of short-wave sets of enemy aliens will be helpful, he replied:

"Yes, that will be helpful, presumably, but if you assume the case where you have a bad actor in terms of an individual, maybe a part of the job will be in getting him to turn it in so there is an enforcement job there on the part of the Department of Justice. But as far as the transmitters are concerned, we can take care of those ourselves."

"Will the Justice Department work take some of the burden from the aliens themselves?" the Chairman was asked. "I certainly don't think there is any notion generally of imposing on individuals", he concluded.

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RADIO WAR PROPAGANDA QUIZ OFF

Chairman Clark (D.), of Idaho, of the Senate Subcommittee which began a preliminary investigation of charges of motion picture and radio propaganda, announced dissolution of the subcommittee on Monday (Jan. 5).

He said that in the interest of wartime unity, a detailed report on controversial matters covered by the inquiry was not desirable.

Although the motion picture hearings featuring Wendell Willkie were sensational and prolonged, the Committee never did get around to the radio phases of the investigation.

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MACKAY TO OPERATE DIRECT FROM HAWAII TO CHINA

The Federal Communications Commission has granted permission to the Mackay Radio and Telegraph Company to operate direct radiotelegraph service between its stations at Honolulu, Hawaii, and the stations of the Chinese Government at Chungking, capital of National China, according to an announcement by Admiral Luke McNamee, President of Mackay Radio. This Hawaii routing assures continuous communication between all parts of the United States and National China regardless of conditions in the Philippine Islands, Admiral McNamee said. Mackay Radio operates direct radiotelegraph circuits to Honolulu from both New York and San Francisco.

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TO COORDINATE GOV'T PROGRAM REQUESTS

It is reported that President Roosevelt soon will issue an executive order empowering the Office of Facts and Figures to coordinate official radio program times requests and determine priority of airings.

Archibald McLeish, Administrator of OFF, and Lowell Mellett, head of the Office of Government Reports, will draft an outline of policy which must be adhered to by branches of the government and the broadcasting industry. Assisting will be an interdepartmental committee on which will be represented the War, Navy and State Departments, the Office of Facts and Figures and the Office of Government Reports.

The statement of policy will be released after the President issues his Executive Order on the subject.

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PRESS PROTESTS DUPLICATE RADIO ANTI-TRUST SUIT

Considerable unfavorable editorial comment was caused by the Department of Justice filing monopoly suits against the National Broadcasting Company and the Columbia Broadcasting System while a similar case was pending in the New York Courts. Of this David Lawrence said in the Washington Star, in an article captioned "Business Persecuted Despite War":

"A case in point is the punitive law suit just filed by the anti-trust division of the so-called Department of Justice against America's two major broadcasting companies - the Columbia Broadcasting System and the National Broadcasting Co. - with vague charges of monopoly that look as if they had been trumped up just because the broadcasting companies had the temerity to ask the courts to restrain a recent order of the Federal Communications Commission designed to break up their present business. The broadcasting companies were warned then by an arrogant spokesman of the FCC that they had better not go to court to attempt to defend their rights or else they would suffer. And now the punishment has come.

"For how else can the peculiar tactics of the anti-trust division of the Department of Justice be explained unless in cahoots with the FCC in the drive now to invoke severe statutes as a means of forcing the broadcasting companies into receiverships and liquidation? For more than eight years the same practices complained of have been going on. Why wasn't a suit filed a year ago or two years ago? Why is a second big lawsuit filed in Chicago courts by the anti-trust division while the first suit involving basic issues in the radio business has not even been tried as yet by the Federal courts in New York?

"In time of war it is more than ever necessary to maintain broadcasting at a high state of efficiency, just as it is important for aluminum plants and production to be carried on as efficiently as possible. But the Department of Justice's saboteurs of morale have instructions evidently to carry on their persecution-as-usual program.

"Since war effort is to absorb 50 percent of our national economy, the managers of American industry ought to be free from harassment. The Government fixes the prices and allocates the quotas anyway and even indirectly runs the radio networks so it isn't clear why the statute of 1890 on the technicalities of competition has to be enforced right now."

The New York Times said:

"The charges are similar to those advanced last May by the Federal Communications Commission to support new regulations in the broadcasting field. The legality of these regulations, which would seek to accomplish the same ends sought by the Chicago suit of the Department of Justice, is about to be tested in Federal Court in New York. The Chicago action is thus, in effect, a duplication of a trial already scheduled. But inevitably it will make heavy demands

1/6/42

upon the time and energies of the officials of the broadcasting companies who are named. At a moment when the broadcasting industry is called upon to play an important role in keeping the public informed and in supporting the national war effort, some of its chief officials will be required to spend a large part of their time in a Chicago courtroom, with all the attendant distractions that a suit of this character entails. Whatever the merits of the case, the work of the broadcasting companies cannot help but suffer.

"This is plainly a case of long-time rather than immediate urgency - one which could be brought at any time. In the meanwhile it is scarcely likely that the broadcasting companies can go very far astray, for they are thoroughly under Government supervision, and as a natural result of wartime measures will be more closely controlled by Government than ever. Under the circumstances it does not seem unreasonable to suggest that the anti-trust suit might be postponed for the period of the war."

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OPERATORS OF RADIOLOCATORS TO DETECT ENEMY PLANES WANTED

Calls for additional radio operators are coming in from all directions. The Navy has issued a special call for operators of radiolocators used for detecting enemy planes. Men enlisted for specialized duty with the secret locators will be sent to a naval radio training school for eight months to learn the confidential technique involved.

Pay for the special radio duty will begin at \$72 a month, in addition to normal living expenses, and married men who enlist for the posts will receive an additional dependency allowance, officials said.

Amateur radio operators throughout the country now have the chance to turn their hobby into a vital role in the Army of the United States. Amateurs between the ages of 18 and 35 and unmarried are urged to apply to the nearest Army recruiting station for further information and enlistment in the Signal Corps.

Federal Security Administrator Paul V. McNutt called upon licensed amateur radio operators to apply at State employment offices for free training in marine radiotelegraphy in preparation for positions as radio operators on America's new merchant vessels. Enrollment of radio operators is a part of the Nation-wide drive to recruit 40,000 trainees to man new merchant ships of the United States Maritime Commission.

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 ::: TRADE NOTES :::
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The Radio Manufacturers' Association has issued a new membership list and trade directory, revised to December.

The applications of the No-Bel Burglar Alarm for a construction permit for experimental radio stations at San Francisco and Oakland have been finally denied by the Federal Communications Commission.

Ralph J. Gleason, formerly of the news staff of Printers' Ink Publications, has been appointed CBS Trade News Editor.

As a service to its listeners, WOR is now offering a special "WOR International Radio News Map" to the radio public. The offer has resulted in such an unprecedented flood of requests that WOR hasn't been able to tabulate the total to date.

A television pickup tube with a built-in self-multiplying unit which steps up the power of the image has been patented (No. 2,267,823) by Dr. Peter C. Goldmark of CBS in New York City. A feature of the new tube is an "electron multiplier" contained within the tube itself. This device is said to eliminate the need for the many tubes and other complicated amplifying apparatus used in other television apparatus to step up the television impulses. The patent is assigned to the Markia Corporation in New York City.

An eight page "Frequency Modulation Bibliography" has been compiled by Miss Elizabeth Kelsey of the Zenith Radio Corporation, Chicago. It lists practically every article and where it appeared regarding FM.

All amateur radio broadcasting stations in Nicaragua have been discontinued for the duration of the war and broadcasting, except by stations authorized by the government, will be severely punished. Amateur broadcasting had become a hobby of many Nicaraguans, some even ordering merchandise from the United States through enthusiasts in that country.

John F. Royal, NBC's Vice-President in Charge of International Relations, will head a group of members of the International Division on a trip to Rio de Janeiro, to insure thorough coverage of the Pan American Conference scheduled there on January 15th. It is his eighth trip to Latin America in the last six years.

All of its employees in the armed forces received a holiday gift of a week's salary at their former rate of pay, the Hygrade Sylvania Corp., of New York City announced. The corporation likewise gave holiday checks amounting to one week's salary to each of its 6,000 employees.

1/6/42

Figures on sales of FM sets during the month of November, compiled for FM Broadcasters, Inc., show that more than 40,000 new receivers were sold in that period. Incomplete returns on December sales point to a distribution of an additional 50,000 to 60,000 sets in pre-Christmas weeks. This raises the national total on January 1, 1942, to approximately 240,000 units.

Dr. Frank N. Stanton, CBS Director of Research, and Dr. Paul F. Lazarsfeld, Director of the Office of Radio Research of Columbia University, have published a new book - "Radio Research 1941". Planned as the first of a series of yearbooks of radio research under the permanent editorship of Drs. Stanton and Lazarsfeld, dealing with programs themselves and three with the effect on listeners.

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JAPS WERE HEARING US FINE

Proof that our signals were getting through to Japan better than we were hearing them, is contained in a letter from an American in Tokyo, a portion of which reads:

"I have a swell shortwave radio out here now and I get Charlie McCarthy and Information Please probably much clearer than you do. KGEI, the San Francisco station comes in so loud that if I wanted to, and wasn't afraid of the police, I could hear the darned thing clear upstairs. I also get Shanghai, Sydney, London, Berlin, in fact anything that I want.

"Schenectady is a little too tough though. You can pick it up sometimes but it is always very blurred. Pittsburgh is just about impossible. Of course the real thing we need the radio for is the news broadcasts. I get one every morning from 8 to 8:15 from Shanghai, another at 8 P.M. from the U.S. then others throughout the evening from the U.S. and elsewhere."

It is even reported that listeners in the Far East are even hearing some of our long wave stations. This presents a problem as these stations are not censored as the short-wave outlets are. Letters are said to have been received on the West Coast from Australia, New Zealand, the Philippines and elsewhere in the Far East and the South Seas telling of the excellent reception of news and other broadcasts from long-wave stations in Seattle, Los Angeles, San Francisco, Salt Lake City and elsewhere.

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ACA SUBMITS FURTHER ANTI-ESPIONAGE RECOMMENDATIONS

The following additions have been suggested by the American Communications Association, radio union of the CIO to the recommendations submitted to the Congressional Committee engaged in strengthening the anti-espionage and sea safety laws:

"All new vessels would be so designed as to place radio rooms on lower decks and on the inside of the ship, thereby making them less vulnerable to shrapnel and machine gun fire.

"Radio rooms on existing ships would be proofed against attack by encasing them in concrete or steel sheathing similar to that applied to the bridge on merchant vessels.

"All vessels would be equipped with emergency transmitting antennae.

"Provision would be made for portable radio transmitter-receivers suitable for operation in a lifeboat.

"We urge that the Board appoint an Advisory Committee or panel, with equal representation from steamship operators and the radio operators' unions, for the purpose of discussing and putting into effect this plan."

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"DON'T SPEAK TO STRANGERS", COMMUNICATIONS EMPLOYEES WARNED

A booklet "Your Part in Our National Security Program" has been issued for the wartime guidance of employees of R.C.A. Communications, Inc., by W. A. Winterbottom, Vice President and General Manager. Some of the suggestions contained therein are:

"Re-read the excerpts from the Sabotage and Espionage Acts which have been posted on all bulletin boards.

"Be vigilant and on the alert for suspicious circumstances. Do not hesitate to report your observations to your superior.

"Don't speak of your work to strangers."

In conclusion Mr. Winterbottom says:

"Remember that we all have a part in the battle now being waged. We in the field of radio communications have a direct obligation to perform our duty assisting in the maintenance of an uninterrupted service for our users at a time when so much depends upon our work.

"As an additional safeguard, all employees, except messengers who have no access to operating premises, shall be required to identify themselves with pass-cards and badges."

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INDEX TO ISSUE OF JANUARY 9, 1942

FCC Sees Injury To Public In Monopoly Injunction.....	2
Communications Priorities Conferences Continuous.....	4
Senator Tobey Inquires About RCA Consent Decrees.....	5
Says Blue To Be Sold And Trammell To Be Its Chairman.....	7
FTC Questions Small Proportion Of Advertising Broadcast.....	8
Another New York Television Station Authorized.....	9
Trade Notes.....	10
Action Taken By The FCC.....	11
Against Using Four Chains Except In Great Emergency.....	12
Television Proves Practical In Defense Instruction.....	12

No. 1393

FCC SEES INJURY TO PUBLIC IN MONOPOLY INJUNCTION

It is the contention of the Government in a brief just filed in the District Court of the United States for the Southern District of New York that while no irreparable injury will be incurred by the plaintiffs as a result of the Federal Communications Commission's monopoly regulations pending final decision, real injuries will result to the public, to the Mutual Broadcasting System, and to radio stations generally, if a preliminary injunction is issued to the National Broadcasting Company, the Columbia Broadcasting and others seeking it.

The Government brief was submitted by Samuel Brodsky, Special Assistant to the Attorney General, and Telford Taylor, General Counsel of the FCC. The next hearing in the case is scheduled to be held in New York Monday, January 12th.

It is the further contention of the Federal attorneys that if an injunction is granted against the FCC that listeners in many cities will lose any possibility of receiving the programs of those networks which do not now have access to their service areas. "Non-network programs will be removable on 28 days' notice at the call of the networks. Stations not affiliated with a network will be prevented from broadcasting the programs of that network even though the regular affiliate in the area rejects the program, so that such programs will be irretrievably lost to listeners in that area. Moreover, the competition among networks, among stations, and between stations and networks which the regulations make possible will be postponed, to the general detriment of network broadcasting and to the disservice of radio listeners", the argument concludes.

"It is a well-settled principle of law that an injunction which restrains governmental action will not be granted if the injury which would result to the public from such an injunction outweighs the injury otherwise threatened to private parties plaintiff."

According to the brief the case presents the following questions:

1. Whether this Court has jurisdiction over the subject matter of this action.
2. Whether the plaintiffs have standing to maintain this action.
3. Whether the plaintiffs have stated a claim upon which relief can be granted.

4. Whether the Commission has statutory authority to adopt the regulations.

5. Whether, if the Communications Act authorizes the Commission to adopt the regulations, such Act is unconstitutional as delegating legislative power to the Commission or as taking the property of the plaintiffs without due process of law.

6. Whether the regulations are arbitrary or capricious.

7. Whether this Court should issue a preliminary injunction granting in whole or in part the relief requested by the plaintiffs.

It is the Government's argument that the Court is without jurisdiction to entertain the action; that the administrative process has not been completed and the regulations do not have any present legal effect and are therefore not reviewable; the administrative remedy has not been exhausted and this cause is not cognizable under "general equitable jurisdiction". It is maintained even if the Court has jurisdiction, the motions to dismiss for summary judgment should be granted; that the Communications Act authorizes the Commission to adopt regulations such as those here in question; the regulations are not arbitrary or capricious; the Communications Act, interpreted to authorize the FCC regulations is constitutional, and therefore the plaintiffs are not entitled to a preliminary injunction.

Some of the highlights of the brief are:

"The position taken by the plaintiffs is essentially that, in applying the public interest standard, the Commission is limited to considering physical and technical matters, and perhaps the 'moral' and financial qualifications and prior experience of applicants. Thus they construe Section 303 (i) as empowering the Commission to regulate only the engineering aspects of chain broadcasting operations by stations. As a corollary, the plaintiffs dismiss matters pertaining to competition or concentration of control as outside the Commission's ken.

"Such a view sits uneasily beside Supreme Court pronouncements that the Communications Act is a 'supple instrument for the exercise of discretion by the expert body which Congress has charged to carry out the legislative policy', that Congress moved under the 'spur of a widespread fear' of monopolistic domination of broadcasting and sought to maintain 'a grip on the dynamic aspects of radio transmission', and that the broadcasting field is one 'of free competition'.

* * * * *

"Judicial approval of the plaintiffs' contentions would facilitate the very concentration of control which Congress sought to avert. The Commission would thereby be rendered powerless to avoid granting 'a monopoly in the field of broadcasting, a result which the Act itself expressly negatives, which Congress would not have contemplated without granting the Commission powers of control over the rates, programs, and other activities of the business of broadcasting.'"

With regard to optional time the brief states:

"The only 'difficulty' which NBC and CBS will have in negotiating with advertisers under Regulation 3.104 is that they must negotiate on more nearly equal terms with other networks, in that their competitors will be able, if the affiliates so choose, to offer firm commitments to advertisers with respect to hours which NBC and CBS are not already using for commercial programs.

"It follows from the foregoing that the third and last argument which NBC and CBS make against Regulation 3.104 - i.e., that advertisers will desert radio for competing advertising media - is likewise unsound. An advertiser negotiating with NBC or CBS for a contract at a certain hour can count on clearance over the stations which he desires to use, unless he himself or some other advertiser has purchased the same period through another network which is utilizing some of the desired stations. The national networks as a group will not lose business; whether NBC or CBS will lose business will depend upon their ability to compete with other national networks.

"The Commission endeavored to retain the advantages of option time as a business convenience, to the maximum degree compatible with the public interest in competition and station responsibility. In the light of the evidence, Regulation 3.104 is an eminently reasonable solution."

"Finally, in answer to all allegations of irreparable injury resulting from the option time regulation, it should be noted that NBC in fact operated without options from its formation in 1926 until 1933; and that Mutual operated without options until 1940 and for the most part still does. A reestablishment of the status quo ante can hardly engender any irreparable injury."

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COMMUNICATIONS PRIORITIES CONFERENCES CONTINUOUS

Asked if he contemplated any further conference with Leighton H. Peebles, head of the new OPM Communications Division, who will operate in close liaison with the Defense Communications Board in handling priorities needs for the communications industry - radio, telephone and telegraph - Chairman James L. Fly of the Federal Communications Commission said there would be a meeting practically every day. "It is a continuing job", the FCC head explained. "We don't arrange these conferences formally. They come up every day."

"Do these conferences include telephone equipment or radio equipment?" the official was asked.

"Communications equipment, broadly", he replied.

There is a DCB Priorities Committee made up of Gerald C. Gross, FCC Assistant Chief Engineer; William Bauer, FCC attorney, and Lieut. Col. Foster Stanley of the Army Signal Corps which is expected to work in close cooperation with Mr. Peebles in devising the priorities materials plan for the communications industry.

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SENATOR TOBEY INQUIRES ABOUT RCA CONSENT DECREES

Not having received a reply from a letter he wrote to Attorney General Biddle on the subject, Senator Charles W. Tobey(R), of New Hampshire has turned to Senator Frederick Van Nuys (D), of Indiana, Chairman of the Senate Judiciary Committee in connection with Radio Corporation of America consent decrees and other related matters.

Senator Tobey's letter to the Attorney General read in part as follows:

"There is pending before the Federal District Court for the Southern District of New York, and also before the New York State Supreme Court, two very similar minority stockholders' actions against officials of certain large corporations, namely the Radio Corporation of America, General Electric Co., and Westinghouse Electric and Manufacturing Co. In those actions it is charged that certain officials illegally diverted from the Radio Corporation of America many millions of dollars. It is my understanding that the charges pending before the Federal District Court for the Southern District of New York in the case of Salvetz et al. v. Radio Corporation of America et al. are similar to the charges contained in the case pending before the New York Supreme Court.

"It has come to my attention that while those cases were on trial recently before the New York State Supreme Court certain officials of the General Electric Co. and the Westinghouse Electric & Manufacturing Co., through their attorneys, rather than testify in open court and subject themselves and others to examination have offered to pay out of the moneys of those two companies the sum of \$1,000,000. One element in the case that is of great interest to me is that this offer is conditioned on the dismissal without trial of the similar charges pending in the Federal District Court for the Southern District of New York.

"I believe that the new Federal rules of civil procedure provide that the justices of Federal courts must approve consent decrees in representative suits, presumably because of the interest of the great number of stockholders involved. According to that rule, it is my understanding that the justices of the Federal District Court for the Southern District of New York must approve such a settlement before such charges can be withdrawn.

"Those suits were filed on the part of certain shareholders or their attorneys, representing but a fraction of 1 percent of some 16,000,000 shares issued and presumably those suits were instituted for the benefit of all the shareholders or of all parties similarly situated.

"In view of the fact that 16,000,000 shares of stock have been issued by the Radio Corporation of America, and in view of the further fact that a dozen or more of the complainants' attorneys will deduct their fees, costs, and expenditures from the \$1,000,000 given in settlement, I fail to see how, under that agreement, any material financial benefit will accrue to the vast number of shareholders who invested their savings in this company.

"That tentative consent decree is of special interest to me from a legislative viewpoint because of the fact that the offer to pay \$1,000,000 is conditioned upon the withdrawal by complainants' attorneys, without trial, of the similar charges pending before the Federal District Court for the Southern District of New York.

"My interest is increased by the fact that that very matter was the subject some months ago of considerable discussion before the Senate Interstate Commerce Committee, of which I am a member.

The matter came before us in connection with the nomination of the late Federal Communications Commissioner, Thad H. Brown. At that time we were seeking to determine whether the officials of these large corporations had been guilty of dissipating the funds belonging to the stockholders. Two of the attorneys representing those large companies, namely, Messrs. Manton Davis and Joseph Proskauer, when questioned as to the details of the alleged dissipation of funds, begged the committee not to pry into the details thereof because those matters were pending before the courts where the charges would be fully met.

"For instance on page 311 of the hearings, copy of which I enclose, Mr. Proskauer says: 'We shall meet that case in court from the time it comes, and I will assure this committee that there will never be a settlement of that case. I think this will be litigated and that all these things will be tried out in a court of law.'

"On page 315 of the same hearings we are told of the official positions held by Mr. Davis and Mr. Proskauer. Mr. Davis there says: 'The R. C. A. has staff counsel, of which I am chief. In these cases we have trial counsel, and Judge Proskauer, who has addressed you, is the chief of the trial counsel for the defendants in this case.'

"If my recollection serves me, sir, the illegality of the cross-licensing agreements which was the issue in the Government suit that was withdrawn by consent decree is realleged in these cases.'

"For instance, when I asked Mr. Proskauer this question, 'That radio stock taken by General Electric and Westinghouse was not returned to R. C. A.?', Mr. Proskauer answered, 'I cannot try that case here.' (page 315).

"When I asked for further information, Mr. Davis replied: 'Those are issues that are pending before the Court in respect to which I think you ought not to make us disclose our defense.' (p. 316).

"There was a committee of Congress trying to determine whether irregularities existed in certain transactions. For 8 years cases had been filed against Radio Corporation of America by different individuals, but not once had Radio Corporation of America gone to trial on the issues, and the attorneys for Radio Corporation of America enjoined this committee from looking into the matter on the assurance that a full disclosure of the facts would be had at the trial.

"I appreciate the fact that you, as Attorney General of the United States, have no control over the activities or conduct of the judges of the New York State Supreme Court. However, I would appreciate receiving your opinion as to whether a case can thus be taken out of the Federal district court without proper

presentation of evidence before that court. Is it possible under existing rules of procedure to thus preclude trial on the merits of the case in a Federal court by a consent agreement approved by a State court, in a case such as this where minority shareholders seek an accounting of the moneys and other properties of the corporation?

"The Senate Committee on Interstate Commerce before which evidence was taken under oath on these matters, has not yet made a report to the Senate of the United States thereon. I am assuming that we will soon reach the point in our legislative work when we will have the time to consider the evidence taken and make such report and recommendations to the Senate as the members of the committee term advisable.

"After you have had an opportunity to consider the serious charges made before the Senate Committee on Interstate Commerce and the supporting evidence contained in the record of the hearings enclosed herewith, I would appreciate a statement from you as to whether or not, from your experience with Federal court procedure, there is need for additional legislation to protect parties involved in representative suits or whether there is any way under existing law whereby the interest of the shareholders can be protected for instance, by calling the attention of the chief justice of the supreme court of New York to the long line of consent decrees that have preceded this last tentative agreement and the possibility of fraud existing therein."

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SAYS BLUE TO BE SOLD AND TRAMMELL TO BE ITS CHAIRMAN

In line with reports to that effect which have long been in circulation in the industry, the New York Times stated today (Friday) that it had learned that outright divestment of the Blue and Red networks of the National Broadcasting Company and the creation of direct competition between the two in the radio field has been decided upon by the management of the Radio Corporation of America, parent concern of the National Broadcasting Company.

"The Blue network, with WJZ of New York as the key station, is to be set up as an entirely new corporate organization and operated wholly independent of RCA control", the Times story continued. "Upon a final determination of the asset value of the Blue network, RCA intends either to distribute on a pro rata basis Blue network stock to RCA stockholders or sell the network in its entirety to Wall Street banking interests for redistribution to the general public.

"RCA officials have been negotiating in recent weeks with Dillon, Read & Co., with a view toward outright sale of the Blue system.....

"It is also reported that Mr. Trammell will relinquish his post as President of NBC to become Chairman of the Board of the new Blue network organization."

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FTC QUESTIONS SMALL PROPORTION OF ADVERTISING BROADCAST

The annual report of the Federal Trade Commission gives radio a pretty clean bill of health with regard to questionable advertising broadcast. Also it reveals that the advertising policing of the air by the FTC has grown into a tremendous task.

During the fiscal year ended June 30, 1941, the Commission received 857,890 copies of commercial radio broadcast continuities, amounting to 1,737,181 pages of typewritten script. These comprised 1,197,199 pages of individual station script, 529,820 pages of network script, and 10,162 pages of commercial recorded script.

The staff examined 871,909 commercial radio broadcast continuities, amounting to 1,749,557 pages of typewritten script. These comprised 519,640 pages of network script, 1,219,950 pages of individual station script, and 9,967 pages of script representing the built-in commercial portions of transcription recording productions destined for radio broadcast, through distribution of multiple pressings of such recordings to individual stations. An average of 5,755 pages of radio script were read each working day. From this material 24,535 commercial broadcasts were marked for further study as containing representations that might be false or misleading.

In general, the Commission has received the helpful cooperation of the 3 Nationwide network chains, 13 active regional networks, and transcription producers engaged in preparing commercial radio recordings, in addition to that of some 781 active commercial radio stations, 491 newspaper publishers, and 533 publishers of magazines, farm journals, and trade publications, and has observed an interested desire on the part of such broadcasters and publishers to aid in the elimination of false and misleading advertising.

Examination of current newspaper, magazine, radio, and direct mail-order house advertising, in the manner described, has provided the basis for 75.4 percent of the cases arising from radio broadcasts and published advertisements, initiated through the Radio and Periodical Division during the fiscal year ended June 30, 1941. Information received from other sources, including information from other divisions of the Commission, and from other Government agencies, formed the basis of the remainder of the division's work.

During the fiscal year the Commission sent questionnaires to advertisers in 374 cases and to advertising agencies in 19 cases, and accepted 234 stipulations pertaining to radio and periodical advertising. Of these, 19 stipulations (8 relating to drugs and 11 to hair dyes) contained agreements to publish appropriate warnings in advertisements as to the potential harm that might result from the use of the products in question.

A total of 605 cases were disposed of by the various methods of procedure. Of this number 222 cases were considered settled upon receipt of reports showing compliance with previously negotiated stipulations. The remaining 383 were closed without

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prejudice to the right of the Commission to reopen if warranted by the facts.

Nine hundred seventy-nine radio and periodical cases were pending on July 1, 1940, and 779 were pending on June 30, 1941.

The Commission, in its systematic review of radio advertising, issues calls to individual radio stations, generally at the rate of 4 times yearly for each station. However, the frequency of calls to such individual broadcasters is varied from time to time, dependent principally upon transmittal power, the service radius or area of specific stations, and the advertising record of certain types of stations, as disclosed in analyses of previous advertising reviews.

National and regional networks respond on a continuous weekly basis, submitting copies of commercial continuities for all programs wherein linked hook-ups are used involving two or more stations.

Producers of electrical transcription recordings submit monthly typed copies of the commercial portions of all recordings produced by them for radio broadcast. This material is supplemented by periodic reports from individual stations listing the programs of recorded commercial transcriptions and other data.

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ANOTHER NEW YORK TELEVISION STATION AUTHORIZED

The Allen B. DuMont Laboratories, Inc., in New York City, have been granted a construction permit by the Federal Communications Commission for a new television station to operate on 78000-84000 kilocycles (Channel No. 4), with an ESR of 950; A5 emission and special emission for frequency modulation; unlimited time, and to be completed within 90 days.

Up to now the DuMont television station, which is located at 515 Madison Avenue, has been operating experimentally. Test programs have been put on the air several nights a week which have been received well into Connecticut. It was said that the station might be operated commercially later if it was possible to secure the equipment.

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Having received a number of complaints of interference to radio reception in south Texas by the operation of certain electric signs, the Federal Communications Commission has requested the cooperation of the manufacturer of these signs to remedy the situation. It points out that radiation effects are experienced not only in the broadcast bands but also in the frequency bands used by aviation and police services.

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 : : : TRADE NOTES : : :
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Estimates of \$5,991,219 for the Federal Communications Commission for the budget in the forthcoming fiscal year are \$77,510 below the 1942 appropriations for that agency.

An Illinois broadcaster has been advised by the Federal Communications Commission that all transfers of broadcast station stock must be reported to the Commission within 30 days, even if no actual transfer of control is involved.

Milton Auster, member of the sales staff of the New York Sylvania Radio Tube distributor, The Dale Radio Company, was appointed recently and is now functioning as business specialist on radio parts in the Emergency Management Office of the Office of Price Administration, Washington. Mr. Auster has been associated with the radio business for twenty years.

A new yearly high for total WOR time sales by one man is said to have been set by Otis P. Williams, WOR account executive, who in the past 11 months sold over a half million dollars worth of business. And he's still got a month to go!

A standard American Red Cross course in First Aid will be offered Columbia Broadcasting System employees in New York City. The course will be given in conjunction with the CBS Air Raid Precaution System.

Station WMFG, Hibbing, Minnesota, and WHLB, Virginia, Minnesota, both owned by the Head of the Lakes Broadcasting Co., have become supplementary outlets to the Basic Blue and NBC Red Networks.

How the Navy take civilians and, in four months time, turn them into efficient radio operators and technicians will be answered on Columbia network's "Spirit of '42" Sunday, January 11, when the program goes to the U. S. Naval Training School at Noroton Heights, Connecticut (WABC-CBS, 2:00 to 2:30 P.M., EST).

This item was recently carried by Leonard Lyons, New York columnist:

"The final message from R.C.A.'s staff in Manila was addressed to their boss in New York. He immediately dispatched a reply - and then they destroyed the station."

A North Carolina radio station has been told that the Federal Communications Commission has no say in deferment from military service of licensed radio engineers. It explains that the Selective Service Act prohibits group deferments as such, and that the granting of occupational deferments in individual cases is at the discretion of local draft boards.

The life story of DeForest captioned "Magnificent Failure" by Samuel Lubel will appear in next week's Saturday Evening Post (Jan. 17). A foreword reads:

"On January 29, 1907, a thirty-four-year-old inventor, impoverished and battered by misfortune, filed a patent on a discovery which changed the course of history and the destiny of mankind. Lee DeForest's grid audion tube introduced a new era in communication and is already responsible for a \$6,000,000,000 industrial development and more than a million new jobs.

"And yet this man who was the father of radio is still, today, a 'magnificent failure'. Mr. Lubell traces a strange career of achievement and frustration in three articles."

The Bell Laboratories Record for January 1942 contains the following articles: "160-Trunk Incoming Frames", A. E. K. Theuner; "Loading Coils With Cores of Molybdenum Permalloy", R.M.C. Greenidge; "Cellulose Acetate Yarn Replaces Silk for Wire Insulation", D. R. Brobst; "Stevens Point and Minneapolis Linked by Coaxial System", K. C. Black; "An Improved Capacitance Bridge for Precision Measurements", W. D. Voelker; "Abrasion Test for Finishes"

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ACTION TAKEN BY THE FCC

Applications Granted: KFI, Earle C. Anthony, Inc., Los Angeles, Calif., granted special temporary authority to operate the 5-KW auxiliary transmitter between the hours of 12 midnight and 6 A.M., PST, daily for a period not to exceed 30 days, in order to permit necessary servicing of the 50-kw main transmitter; K45LA, Don Lee Broadcasting System, Los Angeles, Calif., granted modification of construction permit for new high frequency broadcast station, for extension of commencement and completion dates only to Feb. 14, 1942 and August 13, 1942, respectively; KSEE, Earle C. Anthony, Inc., Los Angeles, Cal., granted modification of construction permit for new television broadcast station, to specify commencement date of January 15, 1942, and for extension of completion date from Jan. 15 to July 15, 1942.

Also, W2XGE, General Electric Co., Schenectady, N.Y., granted license to cover construction permit for new television relay broadcast station on experimental basis only, conditionally; WFTL, Ralph A. Horton, Fort Lauderdale, Fla., granted construction permit to install a new transmitter and directional antenna for night use, increase power from 250 watts unlimited time to 10 KW, change frequency from 1400 to 710 kc., and move transmitter locally; WHKY, Catawba Valley Broadcasting Co., Inc., Hickory, N.C., granted construction permit to install a new transmitter, directional antenna for night use, increase power from 250 watts to 1 KW night, 5 KW LS, DA-N, change frequency from 1400 to 1290 kc; WKWK, Community Broadcasting, Inc., Wheeling, W. Va., granted modification of license to increase power from 100 to 250 watts day and night

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AGAINST USING FOUR CHAINS EXCEPT IN GREAT EMERGENCY

Unanimously expressing disapproval of tying together the four national networks for simultaneous broadcasts, the Planning and Advisory Committee of the Red Network of the National Broadcasting Company adopted a resolution to that effect as follows:

"In considering how network operation can best serve the interests of the nation during this war period, we urge that each network retain independent operation and independent program building. The simultaneous use of national networks, except in the instances when the President of the United States addresses the nation, or in the event of a sudden emergency, or military necessity should be avoided. Our vast radio audience is a result of, and responds to, the excellence and variety of programs, a product of the American system of broadcasting. Tying up four networks for one program is in effect attempting to coerce listeners and will fail in its purpose, and will not attract a maximum audience, neither will it spur competition efforts for program quality. The interests and welfare of the nation can best be served by following the present pattern of independent separate network operation."

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TELEVISION PROVES PRACTICAL IN DEFENSE INSTRUCTION

Television was tried out as a defense weapon of national importance, when instructions for air raids were broadcast by NBC last week in New York City, and relayed to the General Electric Company's receiver in the Helderberg Mountains near Schenectady, 129 miles northwest of New York City.

Air raid wardens, police chiefs, fire chiefs, who were invited from the nearby villages of Altamont and Berne to witness the experiment at the G-E relay station, expressed the opinion that the television class was the most practical method of instruction yet devised. They were most enthusiastic over the completeness possible in this method of training, and stated, according to a G.E. bulletin, that they had "learned more through this one show than through all the literature read and all other courses of instruction combined."

Officials of the General Electric Company expressed the belief that television relay receivers installed at strategic points throughout New York State would be a most efficient means of assuring proper and complete instruction of air raid wardens and other war work volunteers on the farm and small communities.

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HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.

INDEX TO ISSUE OF JANUARY 13, 1942

DCB Recognition Seen As Big Gain For Labor.....	2
Amateurs Hope Ban May Be Eased.....	3
FCC Mum On Mutual Suit.....	4
Call FCC Order Same As Censorship.....	7
Sarnoff Gives Details Of Blue Network Separation.....	8
Standards Bureau Adds Wartime Pitch.....	9
Don Lee And RCA Exchange Television Patents.....	10
Judge Rutherford's Death Recalls Oldtime Threat.....	10
Trade Notes.....	11
U.S.-Philippines Circuit Again Open.....	12
Rationing Of Radios Forecast By Unionist.....	12

No. 1394

January 13, 1942

DCB RECOGNITION SEEN AS BIG GAIN FOR LABOR

As a result of the action recently taken by the Defense Communications Board, labor will have a place on the committees of that powerful organization handling questions of radio communications, telegraph and telephone, cable, aviation, domestic and international broadcasting.

James L. Fly, Chairman of the DCB, declared the plan would substantially enhance the position of labor as well as industry in the functioning of the Board and would assure its due participation in the over-all task of planning for the nation's communications systems under war conditions.

As a result of the new undertaking, the Defense Communications Board will invite representatives from labor to participate in the work of the expert communications committees. Labor thus will be in a position to aid more effectively in the formulation of basic plans affecting communications systems in the emergency. Furthermore, future joint meetings between the Industry and Labor Advisory Committees will be held as needed in order to assure complete industry solidarity in the tasks ahead. The extent of labor's participation and the recognized limitations on the Board's functions were set forth in the attached letter from Chairman Fly to the Labor Advisory Committee which was concurred in by the latter.

In making the announcement, Chairman Fly praised the cooperation of all parties concerned, and said:

"There has been full recognition on all sides both of the vital role which communications must play in our total war effort and of the necessity that this must be our sole concern at the moment. We are fully resolved to see that this nation's communications facilities are as adequate and secure as they can be made under the circumstances. In formulating plans to that end, the Board wants all the qualified help it can get, whether from management or labor. We do not recognize any special group interest in developing plans in the communications field for our total war effort."

Chairman Fly also praised the decision to hold future joint meetings between the Industry and Labor Advisory Committees, pointing out that such meetings hold great promise in assuring cooperation among management, labor, and government in communications.

At the same time the following statement was issued by the Labor Advisory Committee:

"The members of the Labor Advisory Committee welcome the action of the Defense Communications Board in convening a joint conference of the Industry and Labor Advisory Committees at our request to consider communications problems affecting the war effort. We believe the conference was a step in the direction of the full utilization of the resources, facilities, manpower, intelligence, and initiative of each component part of the communications industry in the total war effort. Both industry and labor recognize that all matters which are properly the subject of collective bargaining will not come within the purview of these discussions but will continue to be referred to the established appropriate government agencies.

"We hope in successive joint meetings to be able to evolve effective methods of working out jointly the many problems which affect our industry in this crisis.

"The action taken by the Defense Communications Board today in appointing labor representatives along with industry and government on the various special planning committees of the Board will, we feel, facilitate the work of these committees. The constructive and sympathetic approach to labor's proposals expressed by Chairman Fly for the Defense Communications Board will be a source of gratification to the workers in the communications industry."

The fact that potentially tremendous authority is lodged with the D.C.B. gives Chairman Fly's action special significance.

A call for Government operation of communications following a pattern set during the first World War might conceivably be issued by the labor representatives if present plans fail to achieve desired results.

Meanwhile indications grow that the A. F. of L. and the C.I.O. have established a "tacit" united front for the purpose of securing for labor a greater share of responsible defense posts.

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AMATEURS HOPE BAN MAY BE EASED

Arguing that if it hadn't been for the pioneering radio wouldn't be where it is today and that they have never been found wanting in any emergency yet - whether it was flood, conflagration or hurricane - and that they have been able to come through when even the Army and the Navy had not been able to do so, the radio amateurs are hoping they may be dealt with a little less drastically.

At the request of the Defense Communications Board, the Federal Communications Commission last Saturday ordered all amateur radio operation to cease immediately. It was explained that national defense considerations require such complete cessation.

A Commission order of December 8 suspended amateur activities save for those authorized by the Defense Communications Board upon recommendation of Federal, State, or local officials in connection with defense. Many such requests had been approved by the Commission at the instance of the Defense Communications Board.

However, in the light of subsequent events and military requirements, the Board and the Commission both have decided that all amateur radio operation shall be suspended. In consequence, all special authorizations granted since December 8 have now been cancelled.

In the December 8 order about 65,000 amateur operators were banned from the air, but the Defense Board subsequently gave special authorization to about 2,000 operators to resume and these are the ones affected in the latest order.

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FCC MUM ON MUTUAL SUIT

There was no comment at the Federal Communications Commission on the suit for \$10,275,000 filed against the National Broadcasting Company in Chicago last Saturday. The inference was "it speaks for itself". James L. Fly, of the FCC, credited with favoring Mutual in its recent moves, was away from his office Monday and did not hold the usual press conference but it was said in his behalf that since the matter was now pending in Court, he probably would not have had anything to say had he been there.

Niles Trammell, President of the NBC, made the following statement:

"This suit is the culmination of a series of attacks that have been instigated against NBC and the Blue Network by Mutual since NBC refused to sell to it important parts of the Blue Network.

"It should now be revealed that about two years ago the dominant interests in Mutual, R. H. Macy & Company and the Chicago Tribune sought to purchase parts of the Blue Network from us, which would have destroyed the Blue as a coast to coast network. By such elimination of the Blue these interests sought to diminish rather than to increase network competition. There would have been three nationwide networks instead of four as at present.

"We refused to dismember the Blue Network. Mutual began campaigns in Washington and elsewhere, urging the adoption by the FCC of new network regulations which would enable Mutual to achieve the end it sought. Meanwhile, Mutual also induced breaches of contract between our Blue Network and affiliated stations, a fact which we will prove in these court proceedings.

"While Mutual claims to be the 'Little fellow' of the network family, and shouts 'bigness' at others, it does not call attention to the real control and the vast accumulation of wealth and power represented by the small clique of seven Mutual stockholders headed by Chicago Tribune and R. H. Macy & Company, whose influence and domination extend beyond broadcasting to the department store and publishing businesses.

"These powerful and wealthy stockholders of Mutual represent an aggregation of assets, business and profits greatly exceeding those of NBC and RCA.

"The issues in this suit are the same as those in the two earlier suits now in litigation with the Government. The first of these suits, in which Mutual is a participant, will be held in New York, Monday, January 12.

"This new suit by Mutual provides an opportunity to expose the motives behind the campaign to break down the networks of the National Broadcasting Company.

"The Blue Network of the NBC was established fifteen years ago in response to a public demand when only one other network - the Red - existed, and when no competition in nation-wide programs was available. Eight years after the NBC was created to give the American public the first nation-wide programs ever provided, Station WOR owned by Macy and WGN owned by the Chicago Tribune, organized the Mutual Broadcasting System, and ever since have sought to reap where others have sown.

"Mutual has admitted that it carries on no research or development in the radio art. It has undertaken no substantial financial risks in pioneering the development of nation-wide broadcasting. It entered the field only after others risked their capital and demonstrated that broadcasting could be conducted as a sound business enterprise.

"The facts are that despite all the so-called restrictions in the competitive network field from which the Mutual claims to suffer, it has increased its revenue in 1941 over 1940 by 53%.

"The operations and public service rendered by the National Broadcasting Company are a matter of public record. We are utilizing every source at our command in the vital war effort of the Nation. This harassing litigation and the unjustified demand for the absurd sum of \$10,000,000 with the motive of eliminating the Blue Network, which would decrease our vital communication facilities are not in key with the American war effort."

Amounts of actual damage the suit alleged were sustained were:

Mutual System, \$1,000,000; WGN of Chicago, \$850,000; WOR, of New York City, \$1,000,000; WOL, of Washington, D. C., \$275,000;

WGRC of New Albany, Ind., \$75,000; KWK, of St. Louis; \$165,000 and WHBF of Rock Island, Ill., \$60,000.

Counsel for the plaintiff in the suit said that the action invoked the provision of the Clayton Act, a supplementary law of the Sherman Anti-Trust Act, which makes it possible to request damages three times in excess of the amount actually alleged to have been sustained.

The complaint alleged "an unlawful combination and conspiracy to injure the plaintiff by hindering and restricting Mutual in its ability to freely and fairly compete in the transmission in interstate commerce or Nation-wide network programs".

It also accused the defendants of hindering the sale of national network time, attacked NBC long-term and exclusive contracts and optional-time clauses.

The suit alleged that NBC did not operate its Red and Blue networks competitively but jointly and asked that NBC be enjoined from carrying out the alleged conspiracy and from maintaining or entering into further contracts with affiliated stations.

Another allegation was that long-term NBC contracts in cities having less than four broadcasting stations with adequate facilities and exclusive and optional time clauses of such contracts were illegal and in restraint of interstate trade and commerce and that operation of two networks by the defendants was illegal.

The Washington Post had this to say about the suit:

"Now the Mutual Broadcasting System is demanding more than ten million dollars in damages from the Radio Corporation of America and NBC on the ground that the latter's restrictive contracts constitute unlawful restraint of fair competition.

"It must be admitted that this is not an ideal time to be pressing for basic adjustments in the broadcasting industry. Radio, like many other industries, has a special obligation to render high quality service during this war period. Care should certainly be taken to avoid any serious disruption of broadcasting facilities. For that reason it is unfortunate that this issue has been raised in three separate actions. Company officials may find their time absorbed by legal proceedings to the detriment of the vital public service they render. On the other hand, it would certainly not be in the public interest to abandon all effort to dissolve the existing concentration of power over the broadcasting industry.

"The FCC has made the unassailable point that we must have active competition in the broadcasting field or Government regulation of the few big companies now in control. There is no reason even to suspend that sound principle because the country is engaged in war. All that can reasonably be asked is that the networks be subjected to no unnecessary harassment and that the desirable adjustments be brought about without abruptness which might seriously impair the quality of broadcasting services now rendered."

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CALL FCC ORDER SAME AS CENSORSHIP

In their day in the Federal Court in New York yesterday (Monday), the National Broadcasting Company and the Columbia Broadcasting System argued that the Federal Communications Commission in its recent monopoly ruling had not only exceeded its authority but had raised a threat of censorship. Attorneys for both of these networks declared that if the Commission has the power to make regulations covering the affiliation contracts and options, it can, in similar manner, exercise a censorship over the programs presented by the stations.

Arguing for NBC, John T. Cahill charged that the Commission was usurping functions of the Department of Justice and the courts in attempting to decide what is a monopoly. The Commission, he said, regards itself as "an efficiency expert" in business and is trying to dictate the business policies of broadcasting executives. It is without power to make the regulations in question, he added, citing Congressional debates that preceded adoption of the law giving the Commission its authority.

Charles Evans Hughes, Jr., representing CBS, said that the regulations instead of promoting competition would lessen it. They also would make it difficult, if not impossible, for networks to obtain advertising contracts by creating new and unnecessary uncertainties about the number and location of outlets involved, he contended.

"The whole business of a national radio network depends on its ability to sell the time of its stations to a national advertiser", he explained. "To negotiate successfully the network must be able to state concretely what it has to offer. It sometimes requires months of market study and research, program planning and negotiations before an advertiser can decide whether or not to use network broadcasting and if so what stations and program to utilize. Under the regulations the network would be in no position to make a firm offer of any definite program coverage during this period of negotiations."

The Court hearings were scheduled to resume Tuesday and probably run throughout the week.

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Representative Wallgren obtained permission to have printed in the Congressional Record, a CBS radio broadcast on December 31, 1941, on the subject Twelve Crowded Months, by Elmer Davis, Albert Warner, Linton Wells, Edward R. Murrow, Eric Sevareid, William L. Shirer, Maj. George Fielding Eliot, and John Daly.

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SARNOFF GIVES DETAILS OF BLUE NETWORK SEPARATION

David Sarnoff, President of the Radio Corporation of America, in confirming the formation of Blue Network Company, Inc., a separate, wholly-owned subsidiary of RCA, states that incorporation papers for the new company were filed at Dover, Delaware, last Friday.

Mr. Sarnoff said that, with the permission of the Federal Communications Commission, the new company will operate the Blue Network and will own and manage Stations WJZ in New York, WENR in Chicago, and KGO in San Francisco. It will continue to furnish program service to more than one hundred independently owned, affiliated radio stations throughout the country.

Blue Network Company, Inc., will continue without interruption the programs and business heretofore carried by the Blue Network division of the National Broadcasting Company, Mr. Sarnoff said. It will be supervised by the same experienced personnel which, over a fifteen-year period, has made the Blue one of America's great networks.

As its first step in independent operation, the Blue Network applied for the consent of the Federal Communications Commission, for the transfer of licenses to operate Stations WJZ, WENR and KGO. The Board of Directors of the new company met last Friday and elected officers.

The President of the Blue Network Company, Inc., will be Mark Woods, heretofore Vice President and Treasurer of NBC. The Executive Vice President will be Edgar Kobak, previously NBC Vice President in Charge of Sales for the Blue Network.

Mr. Woods said:

"In 1938 first steps were taken toward the setting up of the Blue Network as an independently operated broadcasting unit. One by one during the three years which followed, separate departments have been established to supervise Blue Network operations.* *

"To maintain and enhance its program standards, the Blue Network will avail itself of the counsel of an advisory committee representing seven regions into which the United States has been divided for broadcast purposes.* * *

"Members of the Committee are: Harry Wilder, Station WSYR, Syracuse; Allen Campbell, Station WXYZ, Detroit; Earl May, Station KMA, Shenandoah, Ia.; Henry P. Johnston, Station WSGN, Birmingham; Harold Hough, Station KGKO, Fort Worth; Tracy McCracken, Station KFBC, Cheyenne; Howard Lane, Station KFBK, Sacramento."

Niles Trammell, President of the National Broadcasting Company, who will continue in that capacity, was elected Chairman of the new company's Executive Committee which includes Mark Woods and Edgar Kobak as members.

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STANDARDS BUREAU ADDS WARTIME PITCH

The radio frequency service broadcast continuously by the National Bureau of Standards, which includes the standard musical pitch and other features on which industrial, musical and other groups largely depend, now includes a second carrier frequency - 15 megacycles - thus insuring wider reception, according to the Department of Commerce. The single frequency heretofore used for these broadcasts is 5 megacycles.

This service is broadcast continuously day and night and widely used. Both frequencies and the standard musical pitch as transmitter by the Bureau station - WWV - are accurate to better than one part in 10,000,000.

The standard musical pitch - 440 cycles or vibrations per second - corresponds to A above middle C. It is used by manufacturers of musical instruments for standardizing tuning forks and other gadgets. Orchestra leaders in all parts of the country either take the pitch directly from the radio or use it as a check on their tuning devices. Some piano tuners also take the pitch directly from the radio.

It was first adopted in Germany in 1834, but not generally accepted internationally until after World War I. In fact, a French pitch, adopted in Paris in the 1850's, was well on the way to international acceptance when the first World War started.

During that great struggle Allied troops found among captured booty numerous German wind instruments of good quality, all of which were pitched on 440 vibrations per second. This is credited with having started a movement which has since resulted in the general acceptance of the German pitch. It has even been said that the Germans won the long battle for acceptance of their musical pitch even if they did lose World War I.

The 440-vibration pitch was adopted by the Bureau of Standards for use in its frequency service because it had received the endorsement of various official bodies.

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Representatives of 16 Government departments, including E. K. Jett, Chief Engineer of the Federal Communications Commission, were appointed to the Censorship Operating Board, formed by Censorship Director Byron Price to control the flow of information between the United States and other countries.

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DON LEE AND RCA EXCHANGE TELEVISION PATENTS

A television patent interchange agreement between RCA and Don Lee Broadcasting System, Hollywood, was announced last week by Thomas S. Lee, President of the latter concern. Negotiations leading to the agreement were started in the Spring of 1939 when it became apparent that no one organization in the country held all patent rights for present-day television.

Don Lee Broadcasting System patents cover inventions of Harry R. Lubcke, television director of that firm. They are concerned with numerous phases of television, including synchronization, scanning, cathode-ray tubes, and telecasting of motion pictures as well as live subjects.

Patents cover methods and apparatus for both transmission and reception. Included are inventions as far back as 1930 when Lubcke started pioneering in television development for the late Don Lee.

Agreement calls for a non-exclusive, non-transferable license to RCA from Don Lee Broadcasting System in return for a similar license for certain equipment of the latter organization with a monetary consideration included. Don Lee concern retains ownership of patents and is free to license others in the television field.

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JUDGE RUTHERFORD'S DEATH RECALLS OLDTIME THREAT

The passing of Joseph F. Rutherford, world leader of Jehovah's Witnesses, who died in San Diego, Calif., last Thursday but whose death was not made known until the following Sunday, recalls an early clash he had with the old Federal Radio Commission. Jehovah's Witnesses even then owned a couple of broadcasting stations and were buying time on many more. Judge Rutherford became enraged when the Commission decided against him, calling down the wrath of God in a death threat upon the Commissioners. Following that whenever one Commissioner would meet another, the salutation would be, "Well, I see you are still alive!"

Another time, Judge Rutherford complained to the Commission that the NBC had discriminated against him. M. H. Aylesworth, then NBC President, denied the charge and then and there offered Judge Rutherford an Hour's free time any Sunday he would suggest. The Judge took him up on the spot. This proved a terrible headache for Mr. Aylesworth as complaints were received from all over the country and as far as this writer knows, that was the last free time Jehovah's Witnesses ever received from NBC. They, however, continued to use hundreds of stations by transcription and otherwise.

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The total number of Mutual network outlets is now 194 stations. This figure has been reached with the recent affiliation of KILO, Grand Forks, North Dakota.

Recent advances in radio will be described by Dr. Arthur Van Dyck, new President of the Institute of Radio Engineers, as guest speaker Saturday, January 17, on "Adventures in Science". (WABC-CBS, 1:30 P.M., EST).

In the one hundred corporations or independent companies listed as holding the greatest amount of War and Navy Department supply contracts awarded June 1940 through September 1941, in millions of dollars, the Radio Corporation of American is shown to have contracts to the value of 22.7.

Bethlehem Steel and Curtiss-Wright Corporation lead with values of 961.5 and 886.3 respectively.

Thomas Patrick, Inc., St. Louis, Mo., (Station KWK), has applied to the Federal Communications in an amended application for 25 KW night and 50 KW day power and make changes in directional antenna (680 kc.)

Jose Salinas, General Motors export executive, and Carlos Garcia, Chrysler assembly line mechanic, were featured on the first broadcast, January 5, of "Noticias del Norte", CBS daily program (9 P.M., EST) of spot and feature news for Latin America.

Station WSFA, Montgomery Broadcasting Co., Inc., Montgomery, Ala., has been granted a construction permit by the Federal Communications Commission to increase power from 500 watts night, 1 KW LS to 5 KW, install a new transmitter and directional antenna for night use, and move transmitter locally, subject to installing permanent monitoring facilities.

Roberto I. Unanue, CBS Latin American news editor, has been sent to Rio de Janeiro to cover the Conference of Foreign Ministers for WCRC and WCBX, CBS short wave stations.

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U.S.-PHILIPPINES CIRCUIT AGAIN OPEN

Direct commercial radiotelegraph communication between the United States and the Philippines, broken since the U.S. Army demolished all radio and cable installations at Manila on December 31, was re-established last Friday by R.C.A. Communications, Inc., with the opening of a circuit between San Francisco and the city of Cebu on the island of the same name. Cebu lies about half way between Manila and Davao, in Mindanao.

Message traffic moved between the two points during the day. There is a strong probability, according to word received by RCAC from its representatives in Cebu, that messages to and from two other islands in the Philippines -- Visayas and Mindanao -- may be handled through the Cebu facilities. The Philippines Bureau of Posts operates an inter-island cable system, and it is believed that the links between Cebu and the other two islands still may be open.

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RATIONING OF RADIOS FORECAST BY UNIONIST

Rationing of radios in the near future was foreseen by Russ Nixon, Washington representative of the United Electrical, Radio and Machine Workers Union of the C.I.O. Nixon and about 50 other delegates of the union opened a two-day meeting in Chicago to discuss problems arising out of the conversion of the radio industry to military purposes providing sets for the armed forces.

"We can't tell yet what the Government will order us to do", he said, "but we can get a good idea from what has happened to the automobile industry. We can expect a 50 per cent production cut for the first three months and then a reduction to about 10 per cent. Instead of building one million sets a month for the public, we would build only 100,000 under such a schedule."

Nixon said that another reason for cutting down the supply of radios for the public would be to save copper, aluminum, nickel and steel.

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HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.

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INDEX TO ISSUE OF JANUARY 16, 1942

Taft Blocks Presidential Communications Amendment.....	2
Denies Radio Shut-Down Ordered.....	4
Aide To Radio Censor Named.....	5
Labor Leaders Given Plenty of Network Leeway.....	5
Press-Radio Hearings Enter Tenth Month.....	6
New FM Receivers Now Number 50,000.....	6
High Frequency Aviation Range May Supplant Beam.....	7
Fly Gives Blue Net His Blessing.....	7
Radio Censorship Code To Bar Spies' Messages.....	9
Dr. Jolliffe Is Mr. Sarnoff's New Assistant.....	10
Trade Notes.....	11
Senate Considers Anti-Liquor Advertising Bill.....	12

No. 1395

TAFT BLOCKS PRESIDENTIAL COMMUNICATIONS AMENDMENT

Declaring that the matter was of such importance that it ought not to be considered under the 5 minute rule, Senator Taft of Ohio (R.), succeeded in blocking discussion of an amendment to the Communications Act having to do with granting to the President, in time of war, certain powers with respect to communications. Following Mr. Taft's objection, the bill was finally passed over.

Subsequently Senator Taft introduced an amendment of his own with regard to the President taking over the communications facilities of the country which read that if he does so, it be provided however:

"That except in case of invasion or in connection with the movement of military or naval forces no such authorization shall be given for the use and control of property costing more than \$10,000,000 without prior appropriation by the Congress."

"A reading of the bill as it now stands indicates to me that it would authorize the President to take over tomorrow the telephone, telegraph and radio companies", the Senator from Ohio declared.

"Of course that is true, as the Senator says", Senator Wallace White (R.), of Maine, replied, "that while we are in this war the President might, under the authority of this proposed legislation, take over the telegraph and telephone systems of the country. In that respect the bill is not essentially different from provisions which have been on our statute books for all of 30 years with respect to the radio communication facilities of the country. If my recollection is correct, in the 1912 Radio Act - the first radio act passed - we authorized the President to take over those facilities, or to close all stations, not only if we were in war but if there were a threat of war, or if a national emergency of any character were found and declared by the President. That provision was carried in the 1927 Act and it again had the approval of the Senate and of the House of Representatives when we passed the 1934 act.

"While it is true that the language of this proposed legislation is broad enough to do precisely what the Senator from Ohio says, the testimony before the committee was that the purpose is very much narrower than that general authority, although, of course, it is recognized that in time of war it may be necessary to do the whole thing.

"Today we find this situation: For instance, we are having maneuvers at various points in the country. Three or four or five hundred thousand men of the Army are engaged in maneuvers spreading over large parts even of a State. I think it must be recognized that

communication is vital to the efficient carrying-on of maneuvers of that character. It seems to me absolutely necessary that there shall be authority to subordinate for the time being the communication interests and even the public interests to this major and immediate requirement so that troops may be moved from point to point with intelligence and with efficiency. It clearly appears in the record that the Communications Commission has no purpose to take over these facilities generally. A limit of time is provided in the bill. I may say that the companies involved, or those which might be involved, offered no objection to the bill before the committee.

"I have the same reluctance that the Senator from Ohio has; but I regard the granting of this authority, if I may so express it, as a necessary evil. I think the authority should be and must be granted if the communication facilities of the Nation are to be mobilized in the Nation's interest."

"Of course," Mr. Taft replied, "the analogy to radio is not complete. A radio station may communicate during war with places outside the Nation, whereas today we certainly have complete control and complete censorship over the telephone and telegraph wires. I do not think the two are analogous. All I am concerned about is that it seems to me that, without further action by Congress, the American Telephone & Telegraph Co., say, might be taken over, at a cost of something over a billion dollars, as I remember, as the President took over the railroads in the World War. I do not know whether there is any necessity for such action; but it seems to me that this authority could be properly qualified so that the proper uses needed for military purposes might be authorized, and leave any question of taking over the telephone company or the telegraph companies until Congress itself should debate that question and determine it.

"I therefore object to the present consideration of the bill. I shall have no objection if the bill is modified. If that is not going to happen, if it is not intended to authorize that, and the bill says so, I certainly shall withdraw any objection to it."

"The bill passed the House December 19", Senator Barkley, of Kentucky, Democratic leader injected, "and it has been considered by the Senate committee. In order that there might be no fear or misapprehension with respect to the purposes of the bill, the committee specifically suggested to the chairman that in his report he set out certain excerpts from the testimony given by the Chairman of the Commission, Mr. Fly, regarding the purposes of the bill. Mr. Fly stated in his testimony that there was no intention to take over these facilities permanently or primarily or for any other purpose, except as it might develop from time to time to be necessary; and it is difficult to outline those necessities in a bill."

"I understand that; but I do not see why we should pass legislation giving broad authority on the statement of somebody that he is not going to use the authority", Mr. Taft replied. "It seems to me that is an unnecessary thing to do. I think qualifications could be made that would meet any objection I have to the bill."

"Of course", Senator Barkley concluded, "the Senator knows that in order to accomplish even a small purpose in regard to facilities of this kind or other kinds it is necessary to give broad powers, not that they will ever be exercised, but that it is almost impossible to write into a bill the exigencies or circumstances under which the President might make use of these facilities - not only take them over, but make use of them at all. The difficulty is in writing into a statute all the conditions under which the authority may be exercised without handicapping the Government in such a way as not to bring about the desired result."

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DENIES RADIO SHUT-DOWN ORDERED

Reports circulated in the press and by radio that OPM would shut down radio production in two or three months were declared by the Radio Manufacturers' Association to be inaccurate and misleading.

"The Office of Production Management has as yet made no announcement or order regarding curtailed civilian production of radio", said Bond Geddes, Executive Vice President of the Radio Manufacturers' Association. "The radio industry is already widely engaged on the very large program of vital radio and other military equipment and is going rapidly into increased military expansion.

"Reduced manufacture of civilian radio obviously is involved and an OPM order is expected shortly curtailing civilian radio by about 30 percent during the first three months of this year, but not a complete shut down. Further reduction in civilian radio later in 1942 is expected as the industry becomes more extensively engaged on the military program. Also it is understood the official policy contemplates supplies of tubes and other replacement and repair parts for radio sets now in the hands of the public, and we are not advised of any official plans for 'rationing' of radio."

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Notwithstanding the fact that many ways have been suggested for turning out the 31,000 street lights of the city in a blackout, nothing yet has been found that would do away with the necessity of having the lights turned off individually by hand by air raid wardens, it was said at the RCA laboratory in New York City where the ideas are being tested.

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AIDE TO RADIO CENSOR NAMED

John H. Ryan, Assistant Director of Censorship in Charge of Radio, has announced the appointment of Stenley P. Richardson, Coordinator of International Broadcasting, as an aide in his Radio Division.

Mr. Richardson has been given a leave of absence by the American short-wave broadcasting stations to enable him to accept the Government post. The new appointee has acted for about a year as the representative in New York and Washington of the six companies engaged in international broadcasting, with particular reference to their defense activities.

Ninety-nine and ninety-nine hundreds per cent of the newspapers and radio stations approve voluntary censorship of information that might be helpful to the Axis nations, Byron Price, Director of Censorship said at a press conference yesterday.

Regarding possible violations of the newspaper code announced Thursday, he said:

"We are not crossing that bridge until we come to it - if we do come to it. There are bound to be slips and inadvertencies. No one can avoid these. But as for defiance of the code, I doubt if we will come to that."

Mr. Price said that radio, being world wide, would be under more stringent censorship than newspapers which are domestic. The radio industry, he added, understood the situation.

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LABOR LEADERS GIVEN PLENTY OF NETWORK LEEWAY

Leaders of the American Federation of Labor and the Congress of Industrial Organizations made a total of 74 appearances on national network radio programs in 1941.

National

In announcing this figure, the Association of Broadcasters pointed out that it did not include the many local labor programs aired by individual stations. Nor does it include the appearances made by national labor leaders on individual stations. The total includes only those appearances on the networks of the Columbia Broadcasting System, the Mutual Broadcasting System and the National Broadcasting Company.

Talks by labor leaders are carried without charge, as a public service by the networks and stations. In the event any speaker takes one side of a controversial public issue, a representative of the other side is offered an equal amount of free time for rebuttal.

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PRESS-RADIO HEARINGS ENTER TENTH MONTH

Dragging along since last March - almost a year now - the Federal Communications Commission's investigation of newspaper-radio station relations hearings will be resumed Wednesday, January 21st. It was thought the war might put a crimp into the trial of the newspapers but if so there has been no sign of it as yet.

The Commission professes to see three possible uses for material being developed in its inquiry into joint ownership of newspapers and radio broadcast stations.

The Commission, submitting its report on 1941 activity to Congress, lists these alternatives:

1. Use of the expert knowledge thus acquired as an aid to subsequent determinations in particular cases.
2. Formulation of rules or statements of policy for the guidance of the Commission.
3. Recommendations to Congress for appropriate legislation.

Discussing the background of the probe into "The newspaper issue", the annual report says:

"The general question of joint control of newspapers and broadcast stations has long been a topic of interest in Congress and has arisen from time to time in connection with particular decisions of the Commission. Thus the Commission has been called upon to decide whether in a community with only one daily newspaper and no radio station the public interest will be better served by licensing a proposed station to the newspaper with existing facilities for gathering news and procuring advertising revenues, or to a non-newspaper applicant who will introduce an independent and competing medium for community service."

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NEW FM RECEIVERS NOW NUMBER 50,000

Latest figures on sales of FM receivers, as compiled by FM Broadcasters, Inc., the national FM trade association, indicate that there were approximately 50,000 sets equipped for frequency modulation reception in the vicinity of New York City alone on January 1. The national total is close to the quarter million mark.

The New England states may now claim between 22,000 and 24,000 sets, while Chicago has reached 25,000 - most of which were sold in the past three months. Other large cities include Philadelphia with 12,000; Los Angeles, 15,000; Milwaukee, 6,500; Detroit, 12,000; Pittsburgh, 8,000.

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HIGH FREQUENCY AVIATION RANGE MAY SUPPLANT BEAM

A two course ultra high frequency radio range development of a type which is expected to supplant the radio beam system now in use on the airways of the United States within the next few years was described at the New York convention of the Institute of Radio Engineers.

The new development operates on 125 megacycles, a wave length 400 times shorter than the wave length in use at present. Experimentation indicates that it eliminates static entirely and greatly diminishes the danger of multiple courses and the distortive effects which mountains, rivers, ore deposits and other influences of terrain exert upon radio beams; factors which have been held responsible for airline accidents. The new system provides precise and complete information to the pilot. It shows him whether or not he is to the left or right of his correct line of flight and whether he has flown beyond the radio range station or has not yet reached it, an extremely important point of information in bad weather.

The ultra high frequency range has been developed for and in collaboration with the Radio Development Section of the Civil Aeronautics Administration by the Laboratory Division of the International Telephone & Radio Manufacturing Corporation.

All experimentation and field work on the new development has been conducted at the C.A.A. Experimental Station at Indianapolis Municipal Airport where the apparatus has been inspected and flight tested with satisfactory results by airline administrators and pilots.

In addition to its safety factors and more complete information for the pilots, the new development points the way much further toward the automatic gyroscopic control of the plane. The instrument indicator actuated by the ultra high frequency range transmitter may in the future be used to direct the automatic pilot and thus keep the plane on its course automatically.

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FLY GIVES BLUE NET HIS BLESSING

The one really responsible for the separation of the two networks - the Blue from the Red - Chairman J. L. Fly of the Federal Communications Commission journeyed to Chicago to attend a meeting of the affiliates of the newly organized chain and to express his approval of the undertaking.

At the same time, Mark Woods, President of the Blue Network Company said it was news to him if Marshall Field was trying to buy the new chain. Mr. Woods said that no negotiations for the sale of the Blue were not being carried on with anyone. He said it might be some time before the network is sold. Mr. Woods said that the network

expected to show a profit during the first half year of operation. He added that RCA had advanced \$2,000,000 for operations.

The following resolutions were adopted at the Chicago meeting:

"1. - The Blue Network stations' planning and advisory committee is conscious that the success of the new Blue Network is dependent upon complete and wholehearted cooperation between the management of the network and its affiliates. It is only with absolute unity in the ranks of affiliates and their unqualified loyalty to the network, that the national mission of the Blue Network will be achieved. This unity and loyalty the committee commends to all Blue Network affiliates as their proper contribution to the success of all concerned.

"2. - The Blue Network stations' planning and advisory committee goes on record as having confidence in the capable and experienced management of the new Blue Network.

"3. - The Committee congratulates the Blue Network upon its announcement of a determination to increase its foreign and domestic news service. The committee also approves the announced purpose of programming new, bright shows of mass appeal. * * * *

"It is the further recommendation of the Committee that the Farm and Home Hour be immediately reduced to one-half hour.

"Realizing that the Blue Network is now the youngest of the national networks, although third in volume of business and old in experience, we feel it must carefully conserve its resources and watch expenditures closely. Otherwise the possibility that affiliates of the Blue Network might be called upon to pay the cost of overland lines, which should always remain a network obligation.

"4. - The Blue Network stations' planning and advisory committee disapproves the linking up of all national networks for any single program with the exception of those programs broadcast by the President of the United States or programs of extraordinary importance to the war effort.

"5. - The Blue Network stations' advisory committee recommends that a representative of the stations' planning and advisory committee be elected to the Board of Directors of the Blue Network Company, Inc. to serve for one year, and not be eligible for re-election."

The following directorate has been announced for the newly organized RCA subsidiary which will own and operate the Blue Network:

Mark Woods, Edgar Kobak, Lunsford P. Yandell, George S. DeSousa, John Hays Hammond, Jr., Joseph V. Heffernan and Dr. Charles B. Jolliffe, newly appointed assistant to Mr. Sarnoff.

In addition to Mr. Woods, previously elected President of the Network, the following executive officers were elected:

Edgar Kobak, Executive Vice-President; E. R. Borroff, Vice-President in Charge of the Central Division; Don E. Gilman, Vice-President in Charge of the Western Division; Lunsford P. Yandell, Vice-President and Treasurer; Phillips Carlin, Vice-President in Charge of Programs; Keith Kiggins, Vice-President in Charge of Stations.

Also Fred M. Thrower, Jr., General Sales Manager; George M. Benson, Eastern Sales Manager; E.P.H. James, Director of Publicity and Promotion; B. J. Hauser, Sales Promotion Manager; Earl Mullin, Manager, Publicity Department; Edward F. Evans, Research Manager; Murray B. Grabhorn, National Spot Sales Manager; Dorothy Kemble; Continuity Acceptance Editor; John H. McNeil, Manager, Station WJZ; George Milne, Chief Engineer; Tracy Moore, Western Sales Manager; John H. Norton, Jr., Station Relations Manager; Charles E. Rynd, Sales Service Manager; Robert Saudek, Assistant to the Executive Vice-President; James Stirton, Central Division Program Manager; and D. B. Van Houten, Office Manager.

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RADIO CENSORSHIP CODE TO BAR SPIES' MESSAGES

Regulations to keep enemy spies from broadcasting military data over radio programs were issued Friday (today) by John H. Ryan, Assistant Director of Censorship in Charge of Radio.

Radio stations were told that because they were being heard abroad by Axis intelligence operatives, "certain material which may appear on the news service wires as approved for newspapers may not be appropriate for radio".

Byron Price, Director of Censorship, explained that while printed matter is censored at the national borders, "no such post-publication censorship is possible in radio".

Mr. Price called on broadcasters to ban certain types of quiz and request programs and conduct forums and audience interviews with caution.

It was asked that no telephone or telegraph requests for musical numbers be accepted during the war, and that no given request be given at the requested time.

Request was made that "all audience-participation type quiz programs, originating from remote points, either by wire, transcription or short wave, be discontinued" with certain qualifications. It was noted that any program permitting the public access to an open microphone "is dangerous and should be carefully supervised" and that generally speaking "any quiz program originating remotely, wherein the group is small, and wherein no arrangement exists for investigating the background of participants, should be discontinued." When large groups are involved, "where participants are selected from a theater audience, for example, the danger is not so great".

In studio-audience quiz shows no individual seeking participation should be guaranteed participation, the code said.

Such quiz, request, interview and forum programs, the censorship office warned, might be used by Axis agents to communicate with their headquarters or with saboteurs through prearranged signals.

The code asks refusal of requests to call mass meetings or make emergency announcements, except when they come from official sources.

Sharp restrictions have been placed on weather broadcasts. The radio may use only such weather data as specifically approved for it by the Weather Bureau, and broadcasters have been asked to avoid reference to weather conditions in describing current events.

The code asks withholding from the air reports of information from unidentified sources as to ship sinkings, or reverses or successes of land forces.

Mr. Ryan advised radio to "steer clear of dramatic programs which attempt to portray the horrors of combat; to avoid sound effects which might be mistaken for air raid alarms".

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DR. JOLLIFFE IS MR. SARNOFF'S NEW ASSISTANT

Dr. Charles B. Jolliffe has been appointed Assistant to the President of the Radio Corporation of America. In making the announcement, David Sarnoff, President of RCA, who made the selection from the personnel of the RCA organization, said that Dr. Jolliffe, in addition to his new duties, will continue the position he has held for some time as Chief Engineer of the RCA Laboratories.

After serving as instructor of physics at West Virginia University, and from 1920 to 1922 at Cornell University, Dr. Jolliffe became associated as physicist with the Radio Section of the Bureau of Standards. His research was in radio wave propagation and the development and maintenance of standards of frequency.

Dr. Jolliffe was appointed Chief Engineer of the Federal Radio Commission in 1930 and continued in that capacity when that organization was changed to the Federal Communications Commission in 1934. He resigned from the FCC in 1935 to become engineer in charge of the RCA Frequency Bureau. He has attended many international radio conferences as delegate of the United States Government. Dr. Jolliffe is a member of several committees of the Defense Communications Board and for more than a year has been working on communication problems with the National Defense Research Committee of the Government office of Scientific Research and Development.

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Donald M. Nelson, new Chairman of the War Production Board, is a Director of the Colonial Radio Corporation.

Named Assistant Chief Engineer of the Hygrade Sylvania Corporation, Radio Tube Division, is Walter L. Krahl, formerly Division Engineer of the Salem, Mass. Radio Tube Plant of the company.

The William Penn Broadcasting Co., Philadelphia, Pa., was granted a construction permit for a new FM station to operate on 47,300 kilocycles; 9,300 square miles service area.

Jubilant over its sale of \$75,000 worth of United States Defense Bonds and Stamps in less than an hour by appealing directly to its visual audience, CBS television station WCBW plans to repeat its "Buy A Bond" program.

Quite a crowd stood in front of the Star Radio Store at 14th and F Streets in the center of downtown Washington listening to a war bulletin broadcast direct from London over one of the new Zenith "Trans-Ocean Clippers" short-wave portables. Reception was excellent and quality about the same as if it had been heard over one of the domestic networks.

A series of twenty daily radio programs for Latin-America is scheduled by the Columbia Broadcasting System beginning Saturday, January 17, at 4:45 E.S.T., over WCRC and WCBX. Mrs. Franklin D. Roosevelt and Nelson Rockefeller will introduce this new series from the Latin-American Fair of R. H. Macy and Company on Friday, Jan. 16 (WABC-CBS, 10:30 P.M., EST).

By the time this appears the President may have signed the Daylight Savings Bill. Congressional action on this bill was completed last Thursday and the measure will become effective 20 days after the President signs it.

Byron Price, Director of Censorship, will lead a discussion on this subject during the University of Chicago "Round Table" broadcast Sunday, Jan. 18 (NBC-RED, 2:30 P.M., EST.)

A new Renewal Tube Characteristics Sheet has been released by the commercial engineering department of the Hygrade Sylvania Corporation. It is a twelve page booklet and contains not only average tube characteristics, but also Panel Lamp characteristics and tube and base diagrams. It is available free, but, in view of paper shortages, it is requested that radio servicemen and others order for bare requirements only.

A six-month, 24,000-mile trip through Mexico, Central and South America and the West Indies, to visit 69 of the 74 affiliates of the Columbia Broadcasting System's Latin American network, has just been completed by Guy Hutcheson, CBS engineer.

Philadelphia's sixth FM station received a go-ahead from the Federal Communications Commission this week when the William Penn Broadcasting Co. (WPEN) was granted a construction permit to proceed with W73PH.

Beginning with the issue of January 31, Movie-Radio Guide, which has a circulation of 350,000 copies, will carry detailed listings of FM programs in the same fashion that regular broadcast schedules are presented in that publication.

William C. White, formerly an assistant to Dr. Irving Langmuir, has been appointed Director of an electronics laboratory in which will be centralized General Electric's advance development activities in the field of electronics. The new laboratory has been established as a division of the Radio and Television Department of the company.

Mr. White is a pioneer and authority in vacuum tube development work, and was engineer in charge of the Vacuum Tube Division of the Radio and Television Department of the company. He has been succeeded in this post by O. W. Pike as engineer, with R. W. Larson as assistant engineer.

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SENATE CONSIDERS ANTI-LIQUOR ADVERTISING BILL

The Senate has before it the House-approved bill to prevent advertising of retail liquor prices in the District of Columbia.

As passed by the House the District of Columbia Alcoholic Beverage Control Act is amended by inserting the following new subsection:

"(g) No holder of a retailer's license, class A, or retailer's license, Class B, shall, with respect to alcoholic beverages covered by such license -

"(1) advertise, by any means or through any medium, the price for which such alcoholic beverages are for sale;

"(2) distribute, sell, or give away any price list or information with respect to the price of such alcoholic beverages;

"(3) display in his place of business any price list or sign with respect to the price of such alcoholic beverages if any price on such list or sign is visible from the street; or

"(4) display, or leave in his place of business, in a place where customers may take it away, any price list or information with respect to the price of such alcoholic beverages."

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HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.

INDEX TO ISSUE OF JANUARY 20, 1942

Quiz Ban Among Few Flaws In Censorship Rules.....	2
No DCB Comment On Assignment Freezing.....	4
Believed Government Program Coordinating Involves Time Only.....	4
Wartime Wire Control Bill Sent To White House.....	5
Supreme Court Dismisses ASCAP Appeal.....	8
May Let Down Bars In Demand For Engineers.....	8
Y. W. To Offer Women Radio Operator Courses.....	8
Scoring Columnist, Ickes Also Twits Broadcasters.....	8
Photographs By Remote Control.....	10
Educators Form New Radio Group.....	10
Trade Notes.....	11
Red Network Had Banner Year In 1941.....	12
Program Rating Not Complete Indication, WOR Asserts.....	12

No. 1396

January 20, 1942

QUIZ BAN AMONG FEW FLAWS IN CENSORSHIP RULES

Except for the banning of quiz programs originating from remote points and several other restrictions, which it was said might result in loss of revenue, the broadcast station war regulations issued last week by John H. Ryan, Assistant Director of Censorship in Charge of Radio, seem to have gotten by in pretty good shape. Especially so since there was every evidence that Mr. Ryan would do anything he possibly could to meet any objections the industry might have.

Already the Radio Coordinating Committee representing the industry trade groups, of which George B. Storer, President of the Fort Industry Company, is Chairman, have been heard from in an effort to initiate some changes.

"We do not anticipate that the censorship code will cancel any of the quiz programs now on NBC", Clarence L. Menser, NBC Program Manager, said. "Instructions have been issued to producers, announcers, and masters of ceremonies on these shows to veer away from all subjects which the government regards as tabooed. For some time these shows have been monitored with extra care in Radio City and at other division points. This practice will continue so that if, during any of these so-called ad lib shows, objectionable statements are indicated by audience participants, which are in violation of the censorship code, a cut will be immediately made.

"We do not anticipate any difficulty, but nevertheless we shall not relax our vigilance. We should reiterate that ever since the war the National Broadcasting Company has had a self-imposed censorship in effect so that the promulgation of the code finds us already meeting its terms.

"We are very glad to see this code announced and believe that it will have a salutary effect, especially among some of the smaller stations which have overlooked the importance of strictly observing common sense censorship rules."

"The instructions for radio of the Office of Censorship reveal sound judgment and a practical knowledge of radio operation", Alfred J. McCosker, President of WOR, declared. "We have studied these instructions carefully and find that they coincide with precautions already voluntarily self-imposed by WOR-Mutual in the matter of news, musical request and audience participation programs. These last are produced before large studio or playhouse audiences and are carefully supervised. None of our quiz or audience participation programs originate from remote locations such as airports, railroad terminals, or other public gathering points."

Harry C. Butcher, Washington Vice President of the Columbia Broadcasting System, praised the code as "a good document" and said he felt certain its enforcement would be accomplished voluntarily since the industry had been consulted in its preparation and had confidence in censorship officials.

"I think it shows a great deal of restraint", Mr. Butcher commented.

Fred Shawn of the National Broadcasting Company in Washington, expressed the opinion the code would not mean program adjustments for the National Broadcasting Company in the Capital, since appropriate safeguards already have been taken to prevent a particular person's being assured of place on a quiz period. The stations have had no man-in-the-street features recently, Mr. Shawn added.

It was reported from New York that the network stations there had already put into effect most of the regulations issued by the Office of Censorship. Such features as request musical numbers and informal street interviews with open microphones were abandoned by the networks soon after this country's entrance into the war.

None of the current quiz shows and forums will be canceled, according to present plans, although it is possible that in some cases they will be changed slightly in form. In "America's Town Meeting", a radio forum, it is possible that questions will be written and then reworded by monitors before being read on the air.

The quiz shows, such as "Vox Pop" and "Dr. I.Q." were already carefully supervised either by choice of contestants and questions or the place in which the broadcast originates, it was pointed out. In recent weeks, for instance, "Vox Pop" has been broadcast from Army and Navy camps.

The Washington Post had this to say last Sunday:

"The wartime regulations for the press and radio laid down by the Office of Censorship are commendably designed to assure minimum interference with the business of dispensing information. And it is evident from the OC's codes of wartime practices that Director Byron Price subscribes to the theory of the less censorship, consistent with security, the better. Nevertheless, sacrifice of customary enterprise under any form of censorship is inescapable. In this connection it is of particular interest that some material may be printed in newspapers but not broadcast over the air. The reason for discrimination is obvious: material broadcast cannot be recalled and may be immediately useful to enemy agents outside the country, whereas material appearing in the press may be censored before leaving the country.

"Thus it appears that the OC has a proper regard for the time element. Before official censorship was established, George Creel, who headed the Nation's censorship committee during the last war, laid special emphasis on the time element. He argued that there should be no censorship of the press, but that the radio, the cables, and outgoing mail, should be subject to stringent supervision. And

speaking out of his vast experience in World War I, he claimed that news printed in the press, which might be of value to the enemy, would be so old by the time the enemy received it that it would be useless."

Speaking in the NBC broadcast of the University of Chicago Roundtable last Sunday, Mr. Price said:

"We must keep all the facts we possibly can before the public. One of the greatest dangers is that overzealous public officials may make unreasonable requests for the suppression of information. We have instructed newspapers and radio stations to refer requests of this nature to us for consideration.

"As to enforcement, I assume that the Department of Justice, which is entrusted with law enforcement will enforce the Espionage Act, if necessary."

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NO DCB COMMENT ON ASSIGNMENT FREEZING

Although thought to be imminent, nothing was said at the Defense Communications Board one way or the other with regard to the freezing of broadcast frequencies along with cutting off new construction grants, except for defense purposes. Neither was any word forthcoming on the subject from the Office of Production Management, where the order was expected to be issued.

The theory behind cutting off these grants is that there would be no reason for the Federal Communications Commission to grant authorization for changes if stations would not be able to secure equipment blocked by priorities restrictions.

Chairman Fly last week was quoted as saying that definite policy would have to be established and that conditions had now approached the point where curtailments are essential. He said OPM and DCB would act within a month.

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BELIEVED GOVERNMENT PROGRAM COORDINATING INVOLVES TIME ONLY

As understood at the Federal Communications Commission, the coordinating of Government programs now being undertaken by William B. Lewis, formerly of the Columbia Broadcasting System and OPM, in his new capacity as radio program coordinator in the Office of Facts and Figures, is to be limited to arranging Government time on the air. It is not believed that it involves program content. The main idea seems to be that it will be a central clearing house for time for Government programs on the air. Heretofore each Government Department and agency has maintained its own relations.

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WARTIME WIRE CONTROL BILL SENT TO WHITE HOUSE

The Senate Monday passed and sent to the White House the bill giving the President wartime control over telephone and telegraph wire facilities the same as radio, after assurance had been given that this was not getting a foot in the door for permanent Government operation. The measure provides that facilities taken over shall be returned to the Government six months after the war ends. An amendment by Senator Taft to limit the President's powers to seize properties valued at less than \$10,000,000, except in case of invasion, was defeated.

Explaining the new legislation, Senator Wheeler, of Montana, said the bill would give the President the same power over wire and cable facilities which he now has - and has had for years - over radio facilities. The measure specifically provides that the President, if he deems it necessary for national security, during a state or threat of war, and for not more than 6 months after the termination of the war or threat of war, may, in the language of the bill:

"Suspend or amend the rules and regulations applicable to any or all facilities or stations for wire communication within the jurisdiction of the United States as prescribed by the Commission; (2) cause the closing of any facility or station for wire communication and the removal therefrom of its apparatus and equipment; or (3) authorize the use or control of any such facility or station and its apparatus and equipment by any department of the Government under such regulations as he may prescribe, upon just compensation to the owners."

"My understanding is that there is no intention that the Government shall take over the properties of the telephone and telegraph companies, except in case of emergency, when it may be absolutely necessary, as in the event the country should be invaded, or when it may become imperative that the companies be taken over for defense purposes", Mr. Wheeler went on to say.

At the conclusion of Senator Wheeler's explanation, Senator Vandenberg of Michigan queried:

"In spite of the Senator's statement regarding the intent, does the language of the bill authorize the President to take over completely the control of these wire facilities and operate them under Government control?"

"Oh yes; during the period of the emergency and for 6 months thereafter; but it was the understanding of the committee, which is borne out, I think, by the statement of Mr. Fly, that the intent is to take over only the use and control of the facilities", Senator Wheeler replied.

"The question was asked before the committee whether it was the intention to leave in control those who were in charge of the companies. My understanding is that they are to be left in control,

unless for some reason it might become necessary to dispense with the services of some particular individual.

"In all fairness to the telephone and telegraph companies, I wish to say that they have shown every indication of intention to cooperate with the Government in every way in our national defense. There has not been any question at all about their cooperating with the Government. They have shown and have stated that they were perfectly willing to do anything the Government requested, and that they had no objection to what was proposed, because they realized that it might be necessary for the Government, under emergency conditions, to take over the control of the companies during the period of emergency."

The question was raised as to whether under the new act the President could consolidate the Western Union and the Postal but Senator Wheeler said that it was his own view this could not be done without additional legislation. Asked by Senator Taft if there was any intention on the part of the Government to take over the Commercial Pacific Cable Company, Senator Wheeler answered:

"Frankly, I think there may be. At the present time the Commercial Pacific Cable Co. is cut off, as the Senator may know. My understanding is that it has been practically cut to pieces beyond Honolulu. We cannot go much farther than Honolulu with the Commercial Pacific Cable Co. I think that is one of the things which it is felt imperative to take over."

There was a tilt between Mr. Taft and Senator Clyde Reed, of Kansas.

"I ask the Senator from Ohio if he is really in earnest in making the suggestion that if the President finds it necessary in wartime to take over a railroad, a telephone line, or a radio facility, he must wait until the value is determined by the courts and then wait until he can obtain an appropriation from Congress?" Mr. Reed inquired. "Surely the Senator from Ohio does not mean that."

"I did not propose any such thing. However, I said that if the President wants to take over a company which is likely to cost so much he ought to have an appropriation for that amount", Senator Taft replied. "After all, Congress determines the policy of taking over such property. If subsequently it is determined that the cost is greater than was anticipated he can then obtain a supplemental appropriation. I am certainly in earnest in making that proposal."

"Surely the Senator from Ohio cannot be in earnest. If there is an emergency requiring the Government to take over anything, surely the taking over ought not to be deferred until the damage has been determined and Congress has appropriated money", the Kansas Senator persisted.

"I say it should be", Senator Taft replied.

"I must disagree with the Senator from Ohio", Senator Wheeler interjected. "If we are to take over a telephone company in an emergency, everybody who has had anything to do with rate and valuation cases, as the Senator from Kansas has had, knows the

length of time the litigation would require. The parties would fight interminably over the value of the property. I say that we must give the President such authority whether we like it or not. When we are in war we must do many things which we do not like to do."

"The provision authorizing the Government to take over the radio has been in the law for some years", Senator Hill, of Alabama, said. "So far as taking over the telephone lines is concerned, we took them over during the World War, and we gave them back to the private owners after the war; did we not?"

"That is correct", Senator Wheeler replied.

"The radio law gives the President authority to take over the radio-communication facilities of the country in time of war, or in time of threat of war, as this bill does, and then it proceeds to say that the President may take over those facilities in the event of public peril or disaster - or during any other national emergency", Senator White of Maine, explained. "So there are with respect to radio, three bases for the exercise of authority by the President that do not exist in the proposed legislation. In that respect the proposed legislation goes a much shorter distance than the Congress went in the radio legislation. That language of the radio law has been on the statute books of the United States for approximately 30 years.

"It is just as utterly inconceivable to me as it is to the Senator from Alabama that, with the United States at war, it shall not be within the power of the President of the United States to take over these communication facilities and bend them to military necessities as such necessities may from time to time arise.

"The Senator from Ohio in his amendment places a limitation of \$10,000,000 upon the value of the property which may be taken. * * * * I can see no reason for fixing that sum of \$10,000,000."

"The Senator from Maine, I am sure, would add - 'or any other sum of money, or requiring delay until an appropriation has been made by the Congress'", Senator Reed suggested.

"I completely agree with the Senator", Senator White replied.

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Says Hygrade Sylvania: It is now more important than ever before that all radios be kept in good repair, and in practically constant operation, so that important official news and instructions may be received without delay. This is the radio industry's and particularly, the serviceman's part in National Defense.

Servicemen, especially, can help to combat the spreading of scares and rumors since they come into close daily contact with the listening public.

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SUPREME COURT DISMISSES ASCAP APPEAL

The Supreme Court yesterday (Monday) dismissed the appeal of the American Society of Composers, Authors and Publishers -- known familiarly as ASCAP -- from a decision that the Society had violated the Sherman Anti-Trust Law and, therefore, was not entitled to enter a suit attacking a Washington State law regulating the use of copyrighted music. ASCAP has agreed to comply with the State law. The appeal was against the decision of a Federal Court in Western Washington.

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MAY LET DOWN BARS IN DEMAND FOR ENGINEERS

So great is the demand for radio engineers that there may have to be a slackening up on qualifications. Asked about this, James L. Fly, Chairman of the Federal Communications Commission, said:

"I think everybody down the line will have to find a way of broadening the basis for the requirements -- the professional people, I think, to a certain extent. That has happened in our monitoring work for the engineers. We will have to modify requirements a bit.

"All through the industry there is the greatest necessity for the recruitment of people for professional work and training. Persistent effort is made to build them up to where they can take responsibility. There are so many demands for competent people -- to a certain extent from us and from the Army and Navy and it has happened that those demands have come at the same time as industry's."

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Y.W. TO OFFER WOMEN RADIO OPERATOR COURSES

Following considerable talk about the use of women as radio telegraphers, the Ballard School of the Young Women's Christian Association in New York City, will instruct women in the Morse code and the building of receiving sets to train them as amateur operators. The instructor will be Mrs. Abby Morrison Ricker, who was a licensed Navy radio operator during the first World War.

The classes will be held twice a week and will extend through March.

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SCORING COLUMNIST ICKES ALSO TWITS BROADCASTERS

Secretary Ickes, who of late seems almost to have been lost in the shuffle, took the center of the stage to reply to an article written by David Lawrence, which the former said appeared to be an attack on the President of the United States.

Writes Mr. Ickes:

"Mr. Lawrence's excuse for the attack is feeble and will get him nowhere. One must in fact read more than half way through the offensive article before learning that it involves an issue between the Department of Justice and two major broadcasting companies. * * * *

"I am surprised that the ever loyal Washington Star would permit a 'columnist' to choose such an inopportune time to sponsor a 'movement to bring about the passage of a constitutional amendment to permit the American people to remove at will their Commander in Chief when he fails.' What Lawrence means and what he actually says is that the Commander in Chief - the President - is responsible for the Pearl Harbor disaster. As witness this statement: 'Even the fact that as Commander in Chief, Mr. Roosevelt must have known how critical were the relations between America and Japan prior to December 7 and hence must have had the ultimate responsibility for seeing to it that the fleet was on the job 24 hours of the day * * *'

"I know nothing officially or otherwise about the controversy between the two radio systems and the Department of Justice, which moves Mr. Lawrence to make his treacherous attack upon the President. The nearest that I can get to it is that the Federal Communications Commission issued an order which the Broadcasting companies liked so little that they asked the courts to restrain it. The Department of Justice now files what Mr. Lawrence calls 'a punitive law suit' involving a question of whether the broadcasting companies constitute a monopoly.

"And, by the way, it appears that the Mutual Broadcasting Co. is suing National Broadcasting Co. on the ground that it is violating the anti-trust laws. May we expect a blast from Mr. Lawrence against Mutual Broadcasting Co. and its most important stockholder, R. R. McCormick of Chicago?

"It is fair to assume that the Department of Justice believes that the two radio systems - National Broadcasting Co. and Columbia Broadcasting System - may be operating willfully or not, in violation of the law and proposes to find out about it through proper and orderly democratic processes. Is there anything wrong with that? Is it Mr. Lawrence's view that some of our laws may be violated because we are at war? And if one law, why not all laws? Does he propose immunity for a particular class - the class in defense of which his name has long been identified?"

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PHOTOGRAPHS BY REMOTE CONTROL

Lloyd S. Jones, Youngstown (O.) Vindicator photographer, has just perfected a new photo-electric device that permits him to take pictures of distant areas with flash synchronization by remote control. Jones grew weary of carrying extra cable and excess equipment to cover banquets and other functions that occur in large halls and theaters, so he decided to simplify his problems with a little ingenuity.

After designing the type of apparatus he required, he succeeded in obtaining the help of several radio engineers in Youngstown, the Editor & Publisher relates. The photo-electric cell is contained in a telescopic tube and trained on the camera. It may be operated from either point, one from the camera or from the scene where the flash is fired. By means of a relay it is possible to fire any number of bulbs or units.

For the present, Jones operates his device in conjunction with flash synchronization at shutter speeds up to 1/100th of a second. He believes that this speed will be increased as improvements are made from time to time. His distances range up to 200 feet and well covered by the small 20-lb. portable unit. Although the device may be used in some forms of news picture assignments, it will find greater favor with the banquet and commercial photographers.

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EDUCATORS FORM NEW RADIO GROUP

The Association for Education By Radio, new professional group open to all educators, broadcasters, and others interested in and working with educational radio, has outlined its objectives as follows:

1. Development of an instrumentality through which persons interested in education by radio may have adequate communication;
2. Cooperation with the Institute for Education by Radio, the School Broadcast Conference, the United States Office of Education, and other institutions and groups interested in education by radio;
3. Representation of the interests of education by radio in connection with pertinent legislation, commission hearings, conferences, and the like;
4. Encouragement of experimentation and research and widespread dissemination of findings;
5. Publication of a news, information, and idea service on a periodical basis;
6. Establishment of this association as a recognized professional voice for those engaged in educational radio activities in civic, religious, and educational groups and in the radio industry.

The first annual meeting of the Association will be held February 23rd in San Francisco, in conjunction with the meeting of the American Association of School Administrators.

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 ::: TRADE NOTES :::
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The regular appropriation for salaries and routine expenses in the 1943 budget of the Federal Communications Commission will be \$2,300,000, compared with this year's \$2,315,229, while the defense allotment will be cut from the current \$2,729,000 to \$2,667,619.

Congress has been asked to give the Agriculture Department the same amount, \$35,125, for program preparation (Farm and Home Hour), and the Budget Bureau recommended the Interior Department keep its radio director, script writer, and radio engineer, whose combined salaries amount to \$12,200.

William M. Sloan of Chicago, communications engineer, has been appointed head of the Telegraph and Cable Section of the OPM communications branch. A graduate of Montana State College and the University of Wisconsin, Mr. Sloan was communications adviser to the Postmaster General during the first World War.

In the form of a large brochure 13 by 18 inches, the National Broadcasting Company has reproduced the scroll signed by the 21 Ambassadors and Ministers of the Republics of Latin America presented by the Ambassador to the United States from Peru in appreciation of the NBC "Good Neighbors" programs.

Presumably on account of the war and the cutting of the sale of automobiles, the Ford Sunday Evening Hour, now in its eighth season, will go off the air March 1st. Another one to go is "Helen Hayes Theatre of the Air" sponsored by the Lipton Tea Company.

Louis G. Caldwell, radio lawyer, will join the faculty of Columbus University in Washington as a lecturer on administrative law. He was the first General Counsel of the old Federal Radio Commission in 1928 and at one time was editor of the Journal of Radio Law. He is counsel for the Mutual Broadcasting System.

Station WAYS, Charlotte, N.C. was scheduled to join the Southeastern group of the Blue Network January 21st.

Lieut. William C. Eddy, U.S.N., retired, of Chicago, has been called to active duty as Director of a new Navy primary school for training in high frequency. Lieutenant Eddy has specialized in television and several of his amplifying and radio transmission devices are used in submarines.

Adolph B. Chamberlain, Chief Engineer of the Columbia Broadcasting System, was awarded an honorary engineering fellowship of the Institute of Radio Engineers for engineering leadership in broadcast transmission and operation, at the thirtieth anniversary dinner of the Engineers Institute in New York City.

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RED NETWORK HAD BANNER YEAR IN 1941

1941 was the best year in the history of the Red Network of the National Broadcasting Company, Roy C. Witmer, Vice President in Charge of Sales, said. Not only was revenue highest in Red Network history, but there was a sharp increase in facilities used by Red Network advertisers and in the cab ratings of such programs.

December, 1941, was the largest month in the organization's history with an all-time monthly net revenue peak. Red Network advertisers added more stations per program than ever before for both evening and daytime shows.

Witmer asserts that the over-all national audience of the NBC-Red Network has not only increased at a greater rate in 1941 over 1940, but it has far outstripped any other network.

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PROGRAM RATING NOT COMPLETE INDICATION, WOR ASSERTS

While ratings are important, a program rating is not a complete indication of a program's popularity, WOR contends.

This, it was said, was revealed by Joseph Creamer, WOR Director of Promotion, in announcing an analysis of facts uncovered by personal interviewers for "The WOR Continuing Study of Radio Listening in Greater New York" (which is made every month for WOR by Crossley, Inc.).

WOR analysts found that although competing programs can have equally good ratings, the number of people listening in each home contacted can vary greatly. For instance, research interviewers found that one program on the air at 12:30 P.M. was being listened to by 18 people in every 10 homes checked. A competing program averaged only 13 listeners to every 10 homes.

Ratings, WOR analysts claim, are and will continue to be surface indicators of program popularity.

It has been long accepted by radio men that late evening audiences are made up mostly of men. However, WOR researchers made a composite breakdown of a typical 11:00 P.M. listening audience for two recent months, and found an equal division of men and women.

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HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.

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INDEX TO ISSUE OF JANUARY 23, 1942

Big Job For Knowlson In New War Production Set-Up.....	2
KGEI Now Gives It To Them In Thai.....	3
New Defense Radiotelegraph Defense Circuits Added.....	4
War Plea To Halt Paper-Radio Probe Rejected By FCC.....	4
National Radio Institute Signs FTC Stipulation.....	6
FCC Again Gets Brickbats From Congress.....	7
"Never Forget Pearl Harbor" Is Newest Slogan.....	8
FCC Action.....	9
Trade Notes.....	10
A New Four Pound Radiophone And Transmitter.....	11
Use Air Mail To Save Radio And Telegraph, P.O. Advises.....	11
CBS Clarifies War Rebate Situation.....	12

No. 1397

30 ROCKEFELLER PL. NEW YORK, N. Y.

BIG JOB FOR KNOWLSON IN NEW WAR PRODUCTION SET-UP

In abolishing the Office of Production Management and setting up his own powerful organization to speed up the manufacture of armaments and munitions, Donald M. Nelson, new war production chief, named James S. Knowlson, of Chicago, President of Stewart-Warner Corporation of Chicago, head of the Division of Industry Operations. Mr. Knowlson was formerly President of the Radio Manufacturers' Association, which position he resigned on September 16 at Mr. Nelson's request to come into the OPM as Deputy Director of Priorities.

Mr. Knowlson as head of the Division of Industry Operation will have charge of all industry branches, and will have the responsibility for plant conversion and will handle priorities. Closely dovetailing into this phase of operations the Materials Division under William L. Batt, of Philadelphia, President of SKF Industries, Inc., will make the available materials go around, see that production problems of copper, lead and other basic raw materials are met and, in conjunction with the requirements board which Mr. Batt also heads, and with the priorities branch under Mr. Knowlson, will allocate available stocks of materials to the various essential requirements of the war and civilian supply programs.

Another of the key men named by Mr. Nelson, William H. Harrison, heading the new Productions Division, is on leave as a Vice-President of the American Telephone and Telegraph Company. Mr. Harrison was described by Mr. Nelson as being "hard enough and tough enough to see that the job is done." Unlike Mr. Nelson, who is a Democrat, both Mr. Harrison and Mr. Knowlson are Republicans.

Mr. Knowlson was born in Chicago and is 59 years old. He was graduated from Cornell and started in as an electrical engineer with General Electric at Schenectady. He later became President of the Speedway Manufacturing Co. and finally President and Chairman of Stewart-Warner.

Discussing the sweeping changes just made, Frank R. Kent of the Baltimore Sun asks, "Has Nelson got the stuff in him or has he not?" and answers:

"Everybody will hope that he has, but certainly it remains to be proved. The recent rush of the New Deal publicity agencies to paint Mr. Nelson as a superman who very soon will straighten out the shocking mess into which things have gotten in Washington and have the war production wheels whirling at top speed, would be more impressive did it not recall that a similar burst of publicity pictured Mr. Nelson as a veritable ball of fire a few months ago

when he was made Executive Director of the S. P. A. B. The S. P. A. B. is now pushed over the brink into obscurity, but then it was hailed as the final answer to everything in much the same way as the new setup has been.

"One fact is that while Mr. Nelson unquestionably is an able businessman he is no abler than a number of others who have been in this confused and heretofore headless organization. Why then, was Mr. Nelson named? The answer was given at the time, not by critics but by administration journalists and spokesmen - he was the New Deal's favorite industrialist. More than any other, he had made it his primary business to stand well personally with the little group of White House insiders. He had early endeared himself to them by a radio speech in which he practically adopted the New Deal spending philosophy - and in other ways.

"In particular Mr. Nelson's appointment is attributed in informed circles, to the influence of Harry Hopkins, who lives at the White House. Mr. Hopkins is congenitally unfriendly to businessmen and Mr. Nelson is the only one in the war organization for whom he has achieved a real liking. * * * From the start Mr. Nelson has been the favorite of the Hopkins group. And not many will contend that he would have been singled out for either his S. P. A. B. position or this one if he had not been.

"One of the major troubles with these White House insiders is their determination that none whom they dislike shall occupy key positions in the management of the war. The result has been that a great many splendidly equipped men who ought to be here have been blacklisted and the place reeks with incompetents and second-raters."

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KGEI NOW GIVES IT TO THEM IN THAI

Already broadcasting from San Francisco to more than half the world in seven languages and two dialects, General Electric's powerful shortwave station KGEI has added an eighth language to its schedule, that of Thai, formerly known as Siamese.

News from the American viewpoint and commentaries will be broadcast to Thailand in Thai daily at 2:45 A.M. San Francisco time, evening in the Orient.

Other languages in which the station broadcasts daily are English, Spanish, French, Dutch, Chinese (Mandarin and Cantonese dialects), Japanese, and Tagalog, which is the native Filipino language. Newscasts in Malay are under consideration.

The station co-operates closely with Nelson Rockefeller, Co-ordinator of Inter-American Affairs, and Col. William Donovan, Co-ordinator of Information.

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NEW DEFENSE RADIOTELEGRAPH DEFENSE CIRCUITS ADDED

The Federal Communications Commission in the interests of National Defense, authorized the Mackay Radio and Telegraph Co. and the R. C. A. Communications, Inc., to establish for a period of 90 days parallel commercial radiotelegraph circuits to various points throughout the British Empire and other important communication centers on a non-exclusive basis.

Also in the interests of National Defense, the FCC authorized the Mackay Radio and Telegraph Company to establish direct radiotelegraph circuits on a non-exclusive basis between the United States and the following countries of obvious strategic importance in the present world situation: Java, Federated Malay States, Egypt, Burma, Turkey, India, New Zealand, Siberia, Union of South Africa, Syria, Iran, Bermuda, the British Gold Coast and Gambia, in Africa.

R. C. A. Communications, Inc., was authorized to establish circuits to Iran, India, Union of South Africa, Burma, Federated Malay States, New Zealand, British Guiana and Bermuda.

The United States Cable and Radio Censor informed the international communications companies it would authorize the use of the following codes between the United States and countries abroad where these codes are admitted, effective January 26th:

- (1) ABC 6th Edition, (2) Acme Commodity Phrase and Supplement,
- (3) Bentley's Complete Phrase, (4) Bentley's Second Phrase,
- (5) Lombard General, (6) Lombard Shipping and appendix (7) New Standard Half-Word, (8) New Standard Three Letter, (9) Peterson's International 3rd Edition.

The use of codes and cable addresses was banned with the outbreak of the war.

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WAR PLEA TO HALT PAPER-RADIO PROBE REJECTED BY FCC

The Federal Communications Commission denied a petition from the newspaper radio-station owners committee to indefinitely postpone the Commission's long continuing investigation of newspaper-radio relations. The postponement was asked on the ground that it hampered the war effort and that the Commission lacked authority on the basic question, the contention being that Congress alone had jurisdiction.

Submitting the petition of the Newspaper-Radio Committee, Thomas D. Thacher, counsel, argued that it was illegal for the FCC to refuse a broadcasting license because the applicant owned or was interested in a newspaper.

"The occurrence of a state of war necessarily subordinates all other activity to the united national effort for victory, in which the role of our nation's newspapers and broadcasting stations is certainly not less than that of other organizations and institutions", the petition recited.

"Continuation of these hearings, which are inherently legislative in character, will not contribute to our victory against the nations which have waged war against us, and will create a diversion of the energies of all parties concerned from the necessary and essential activities of wartime.

"Nor is it reasonable to believe that Congress will turn aside from the national emergency to consider legislation discriminating against press activities in the radio field. Such measures, which will impede cooperation between government, press and radio, should in the interest of the nation be postponed until after victory is gained."

After an hour's recess during which the Commission conferred on the matter, Commissioner Walker, who was presiding, refused to adjourn the proceedings giving as the reasons:

"The petition does not present a new matter. It was informally presented on the 18th of December and formally passed on by the Commission in meeting shortly thereafter, and, after thorough consideration, was denied.

"A great deal of time and money has already been expended in the preparation of this case, including the collection of a great deal of statistical material, much of which is of peculiarly current value. The Newspaper-Radio Committee has prepared the evidence which it is to submit and which counsel for the Committee estimates will require from nine to twelve days.

"Under the circumstances, the Commission is not impressed with the argument that the war effort will be forwarded by adjourning the proceeding sine die and lose the benefit of the tremendous amount of work which has already been done. The Commission believes the war effort will be advanced by completing this investigation at the earliest possible moment."

Whereupon the hearings were resumed and ran through Friday, at which time they were adjourned until next Wednesday, January 28th. It is said to be the present plan to continue them three days a week until they are concluded.

The first witness was Dr. Ralph D. Casey, Director of the University of Minnesota School of Journalism, who describing newspaper-owned stations as pioneers in the broadcasting of news, said the newspapers had contributed much to program and advertising standards.

"Newspapermen, because of their training, have a sense of public responsibility and news value", Mr. Casey testified. "They saved radio from falling into mere showmanship."

Dr. Frank Luther Mott, Director of the University of Iowa Journalism School declared that a radio station was a very natural outgrowth for a newspaper.

"Radio offers newspapers", he testified, "a new outlet for news, a measure of economic stability and a challenging opportunity in a new field."

Commissioner T.A.M. Craven, who opposed the investigation, asked Dr. Mott whether he saw any danger in the licensing of more radio stations to newspapers.

"No, I don't", the witness replied.

Commissioner Craven then asked whether prohibitions against newspapers operating radio stations would endanger the freedom of the press and Dr. Mott replied that "It certainly would be a strong blow against the newspapers, economically and in the matter of prestige."

Commissioner Craven next asked whether Dr. Mott saw any danger to the freedom of the press in the licensing of stations owned by newspapers. He replied that it was "conceivable" that a newspaper, whose license was coming up for renewal, might change its attitude on some governmental question, "but this certainly would not be general."

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NATIONAL RADIO INSTITUTE SIGNS FTC STIPULATION

National Radio Institute, Washington, D. C., selling a correspondence course of instruction designated "Course in Practical Radio and Television", stipulated with the Federal Trade Commission that it will cease and desist from representing that it has obtained employment for students with any particular radio concern when such is not a fact and that its course covers all the radio requirements needed to qualify one for a license to serve as a ship radio operator.

The respondent further stipulates that, in advertisements referring to radio positions which require a knowledge of code, and in all of its enrollment blanks, it will reveal conspicuously the fact that there is an extra charge for the course covering code instruction; and agrees to reveal conspicuously in advertising material which sets forth the terms under which a student may pay for the course, the fact that there is a limitation of two and one half years allowed for completing the course and that if a student has not finished the prescribed program within two and one half years from the date of his enrollment, he may be charged an additional amount before being allowed to continue with the course.

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FCC AGAIN GETS BRICKBATS FROM CONGRESS

Quite a fall was taken out of the Federal Communications Commission by Representative Richard B. Wigglesworth, (R.), of the House Appropriations Committee during the consideration of the Independent Offices appropriations bill yesterday (Thursday).

Mr. Wigglesworth said, in part:

"Time after time I have stood in the well of this House and inveighed against the practice of the Commission of giving its approval to the transfer of stations or the control of those stations for considerations far in excess of the value of the physical assets so transferred - a practice, in other words, involving the sale of Government licenses, with all the possible dangers to the public that we have seen involved in the capitalization of licenses in other fields.

"There are a number of instances in which the figures establish this fact, including one transfer station valued at \$425,000 for stock of the value of \$950,000 plus and \$175,000 in cash.

"I call attention to the authorization of the transfer of a station valued at \$74,000 for a monthly rental of \$1,125 for a period of 11½ years. This station reports a yearly profit of some \$75,000. What possible authority there is for approving a lease for a period of 11½ years under existing law, I, for one, do not know.

"Under the general topic of the monopoly which the Commission has allowed to grow up under its jurisdiction in the broadcasting field, I may point out that the record indicates that 95 percent of the available nighttime power is now controlled by stations affiliated with networks.

"Furthermore, in spite of the licensing jurisdiction of the Commission, practices seem to have the Commission's approval under which the affiliates are compelled to turn over to the networks as much as 40 percent of their time and earnings obtained from charges for that time to the extent of from 62½ to 100 percent."
* * * * *

"Several times on this floor I have advocated the imposition of a reasonable tax on those engaged in this industry who are making enormous profits out of franchises for which they pay not one red cent. A year ago, as the Members may recall, the Treasury Department made a study in this connection and as a result of that study it recommended an excise tax on the industry which would have amounted to about \$10,000,000. The House approved that recommendation but the Senate committee rejected it, after Mr. Fly had appeared before the committee in opposition to the proposed tax. It is my understanding that it was understood at the time that the Treasury and FCC officials would get together and recommend a tax in lieu of that which was deleted by the Senate committee.

"Mr. Fly, however, now apparently takes the position that it is entirely up to the Treasury, that it is hardly the job of the Federal Communications Commission to recommend revenue measures.

"In a recent letter received from Mr. Fly, he admits that the net profits of this industry for 1940 amounted to practically \$33,300,000 on an investment of present worth of about \$40,000,000. Therefore, even if the proposed tax of \$10,000,000 had been imposed, there would still have been a return to the industry of approximately 50 percent. It seems to me entirely illogical and unreasonable to allow this industry to continue to obtain any such return from licenses for which they pay nothing under present conditions in this country."

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"NEVER FORGET PEARL HARBOR" IS NEWEST SLOGAN

Going "Remember Pearl Harbor" one better, R.C.A. Communications, Inc. has coined its own slogan: "Never Forget Pearl Harbor". This appears for the first time in the January number of the company's bright little magazine Relay.

In the same issue are facsimiles of congratulatory radiograms sent to Hawaii and the Philippines by William A. Winterbottom, Vice President and General Manager. The one to George Street, RCAC Superintendent at Honolulu read:

"It has always been a tradition that RCAC personnel rise to any emergency but the manner in which you and your staff in Hawaii have met the present situation is more than commendable it is magnificent. With Hawaii part of the United States it was vitally necessary that everything be done to maintain uninterrupted communication between Hawaii and the mainland and under your able direction supported by a loyal and efficient staff this has been done. Please accept for yourself and extend to all of your people my sincere congratulations for a job well done."

Mr. Street replied:

"Your kind and thoughtful message very much appreciated by all. Many thanks and the Seasons Greetings from all the Hawaiians."

Mr. Winterbottom radioed E. G. Baumgardner, Superintendent at Manila:

"The magnificent work performed by you and your staff during the past ten days has been an inspiration to the whole organization. That RCAC service between the Philippines and the United States despite a greatly increased traffic load has been maintained without interruption throughout a most

trying period is a tribute to the resourcefulness, stamina and loyalty of your whole staff and in congratulating you upon a fine achievement I also tender my sincere thanks."

Mr. Baumgardner answered:

"Entire staff appreciate your message and I know they will continue to do their best."

It is stated that to assist in moving the increased traffic over the Pacific, five men have been flown to P.C.A. Communications stations in Hawaii.

There are also two interesting articles in Relay, "RCAC Gears to the War Machine", and "The First Three Days" in which a writer lists his impressions of how the big news of Pearl Harbor hit the main office in New York that quiet Sunday afternoon and what happened thereafter.

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FCC ACTION

Applications Granted: KMJ, McClatchy Broadcasting Co., Fresno, Cal., granted construction permit to move transmitter to Madera and North Avenues, Kerman, Calif; install directional antenna system for day and night use; WJW, WJW, Inc., Akron, Ohio, granted construction permit to increase power to 5 kw., change frequency from 1240 to 850 kc., install a new transmitter and directional antenna for night use and move transmitter to Franklin Twp., Ohio; KGDM, E. F. Peffer, Stockton, Calif., granted construction permit to change frequency from 1130 to 1140 kc., subject to submitting proof of performance protecting XENT, Monterrey, Mexico, from interference; increase power to 5 KW night and day, change hours daytime to unlimited, install a directional antenna for night use and install a new transmitter; WCC, The Tri-City Broadcasting Co., Davenport, Iowa, modification of construction permit to increase power to 5 KW night and day, move transmitter locally, install new equipment and make changes in directional antenna system for day and night use;

Cleveland Broadcasting, Inc., Cleveland, Ohio, Designated for hearing application for construction permit for new station to operate on 1300 kc., 5 KW, unlimited night employing directional antenna day and night.

Applications Received: General Electric Co., New Scotland, N. Y., construction permit for a new television relay broadcast station to be operated on Channel #8, 162000-168000 kc., power 50 watts emission A5 (to be used with applicant's commercial television broadcast station WRGB); WJHL, WJHL, Inc., Johnson City, Tenn., construction permit to install new transmitter and increase power from 1 KW directional antenna night to 1 KW night, 5 KW day, directional antenna night (910 kc.).

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: : : TRADE NOTES : : :
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The Hosh Higgins Broadcasting Company of Waterloo, Iowa, has been granted a construction permit for a new 50 KW station to operate on 1540 kilocycles, 50 kilowatts, unlimited time, directional antenna day and night.

Guy C. Hutcheson of the CBS General Engineering Department, who has just returned from a 25,000 mile trip to South America, has been appointed engineer-in-charge of Columbia's international broadcasting.

Nelson A. Rockefeller, Coordinator of Inter-American Affairs, has appointed Joseph C. Rovensky Assistant Coordinator. For many years Mr. Rovensky was with the Chase National Bank of New York, from 1928 on as Vice-President in charge of the Foreign Department.

At the request of Howard Hughes, noted aviator and industrialist, head of the Hughes Tool Company of San Francisco and Los Angeles, who pleaded that national defense activities necessitated confining his broadcast activities to television stations which he is erecting in those cities, the Federal Communications Commission cancelled construction permits for the Hughes high frequency (FM) broadcast stations K45SF and K49LA, and deleted call signals, thus making frequencies 44,500 and 44,900 kilocycles available in San Francisco and Los Angeles respectively to other FM applicants.

Meeting with opposition from the House of Commons, Winston Churchill has withdrawn his proposal that an electrical transcription be made of part of the proceedings in Parliament so that the debate could later be broadcast to the nation and the world. Critics argued that such an arrangement would give the Prime Minister the lion's share of the radio time, thus placing the opposition at a disadvantage.

The Federal Communications Commission ban on all radio amateurs for the duration of the war, has isolated at least four Idaho mining communities, the United Press reports from Boise. Until the war began, the mining camps relied on short-wave sets to send requests for supplies, medical aid and other necessities.

After serving as Director of Ohio State University's Bureau of Educational Research since 1928, Dr. W. W. Charters will retire next August. One of his educational contributions has been the establishment at Ohio State of the annual Institute for Education by Radio, held there annually since 1930 to bring together hundreds of representatives of radio and education for a discussion of common problems.

The Columbia Broadcasting System is conducting regular courses in Spanish and Portuguese for its employees in New York. A total of 182 registered for the primary and advanced studies.

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A NEW FOUR POUND RADIOPHONE AND TRANSMITTER

A completely self-contained radio telephone combination transmitter and receiver weighing only four pounds, and not much larger than the handset of a "French" telephone, has been announced by the Weltronic Corporation, Detroit, Michigan. The unit is being made available to governmental agencies and services, including municipal divisions, public utilities, fire and police departments, railroads, and other transportation agencies, as well as individuals, subject of course to licensing by the Federal Communications Commission where required, as well as priority rating.

Although the "Trans-Ceivers" are designed for operation on a single wave length, their frequency range is adjustable from 112 to 300 Megacycles through an externally accessible screw adjustment.

In operation, when the toggle switch is thrown into the "on" position, the unit is receiving. To talk through the unit, it is necessary merely to pull the selector finger level down against light spring pressure. Releasing the selector lever switches the unit to receiving again.

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USE AIR MAIL TO SAVE RADIO AND TELEGRAPH, P.O. ADVISES

The wartime instructions to postal employees which the Post Office Department has issued includes these paragraphs:

"Because of war conditions, tremendous burdens have been imposed upon the telephone trunk lines, wire systems, telegraph, and radio facilities. The Nation demands that the military and naval forces and war industries have first call on these services.

"Each postal official must see to it that the use of such services is held to an absolute minimum in order that the burden on these systems may not be increased. Do not use long-distance telephone, telegraph, radio-telegram, or Army-Navy communication facilities except in case of the most urgent emergency. Ordinary mail is rapid enough for most communications. Air-mail schedules are such as to give less than 24 hours' service between most points in the continental United States for communications of a more urgent character.

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CBS CLARIFIES WAR REBATE SITUATION

A detailed memo on war news broadcasting in commercial program time and continuation of CBS rebate policy, has been issued by Paul W. Kesten, Vice-President of the Columbia Broadcasting System.

Mr. Kesten, after outlining the situation since the attack on Pearl Harbor, the interruption of programs caused by war news bulletins, says in conclusion:

"Some advertisers have asked if we would include news bulletins within their programs at their own expense, so that credit for bringing the news might go to the sponsor. Other advertisers have asked if we would take a regular and pre-determined amount of time at the start of every program on the network to broadcast news - even though this would 'force' the broadcasting of news at 15-minute intervals in many cases. And from the Association of National Advertisers has come the request that we enunciate at this time a policy both as to our handling of news and as to rebates for time so preempted.

"As to our general policies in handling and scheduling the news, we contemplate no change from our present practices. These have been based on rendering a maximum news service to the public, but have resulted, as the foregoing summary indicates, in minimum interference with commercial programs. * * * *

"As to rebates to advertisers for time preempted for war broadcasts, we believe that any policy, to be sound, should be sufficiently flexible to recognize the new fact of our being at war and the further fact that the extraordinary extra costs of news coverage at peak periods during a war fall uniquely upon radio. This latter is true because only radio, in extreme news crises, is ever forced to substitute news broadcasts for entire advertising programs. For the privilege of rendering an urgent public service, radio is called upon to sacrifice its own advertising revenues.

"This extra burden falls upon radio for another and equally compelling reason: news has become so important a part of radio broadcasting that 65% of our population (even in normal times) depend primarily upon radio for news. In times of crisis, radio is the universal medium, the only medium in fact, through which listeners can get instantaneous information. Our responsibility is thus redoubled. Our audience may in fact be redoubled, but unlike the newspapers, we must voluntarily forego expected revenue to do the job and we can collect no compensating revenue from 'extra newsstand sales'.

"CBS accepts this paradox as one of the problems of broadcast operation and as a patriotic privilege in keeping America informed. It is therefore our present intention to continue without change our time and talent rebate policies, although these were formulated for days of peace, not days of war. Should recurring news crises, or continuous news crises, or other unforeseen developments in network broadcasting require modification of these policies, we are confident that mutually acceptable arrangements can be worked out between our advertisers and ourselves."

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HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.



RECEIVED
FEBRUARY 1942

INDEX TO ISSUE OF JANUARY 27, 1942

New War Board Slashes Radio Set Production.....	2
FCC On 44-Hour Week For War.....	4
Short Wave Sets For Latin-America Again Discussed.....	4
Would Make NIB Real NAB Competitor.....	6
Fly Still Defends Alleged Red Despite Salary Rebuff.....	7
Television To Be Used In Civilian Defense Training.....	8
Court Upholds FCC Power Of Subpena.....	9
Weiss Sees No Wartime FM Setback.....	10
Founder Of Philips Radio And Electric Corp. Dies.....	10
Trade Notes.....	11
Applications Received By FCC.....	12

No. 1398

January 27, 1942

NEW WAR BOARD SLASHES RADIO SET PRODUCTION

As had been expected, the War Production Board has acted to meet huge Army and Navy demands on the radio manufacturing industry and to conserve critical materials by ordering sharp cuts in production of receiving sets for civilian use.

Reductions also were ordered in output of phonographs and radio phonograph combinations.

Effective immediately, Limitation Order L-44, issued by Acting Priorities Director J. S. Knowlson, former President of the Radio Manufacturers' Association, in the first move in his big new job in the recently organized War Production Board, provides for an average monthly curtailment in production during the next 90 days of more than 40% below the monthly output during the nine months ended September 30, 1941. Similar cuts were ordered in the number of tube sockets in the sets produced, which will result in corresponding curtailment of the number of tubes used in new sets.

The order does not affect production for certain government defense agencies, besides the Army and Navy, nor for lend-lease requirements, police departments or similar agencies of public authority in the United States, and contracts covered by a Preference Rating of A-1-j or higher.

In addition to freeing facilities for vital war work, the order is designed to accomplish savings during the 90-day period of an estimated 750 tons of copper, 100 tons of aluminum, 25 tons of nickel, and 3,400 tons of steel.

Class A manufacturers those who sold more than \$1,000,000 worth of radio sets and phonographs for civilian requirements during the first nine months of 1941, were ordered to reduce output by 45%. Class B firms, whose sales were under \$1,000,000, must curtail production by 35%.

The radio manufacturing industry, which employs many thousands of skilled and semi-skilled workers, has been asked to undertake a \$2,000,000,000 military production program. Civilian output must be reduced drastically so that receiver and parts makers and allied branches of the industry can participate in this effort to the fullest possible capacity.

It is estimated that 60,000,000 radios are now distributed among 87% of the American homes. Permitted civilian production during the next 90 days, together with stocks now in manufacturers' and dealers' hands, will meet essential replacement requirements.

Class A companies already have received or soon will be awarded big war orders, and swift conversion of their plants to 100% military activity may be expected. Until a larger number of the small (Class B) firms receive more Army and Navy orders, the lighter curtailment ordered in their production will provide them with sufficient civilian operations to keep their skilled labor force intact.

The sales value of radios manufactured in 1940 was approximately \$177,000,000. In that year, the industry employed about 50,000 persons. The annual payroll was about \$75,000,000. Estimates for 1941 show substantial increases in these figures.

In choosing the first nine months of 1941 as the base period for the curtailment program, WPB selected a period in which the industry enjoyed an unusually high level of operations. Ten million receiving sets were produced during that period, as compared with an output of 11,800,000 sets during the entire year 1940.

The program was discussed at several meetings with industry representatives, and the place of radio in modern warfare, both from the military and civilian standpoint, was thoroughly surveyed. The conclusion was that substantial reductions could be made in civilian production without affecting public safety and morale. Emphasis will be placed on parts for repair and maintenance of existing equipment, and it is expected that supplies will be available to meet these requirements.

The Chicago offices of the RCA Manufacturing Company, Inc, reported that about 75 percent of the company's operations are being devoted to military work. Executives of the company met wholesale distributors for the Middle West and discussed the effects of the demands of the war program and the curtailment of civilian production.

E. F. McDonald, Jr., President of the Zenith Radio Corp., said that the change-over by radio manufacturers to military production was being made smoothly because it did not require any serious change in process, personnel training or machinery.

It was declared, however, that there was no danger of a shortage of tubes for civilian radios.

"Radios are vital to the building of morale, and the government thus far has assured us that the public will be able to get replacement tubes", one manufacturer said.

Halting of the manufacture of receiving sets for civilian and home use will no doubt cause a considerable decline of advertising in newspapers and magazines by radio dealers and manufacturers. Also dealers who have been handling radio sets exclusively will find themselves facing a problem.

There were 56,000,000 radio sets in use in the United States last year, of which 30,600,000, or 86 percent, were in homes, according to the National Association of Broadcasters. There were 16,400,000 sets in use in institutions, places of business and additional sets in homes, and 9,000,000 sets in automobiles.

The Research Division of the National Broadcasting Company cooperated with the NAB in making the survey. There have been no census figures on radio sets in several years.

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FCC ON 44-HOUR WEEK FOR WAR

In order to cope with its increased wartime duties, the Federal Communications Commission has ordered a 44-hour work week for its entire personnel, effective January 26. The new hours are from 9:15 A.M. to 5:45 P.M. The order affects 1750 employees - slightly more than 900 in Washington and nearly 800 in the field.

Particular units, such as the National Defense Operations Section and the Foreign Broadcast Monitoring Service, have maintained a round-the-clock schedule since the outbreak of war, resulting in the Washington offices of the Commission and its field stations being open 24 hours a day.

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SHORT WAVE SETS FOR LATIN-AMERICA AGAIN DISCUSSED

Conferences are reported to have been held in Chicago on the long-talked of proposition to make 750,000 low-cost receiving sets for Latin-American listeners.

The program for the distribution of these sets was developed by Nelson A. Rockefeller, Coordinator of Inter-American affairs, as a means of increasing radio outlets for short-wave broadcasts furthering the good-neighbor policy.

Conferences have been held between Mr. Rockefeller's office and the Export Committee of the Radio Manufacturers' Association, but negotiations have not reached a definite stage. Details of the plan have not been made public, but it was said that Mr. Rockefeller desired the industry to manufacture at no profit sets which would cost about \$12 each.

In the meantime, a not so rosy report on the South American short-wave comes from Ray Josephs, correspondent for Variety writing from Buenos Aires:

"The short-wave programs coming from the United States are better. The more glaring kind of ignorance of Latin custom is disappearing. But there remain grave dangers of boomeranging. Heavy-handed efforts to make a good impression, especially as regards export and import trade, which is delicately controversial, remain dangerous. Particularly for the Argentine and Peru.

"News is the best short-wave contribution of the Yanquis, but it must not be forgotten that the very AP and UP material that is broadcast by DX from the United States is now available, almost verbatim, through South American newspapers and stations.

"Re-transmitted programs, assuming Latin stations are willing to take them, and further assuming that they're especially slanted for special listening groups, constitute the only answer to the problem of getting mass listeners in Latin-America's it's generally felt here. The more dreamy-eyed estimate the number of receivers of all kinds in Latin-America as under 5,000,000. If there are 2,000,000 capable of getting short-wave, it's a lot. Stacked up, therefore, against Latin-America's 100,000,000 population, it's obvious that DX, in itself, can never, no matter how good it becomes, directly affect any great number of South American minds.

"Argentine stations - and there are more radios in the pampa republic than in all the rest of Latin-America put together - found that listeners in the gaucho territory simply don't listen to DX and that those who do are mainly foreigners or a certain percentage of the wealthier class who like to tune specific programs."

The Columbia Broadcasting System has announced the affiliation of the two most powerful stations in Valencia, Venezuela, with its new Latin American network. These stations, added to the CBS chain "which extends from the United States border to the tip of Argentina", constitute the 75th and 76th links in the Latin American network.

Three more stations have been added to NBC's Pan American network, which NBC, not to be outdone by Columbia, says extends from the Rio Grande to the Straits of Magellan".

The Network now has a total of 120 stations with outlets in every one of the 20 Latin American Republics.

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Listening audiences to evening network commercials have gained at least 13 per cent as a result of the Pearl Harbor attack, according to a special analysis by the NEC Research Division.

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WOULD MAKE NIB REAL NAB COMPETITOR

The immediate strengthening of the National Independent Broadcasters so that it might compete on an equal footing with the National Association of Broadcasters, has been recommended by George B. Storer, NIB President and station magnate of Toledo, in a letter sent to stations by him and L. B. Wilson, of WCKY, Cincinnati, Vice-President. The huge NAB budget is blasted by Mr. Storer who says:

"It is the writer's opinion that it is unnecessary for a comprehensive radio trade association to spend upwards of \$300,000 per year, as does another association. A budget of approximately 25% of that amount should be ample."

Mr. Storer would cut down expenses by having a paid Managing Director as NAB did in the old days instead of a high salaried president as at present. Also he suggests better relations with the Federal Communications Commission, another slap at the NAB:

"A spirit of harmony between executives of Government and officers of broadcast trade associations should exist at all times, so that broadcasters may be queried on the advisability of impending regulations, rather than be advised after the means of implementing same have been executed."

Also the name of NIB would be changed to National Institute of Broadcasters. Networks would be excluded

Regarding network membership, Mr. Storer said that since a comprehensive trade association must consist of both non-members and members of networks, and since network contractual relationships can take several different forms varying from complete ownership to a mutual basis of operation, he believed "it is in the best long term interest of broadcasters and networks, that the association should be independent of network influence."

Recognition should be given, however, to the "great service" performed by chains and the association should "deplore any adverse action which might actually impair the maintenance of successful operation of network service at its present high standard," he said.

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Frederick Wolff Ogilvie, Director General of the British Broadcasting Corporation, has resigned and his duties have been taken over during the war by two Director-Generals jointly, Sir Cecil George Graves and Robert Foot. No reason was given for the resignation of Mr. Ogilvie.

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FLY STILL DEFENDS ALLEGED RED DESPITE SALARY REBUFF

Notwithstanding the rider in the House Appropriations Bill prohibiting the payment of the salary of Dr. Goodwin Watson, Chief Analyst of the Foreign Broadcast Monitoring Service because of the allegation that he was a Communist, Chairman James L. Fly of the Federal Communications Commission continued to defend him. According to Mr. Fly, the Commission also gave Dr. Watson a coat of whitewash. The Chairman said:

"The Commission didn't know of any plans of the House Appropriations sub-committee to restrict appropriations as far as Dr. Watson was concerned. That particular problem was not considered with the House Committee. The Commission met with Dr. Watson and had a very extensive discussion with him and we feel convinced that he is doing a very splendid job, is thoroughly undeviatingly loyal, has never advocated overthrowing the Government by force or otherwise. All his notions as to Government and that sort of thing, appear to have been presented within the framework of our basic democratic system, since he was never charged with being a member of the Communist Party. In fact, I am not just sure what he is being charged with."

One of Mr. Fly's questioners interjected:

"Being a member of the Communist Party would not be so bad in view of the fact that we are with Russia in the war."

Mr. Fly did not reply to this but when asked if he was going to ask for a hearing in the Senate, which still has to pass on the Watson case, the Chairman said:

"Yes, I imagine so. I don't know the formalities. Commissioner Durr has been designated to handle the matter actively on behalf of the Commission and he will undoubtedly be in touch with some of the Senators and they may have conferences with Dr. Watson. Of course, that is up to the Senate Committee and individual members of the Senate."

Asked if Dr. Watson's salary cut would become effective July 1, Mr. Fly answered in the affirmative.

"If the Senate upholds the position of the House, he can still be employed until July, can he not?"

"Legally, yes", the Chairman concluded.

In the debate on the House measure, Representative Wigglesworth (R.), of Massachusetts, said he wished all House members would read the record of the sub-committee's hearing on Dr. Watson.

Representative Wigglesworth referred to matter introduced by Representative Starnes, (D.), of Alabama, a member of the Dies Committee, which he said "leaves absolutely no doubt that Dr. Watson is toally unfitted for the position."

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The controversy over Dr. Watson began on November 19, when Representative Dies attacked the former Columbia University psychology professor in a speech on the House floor.

Mr. Dies said that the appointee was "a propagandist for Communism and the Soviet Union for many years". He listed 13 alleged Communist organizations with which he said Dr. Watson had been associated.

Mr. Fly, replying in a letter to Representative Dies, denied that Dr. Watson was a radical. He pointed out that he had been carefully investigated by trained Civil Service operatives before his appointment. Mr. Fly said that he had studied the evidence cited by Representative Dies against the appointee and had satisfied himself that it was not valid.

Of the 13 organizations which Representative Dies charged Dr. Watson was associated with, Mr. Fly said he learned that the appointee belonged to only one - the Consumers' Union, which he declared was not a "Communist front" organization. Mr. Fly said that Dr. Watson was "one of the outstanding social psychologists of the country."

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TELEVISION TO BE USED IN CIVILIAN DEFENSE TRAINING

Three companies manufacturing television sets have agreed to install receivers in 100 police stations to aid instruction of classes in Civilian Defense. They are General Electric, Dumont, and RCA Manufacturing Company.

For four Monday evenings at eight o'clock, the NBC television station, WNBT, will telecast thirty-minute instruction periods on duties of air-raid wardens, fire watchers, light rescue squads, messengers and drivers, and actual demonstrations of approved methods and equipment will supplement oral instruction by experts on the staff of the Coordinator for Police Department Civilian Defense.

The Philco station, WPTZ, in Philadelphia, and the General Electric Company station near Schenectady, also will hook up with the programs for benefit of defense workers in their locales. Although the courses are intended primarily for defense workers, the general public is invited to participate.

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COURT UPHOLDS FCC POWER OF SUBPENA

The right of the Federal Communications Commission to investigate newspaper ownership of radio stations within certain limitations was upheld by the Court of Appeals, but the agency was warned that it had no legal right to engage in a "fishing expedition" in its inquiry.

Certain very definite limitations on the scope of the FCC investigation were established by the court, in rendering its decision on an appeal made by James G. Stahlman, publisher of the Nashville (Tenn.) Banner, and former President of the American Newspaper Publishers' Association.

Mr. Stahlman had been ordered by the FCC to appear before that group in connection with the inquiry into joint newspaper-radio ownership. He had refused and the Commission appealed to the District Court to force his appearance. That court held that he had to appear.

The Appellate Court yesterday upheld the decision of the District Court, on the grounds that the act which established the Commission gave it the right to make inquiry into certain aspects of the ownership and operation of radio stations.

However, the Court of Appeals clearly warned that the decision did not mean that the Commission was authorized to force witnesses "to bare their records, relevant or irrelevant, in the hope that something will turn up, or to invade the privacy protected by the fourth amendment."

The Commission may "seek through an investigation of its own making information property applicable to the legislative standards set up in the act", the Court held, but added; "We should not assume that the investigation will be conducted for any other purpose or in disregard of the constitutional limits which govern such procedure."

The Court expressed the opinion that the FCC has the right to obtain information on these questions:

"Whether the joint association of newspaper and radio stations is prejudicing the free and fair presentation of public issues and information over the air, whether it tends to restrict or distort the broadcasting of news, whether it restricts freedom of access to the radio for discussion of public issues or unduly limits access of news gathering agencies."

Furthermore, the Court held, the FCC may inquire as to whether the newspaper-radio association will result in improving broadcast facilities and the dissemination of news and in insuring greater financial stability and technological advances.

The Court indicated that there was some question as to the Commission's right to inquire into "what considerations influence newspaper interests to acquire broadcast stations."

The hearings in connection with newspaper-owned radio stations are scheduled to be resumed tomorrow (Wednesday, January 28) and if not concluded by Friday will adjourn until the following Wednesday and so until their conclusion.

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WEISS SEES NO WARTIME FM SETBACK

Despite wartime demands, Lewis Allen Weiss, Vice-President and General Manager of the Don Lee network, West Coast affiliate of the Mutual Broadcasting System, sees no serious setback in 1942 for Frequency Modulation broadcasting. Mr. Weiss believes that manufacturers will use their limited quotas of materials for manufacture of quality FM-AM combination sets, to make up for volume production of cheap AM midget receivers stopped by material shortages.

Indication of the truth of Mr. Weiss' FM prediction can be found in the latest figures on Frequency Modulation set sales, released by FM Broadcasters, Inc. FMBI has stated that more than 40,000 FM receivers were sold during the month of November. This, with incomplete distribution figures of 60,000 during December, brings the national total on January 1, 1942, to approximately 240,000 units.

WOR has an outlet in this field with its FM station, W71NY.

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FOUNDER OF PHILIPS RADIO AND ELECTRIC CORP. DIES

Dr. Gerard Leonard Frederick Philips, founder of the internationally known Philips Radio and Electric Corporation, died yesterday (January 26) in The Hague, the Netherlands Aneta news agency reported. His age was 83.

Dr. Philips founded the Philips Glowlamp Co., which became one of the largest radio and electrical appliance companies in the world, in 1891. He introduced the metal-thread electric light bulb in 1907 and four years later introduced the tungsten-thread bulb. In 1915, he established a glass manufacturing plant from which he resigned as the Director in 1922.

The main Philips plant at Eindhoven, the Netherlands, fell into German hands after the Nazi invasion. The company's independent factories continued operations in Central and South America, and there are business offices in New York and Curacao.

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: : :
: : : TRADE NOTES : : :
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The "Code of Wartime Practices for American Broadcasters" recently issued by the Office of Censorship has now been printed in convenient pamphlet form by the Government Printing Office.

The honor of Fellow Grade in the Australian Institute of Radio Engineers has just been conferred upon Virgil M. Graham, Director of the Radio Tube Application Engineering Department, Hygrade Sylvania Corporation, Emporium, Penna.

Included in the staff of the Office of Facts and Figures headed by Archibald MacLeish, Librarian of Congress, are the following identified with radio: Assistant Director, Bureau of Operations, William B. Lewis, former Vice-President of the Columbia Broadcasting System; Consultant, Frank Stanton, Director of Research for Columbia Broadcasting System; Bureau of Operations, Douglas Meservey, former Assistant to the Vice-President, National Broadcasting Company. Exactly what the functions of OFF were has had Washingtonians guessing for sometime but it is now revealed as "the policy making agency of the Government regarding information particularly of the progress of the war program which is to be given to the American people".

Restriction on sugar deliveries to industrial users is responsible for withdrawal of the Spur program, "Michael and Kitty", by Canada Dry Ginger Ale, Inc. Aired Friday evenings over 96 stations of the Blue Network, the program will be dropped after the Feb. 6 broadcast.

Dan Russell, shortwave production supervisor has been named field representative for the CBS Latin American network. His new duties will take him to the twenty neighbor republics where CBS has a total of 76 station affiliates.

"Parade", Marshall Field's syndicated Sunday newspaper supplement had a double page spread with pictures captioned "American Radio Networks Eavesdrop - Short Wave Monitors Cull out News from Air Waves Seven Days a Week", a story of the inside workings of NBC and CBS listening posts.

Clifford G. Fick has been appointed Assistant Designing Engineer of the Transmitter Division of General Electric's Radio and Television Department, it has been announced by J. M. Howell, Manager of the Company's Schenectady Works.

Another war casualty is Major Bowes' Chrysler program which has been cut to half an hour.

Standard Red Cross courses in first aid are in full swing at the Columbia Broadcasting System in New York, with three courses being given 100 CBS employees of all types from page boys to executives.

Sidney N. Strotz, Vice-President of the National Broadcasting Company in charge of the Western Division has announced several changes. Al Nelson, Assistant Vice-President of NBC, formerly manager of KGO and KPO, will be Manager of KPO and handle network business originating in San Francisco.

William B. Ryan will be manager of KGO and handle network business for the Blue Network Company, originating in San Francisco.

Sydney Dorais moves to Hollywood to become auditor for Blue Network Company in the Western Division.

Don E. Gilman, Hollywood, is Vice-President of the Blue Network Company for the Western Division.

 WABC is now offering 100-word and on-eminute spot announcements to advertisers on the new daily 1-6 AM program schedule. Since Pearl Harbor, the New York CBS outlet has been on almost 24 hours a day schedule, but this is the first time commercial announcements have been available every day for these hours.

 When Station KQW of San Jose, Calif., became an affiliate of CBS, it announced it through an advertising campaign in Northern California estimated by the Editor & Publisher to have cost \$50,000.

Radio Goes To War: The "Fourth Front", is the title of a new book by Charles J. Rolo with an introduction by Johannes Stell. It is 293 pp. and is published by G. P. Putnam's Sons, the price being \$2.75.

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APPLICATIONS RECEIVED BY FCC

The Constitution Publishing Co., Atlanta, Ga., construction permit for a new high frequency broadcast station to be operated on 45,300 kc., coverage 7,358 sq. miles; population:826,864; K37LA, Earle C. Anthony, Inc., Los Angeles, Calif., modification of construction permit for a new high frequency broadcast station, requesting approval of directional antenna system for a coverage of 34,960 sq. miles and approval of transmitter; population: 3,597,000; WMAL, M. A. Leese Radio Corp., Washington, D. C., modification of license to change name to The Evening Star Broadcasting Co. (630 kc.) WHIS, Daily Telegraph Printing Co., Bluefile, d W. Va., construction permit to increase power from 500 watts night, 1 KW day to 5 KW, installation of directional antenna for night use, install new transmitter and move transmitter (1440 kc.)

Also, KFAR, Midnight Sun Broadcasting Co., Fairbanks, Alaska, construction permit to change frequency from 610 to 660 kc., increase power from 1 to 10 KW and install new transmitter (660 kc.); KSDS, San Diego Unified School District, San Diego, Calif., modification of construction permit for a new non-commercial educational broadcast station, requesting extension of completion date to 7/1/43.

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HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.

INDEX TO ISSUE OF JANUARY 30, 1942

Fate of Alleged Red in FCC Now Up to Senate	2
MacArthur Has His Own Powerful Station	3
Broadcasters Answer Some Listeners Criticisms	5
Tan Craven New IRAC Man	6
Trammel Stricken With Appendicitis - Reported Better	7
Congressman Alleges "Gestapo" in FCC	7
World Wide Opens N. Y. News Room	7
Press Rights to Radio Ownership Defended	8
Haw-Haw Says Opposite to U. S. and Britain	9
Some Aliens Puzzled Over Short-Wave Seizure	9
Harbord Foresees Enemy Engulfed in Mounting Tide	10
New Radio Devised to Turn Off Lights	11
Trade Notes	12

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January 30, 1942

FATE OF ALLEGED RED IN FCC NOW UP TO SENATE

Whether James L. Fly, Chairman of the Federal Communications Commission who is standing squarely behind Dr. Goodwin Watson, FCC Chief Foreign Propaganda Analyst, and alleged Communist fellow traveller, will have any better luck saving his man in the Senate than he did in the House remains to be seen. Rather than helping Dr. Watson's case in the lower branch of Congress Mr. Fly's showing no inclination to give Watson the Axe is held to be directly responsible for the House doing an almost unprecedented thing of putting a rider on the Appropriation's Bill cutting off his salary because of the ex-Columbia professor's supposed red tendencies.

There is just a chance if the Senate Appropriations Committee, of which Senator Carter Glass is Chairman, decides to make an issue of Dr. Watson's past association with Communists that it may attract as much attention as the case of Joseph Lash, alleged young red, protege of Mrs. Franklin D. Roosevelt, who, supposedly with her backing, tried to crash into the Navy secret service.

The difference between Lash and Watson, however, is that while the former is still on the outside looking in, Dr. Watson is apparently strongly entrenched and regardless of any Congressional action will continue to draw his \$5,600 annual Government salary until July 1st. Also if Watson is a Communist or anything like a Communist, as has been so repeatedly charged, he would seem to be in an ideal spot for one with those views. It is his job to listen to the propaganda broadcast from abroad and tell our officers here the meaning of it. This and other points were brought out in the lengthy cross-examination to which Chairman Fly was subjected in the House. After developing the fact that Dr. Watson was a doctor of philosophy, had taught psychoanalyzing and similar subjects, had taught in the Union Theological Seminary, was an ordained member of the Methodist Church and Professor of Education at Columbia University, Representative Joe Starnes of Alabama asked:

"By whom was Dr. Watson recommended to you as being a competent man for this field and well qualified for that type of service?"

Mr. Fly. He was recommended to us by Professor Gordon Allport, head of the department of psychology at Harvard University and Mr. Hadley Cantril, who has been the head of the Princeton University listening center and has also worked especially with the director of the Inter-American Affairs in which he has engaged broadly. He has perhaps one of the outstanding records of ability and performance in this field.

Rep. Starnes. At the time you employed him, or that he was employed by the Federal Communications Commission, were you aware of the fact he was an endorser of the American Congress for Peace and Democracy which was called by the American League for Peace and Democracy, that is now a defunct organization, but a known communistic organization?

Mr. Fly. No.

Rep. Starnes. I invite your attention to a photostatic copy of the letter-head of the American Congress for Peace and Democracy, called by the American League for Peace and Democracy, on which his name is listed as one of the endorsers and sponsors. As I recall, the last national convention they held was held in Washington in 1939. It was dissolved under the impact of public opinion when it was exposed in its true character during that year. And there is no one, I presume, in a responsible place who denies it was a Communist-organized, Communist-controlled, and Communist-dominated organization, front organization, even though it was headed at the time of its demise by another Methodist minister, Dr. Harry F. Ward.

Mr. Fly. I do not understand Dr. Watson was a member of the organization.

Rep. Starnes. Do you know that Dr. Watson was the endorser of that Congress along with Clarence Hathaway, editor of the Daily Worker, Donald Henderson, and others - men who are avowed, open Communists?

Mr. Fly. No, sir, I do not. I do not understand, however, that an interest in some subject that is dealt with in a particular meeting is itself an endorsement of an organization as a whole. And the reason I say that is that these professors deal with a great many subjects; they attend a lot of meetings and engage in a lot of special studies.

Rep. Starnes. Did you know at that time he was a member of the advisory board of the American Students' Union, which is unquestionably Communist organized and Communist controlled?

Mr. Fly. As I understand, that organization broke up, due to that very question, and he resigned when that - was brought to his attention.

A letter was read, written only two months ago, calling a conference to discuss the freedom of Earl Browder among whose signers were Dr. Watson. This brought about the following exchange:

Rep. Starnes. Did you know Dr. Watson was among a number of those Americans who protested the attacks on the Communist Party's ballot rights, and that protest came about as a result of the exposure by a congressional committee of the fact that hundreds and thousands of names had been illegally and fraudulently obtained on Communist Party petitions to place the party on the ballot in the various States, and that there has been no disputing of that known fact, which is a matter of record?

Mr. Fly. I understood he had never taken any part in the work of the Communist Party, was never a member of it, and never voted the Communist ticket. "

MACARTHUR HAS HIS OWN POWERFUL STATION

It became known through a speech delivered by Senator Elbert D. Thomas of Utah that Gen. Douglas MacArthur is now employing radio to great advantage. Senator Thomas, who recently addressed a short-wave message to the Japanese people in Japanese, was discussing the short-wave radio offensive which is being carried on in eight languages by Station KGEI of San Francisco against Axis propagandists in the Far East - in English, Spanish, French, Dutch, Chinese, Japanese, Tagalog (the native Philippine language) and Thai. He said:

"One of the most striking uses of the short-wave offensive is going on in the Philippine Islands, under the direction of Gen. Douglas MacArthur. I am informed by the War Department that General MacArthur has set up a powerful radio station somewhere in the territory under his control, and is now giving the Filipinos news direct from the United States. Both the armed forces, American and Filipino, and the civilian population are receiving a complete news service through the cooperation of the Navy Department.

When the Japanese occupied Manila, they captured the principal radio and newspaper facilities of the island, and, except for short-wave radio, the Filipinos had no way of getting American news. One of the first steps taken by the Japanese was to forbid use of radio sets. But a good many sets are still in use. The Japanese concentrated on seizing the more powerful sets which could receive short-wave broadcasts. They could not confiscate ordinary sets without destroying the effect of their own propaganda broadcasts. Then General MacArthur stepped in, and, with typical Yankee ingenuity, succeeded in establishing his own radio station, which rebroadcasts American programs in long wave all over the Philippines.

How effective this is we can judge by the magnificent loyalty and fighting spirit of the Filipino people. There can be no doubt that the radio programs help to maintain their courage and confidence in the face of the disasters of the moment. The recent revelation of the Japanese orders to put to death Filipinos found guilty of any of a long list of actions by civilians in opposition to Japanese rule indicates what a seething mass of rebellion the Japanese are finding.

Little known but highly important actions have been taking place also on the other islands of the Philippines. Units of Philippine Scouts, elements of Philippine regiments, and native guerrilla fighters are operating on the various islands to the great discomfort of the Japanese. "

Senator Thomas then read an editorial to the Senate from the St. Louis Globe-Democrat calling attention to the importance of the Far East short-wave offensive which said in part:

"Doubtless one of the most remarkable incidents in this radio offensive was an address delivered some days ago by Senator Thomas of Utah. Addressing the Japanese people in their own language, he warned them that they were heading toward ultimate disaster by fighting the United States, and that their early victories would be followed by defeats from which they would never recover. A short-wave offensive is no substitute for bombs on Japanese warships and cities. It is an excellent corrective for enemy propaganda, however, and it is a means of telling the Japanese people that war with the United States is a bigger undertaking than their leaders would have them believe."

Then Senator Thomas said: "I wish to express my agreement with the writer of this editorial regarding the value of our short-wave offensive. I have been glad to contribute to it, as far as I could, by messages which have been broadcast both to the Japanese and the Chinese people. I know what others are doing likewise. In the last few weeks my colleague the senior Senator from Georgia (Mr. George) and such men as Rear Admiral Yarnell; Maj. George Fielding Eliot and others have sent special messages by way of station KGEL to the people of Japan and of China. - None of the Axis Nations has yet used this technique of personal special messages addressed to the people of the nations at war."

BROADCASTERS ANSWER SOME LISTENERS CRITICISMS

Readers of the WASHINGTON POST in a home-made Gallup poll recently registered their "pet peeves" in radio programs. They were mostly their objection to commercials and "soap operas". Richard L. Coe, Radio Editor of the POST offered Washington station executives a chance to reply.

"Some people don't like soap operas - I'm one of them", said A. D. Willard, Jr., of WJSV (CBS). "But that reminds me of the time that Mark Twain lit up a big black seegar at a formal dinner table. Turning to the dowager on his left, he said:

"Madam, do you object to cigar smoke?"

"Yes", said the lady, "I do."

"Well, some people do," Mark Twain replied and went on smoking.

"The radio industry realizes that some people do not favor the dramatic serial as a type of entertainment. It also knows, from countless surveys and tests, that the humble 'soap operas' draw a larger feminine audience during the daytime hours than any other kind of studio program.

"To counterweight the soap operas, C. B. S. has increased the radio hours devoted to serious music, educational programs and other forms of entertainment in order to strike a better balance in program material.

"To those who feel that present-day commercials are not all they should be, I would like to recall the quacks, charlatans and false-claimers who infested broadcasting and printed advertising a decade or so ago. That they have disappeared is due less to Government edicts and decrees than to a voluntary house-cleaning by the publishers and broadcasters themselves.

"The fact that commercial sponsors continue to renew their contracts month after month because they have received good value for their advertising dollar would seem to indicate that, in general, radio is doing a good job of satisfying the public upon whose response it depends entirely."

Carlton D. Smith of WRC-WMAL (NBC) replied:

"Far from trying to shoot you, as you suggested in your column, we welcome your constructive series. It is constructive because it is seeking to make concrete suggestions for better programming- a problem of vital concern to us.

"To get a minor point out of the way first; our 15-minute programs are not 50 per cent advertising - the code of the National Association of Broadcasters states that the advertising portion of such programs may not exceed 3 minutes and 15 seconds. And as far as our stations are concerned, we do not exceed the limit.

"You mention so-called 'soap-operas'. We agree that the reason there are so many of them is that they are widely popular. So are similar serial stories in newspapers and magazines.

"Remember - the survival of a radio station depends entirely on its ability to please and serve its listeners. It is so easy to turn a dial and tune

out a program you don't like. The radio station which fails to heed that ever-present fact won't live very long. Therefore, any pioneering that is done must be paced to listener willingness to support the changes. I think you will find that radio stations generally are a mirror of the desires of their listeners.

"Let me assure you that we are continuing to experiment, as we always have done and that whenever we can find new and better programs which our listeners will like, we surely will put them on."

"Our surveys have been conducted in cooperation with the other networks stations in Washington and include more than 9000 telephone calls every 60 days--telephone calls spaced scientifically over the entire Washington metropolitan area", William B. Dolph of WOL (Mutual) answered. "This in vast contrast to the 400 letters on which you base your article. Over a period of a year we contact through the Hooper Survey method and at the actual time of specific broadcasts almost 75,000 Washingtonians.

"Reluctantly, I admit that upon occasion some few commercial announcements are a bit lengthy, but we in the radio business maintain that this is by far the exception rather than the rule. Naturally, every radio station, advertiser, and advertising agency makes a tremendous effort to ingratiate rather than to alienate the majority of radio listeners."

"Radio stations, like the newspapers", Edwin M. Spence of WWDC said, "derive their chief support from advertising. The full-page ads might be compared to the big network advertisers, the smaller display ads to locally sponsored programs and the classified section to the spot announcements. Thus, all types of advertisers have an opportunity in radio as well as in newspapers, of getting their message across.

"I personally think there are too many 'soap operas' following in immediate succession. We constantly endeavor to keep a note of variety so that several programs of the same type will not follow one another, maintaining a definite allotment of time for educational features, religious services, civic and charitable programs, news, operatic and classical programs, popular music and so on"

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TAM CRAVEN NEW IRAC MAN

The Federal Communications Commission has designated Commissioner T. A. M. Craven to represent it on the Interdepartment Radio Advisory Committee, which has the duty of recommending to the President assignment of frequencies to the Government. Commissioner Craven succeeds Chief Engineer Jett in that capacity, the latter's duties now being taken up largely with FCC and DCB defense activities. Commissioner Craven, a former Chief Engineer of the Commission, previously served on IRAC. His present alternate on the Committee is Philip E. Siling, Chief of FCC's International Division, who is also Secretary of IRAC. The Interdepartment Radio Advisory Committee is a Government unit established for the purpose of advising the President with reference to the assignment of frequencies to Government radio stations. The Committee, which has met at least once a month, approved the assignment of 6,983 frequencies for Government radio stations during the past year. At the present time there are 21,133 active assignments to Federal radio stations, all of which have been recommended by the Committee since its establishment. In addition, the Technical Subcommittee of the Committee has considered problems involved in the allocation of such frequencies in order that the most efficient use of the radio spectrum may be attained.

TRAMMEL STRICKEN WITH APPENDICITIS - REPORT BETTER

Niles Trammel, President of the National Broadcasting Company, who was operated on for appendicitis in New York Thursday, was said today (Friday) to be improving. Admittedly it was a serious case brought on by a rundown condition due to overwork in connection with the FCC cracking down on NBC, the reorganization of the Blue Network and the additional burden of readjusting the networks to wartime conditions.

"You'll have to admit that Chairman Fly alone gave Mr. Trammel enough to worry about", someone close to the NBC President said, inferring that the breakdown had been largely due to trouble with the Government.

Mr. Trammel is in Roosevelt Hospital in New York City.

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CONGRESSMAN ALLEGES "GESTAPO" IN FCC

Picturing James L. Fly, Chairman of the Federal Communications Commission as the "most dangerous man in the government" and one who was using his wartime powers as a smokescreen to take all communications facilities, Representative E. E. Cox (D) of Georgia declared that he proposed to have Mr. Fly and the Commission investigated.

Addressing the House Mr. Cox said:

"Mr. Fly, of the Communications Commission is using a good law to a bad end. He is guilty of a monstrous abuse of power and is rapidly becoming the most dangerous man in the Government. He maintains an active and ambitious Gestapo and is putting shackles on the freedom of thought, press, and speech without restraint.

"In the pretended regulation of the broadcasters, which needs regulating, he is breaking down those freedoms which guard all others. He is taking advantage of the stress of the moment to federalize all means of communication.

"I have heretofore opposed the investigation of executive departments of the Government, but the Communications Commission, as now operating under Mr. Fly, must be stopped, and I intend offering a resolution for House investigation."

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WORLD WIDE OPENS N. Y. NEWS ROOM

Backed by a \$25,000 grant from the Council of the American Philosophical Society, the World Wide Broadcasting Foundation operating the short-wave station WRUL in Boston will open a news room and program department in New York City.

Walter S. Lemmon, President of the Foundation, reviewing its recent activities said that WRUL had opened a new short-wave beam to the Philippines and China the day after the entrance of the United States into the war. In addition, a new series of broadcasts to Australia has been started and the station is broadcasting now in twenty-two languages.

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PRESS RIGHT TO RADIO OWNERSHIP DEFENDED

Dr. Frederick S. Siebert, Director of the University of Illinois School of Journalism, told the Federal Communications Commission that newspapers "should have the same privileges as other citizens" in the ownership of radio stations.

Testifying in the Commission's investigation of newspaper-radio relationship, Dr. Siebert said newspapers "deserved to be considered" because of their long training in the coverage of news and opinions.

"My impression is that the monopoly that might be created is not as dangerous as the the entering wedge of discriminations against newspapers as newspapers", he said.

The Commission is conducting its investigation with a view to determining its future policy for dealings with applications by newspaper interests for broadcast stations. Dr. Siebert appeared as a witness for the newspaper-radio committee, organized to oppose prohibitions on newspapers' acquiring radio stations.

"I do not think that because a man publishes a newspaper he should be denied a radio station when it is shown that he is best qualified to operate it", Dr. Siebert said. He added that he did not feel ownership of a radio station by one newspaper would give it "all-our advantage" over a competitor not operating a station.

Dr. Paul Lazarsfeld, Director of the Office of Radio Research of Columbia University, presented numerous exhibits dealing with so-called "one-one" cities.

In 74 cities in which the only newspaper has an interest in the only broadcasting station, Dr. Lazarsfeld said, out-of-town newspapers had a combined circulation of 35 for each 100 circulation of the local newspaper.

An earlier witness, Andrew Ring, Consulting Engineer, testified that only 35 cities in which the one newspaper owned controlling interest in the one broadcasting station did not receive primary radio service from other cities.

In those 35 cities, Dr. Lazarsfeld said, the newspaper had put 1.2 per cent of the national circulation, while the radio station had only .04 of 1 per cent of the national radio power,

The Newspaper-Radio Committee announced that Arthur Garfield Hays of New York, General Counsel of the American Civil Liberties Union, would testify in its behalf tomorrow.

Mr. Hays, the Committee said, "holds the viewpoint that there should be no rules or regulations of any sort limiting the complete freedom of the press.

Morris Ernst, Associate Counsel of the Union, testified at an earlier hearing in favor of complete divorcement of radio from the press.

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1/30/42

HAW-HAW SAYS OPPOSITE TO U. S. AND BRITAIN

After listening in on Europe on one of his new trans-oceanic portable radio sets, Commander E. F. McDonald, Jr., said:

"I get a great laugh out of the German propaganda, because it is so inconsistent. One night I heard the Gentleman from Berlin at 8:30 Eastern Time tell how we were all being misled and that Churchill was running the United States Government.

"Believe it or not, when Lord Haw-Haw went on 15 minutes after the other one finished, or at nine o'clock (he is on some times at 8:30 and some times at 9:00), he said the exact opposite. In other words, he said to the English people that Roosevelt was running Churchill. Laugh that off for consistency in German propaganda.

"I guess they thought we couldn't hear the second program, although it was on the identical wave-length, 31 meters."

SOME ALIENS PUZZLED OVER SHORT-WAVE SEIZURE

That there is still uncertainty in the minds of certain aliens as to what they should do to meet the provisions of the short-wave camera seizure order is indicated in a letter written to the New York Times, by a reader who signs himself Paul Samuel:

"It seems to me that some doubt still exists as to what shall be done with short-wave radios and cameras. Many people believe that as long as they themselves are citizens they do not have to turn in these articles at their local police station.

"My own experience tells me that it is not commonly known that even a citizen has to give up his short-wave radio or else remove the short-wave band as long as his apartment is shared by persons who fall under the "enemy alien" classification. For instance: I am a naturalized citizen, but my wife has as yet not obtained her naturalization papers. I have been informed by the police that I cannot have a short-wave radio in my house.

"It makes, of course, no difference whether a wife, parents, relatives or just friends share my apartment as long as they are classifiable as "enemy aliens." In other words, the law does not ask: "Who owns the radio?" but "Who has access to it?"

"As to cameras, it is sufficient if the citizen owner of one prevents its use by enemy aliens. That means keep it locked up.

"I have also observed that some aliens believe as long as they merely store their cameras and radios with friends who do not come under this law, nothing can happen to them. The law requires that these articles be turned over to the police. "

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1/30/42

HARBORD FORESEES ENEMY ENGULFED IN MOUNTING TIDE

Maj. Gen. James G. Harbord, Chairman of the Board of the Radio Corporation of America, speaking at the 52nd Annual Dinner of the Indianapolis Chamber of Commerce last Thursday, predicted that the road of war may be long but victory will come to the United States and the Democracies. He looked ahead to the day when the enemies will be engulfed and overwhelmed by the mounting tide of American men backed by the mounting tide of civilian support.

Warning that the front line of this war runs through the streets of every city, village and farm of America, General Harbord, who served as Chief of Staff under General Pershing, said that this is not a war just of armies and navies but of whole populations. He pointed to the present war as "nearer home than any we ever fought before."

"In stating that of all our wars this is much the closest home," said General Harbord, "I mean that every man and woman in our nation, even those who are not working in defense industries, are in the thick of this struggle. I am not referring to the possibility of invasion of American soil. Not by any development that today can be foreseen can there be a successful landing of large enemy forces in the United States, nor by any reasonable expectation is there a probability of bombing beyond the 'token' type. Certainly there is nothing at present to justify the belief that any American city will be called upon to endure the sustained 'blitz' of the terrifying kind that so completely failed to terrify England."

"Only one American in nineteen will have a job among the fighting forces in this war," said General Harbord. "It is because the deeds of our fighting men stir us so deeply that we may underestimate the vital importance of the eighteen Americans who are behind every man in the fighting forces."

Although the orders for armament, munitions and instruments of war have reached staggering proportions, General Harbord said that the enemies will find that American industry cannot be staggered. "It will fill these orders," he exclaimed, because America has a backlog of mechanical skill that will sweep all before it when rolling at top speed.

"Nothing must be allowed to interfere with the stream of armaments and other tools of war flowing from industry. Neither management nor labor can afford to be so lax in patriotism as to take unfair advantage of the urgency of the situation."

Calling attention to the closer bonds between the various sections of the United States, such as the "industrial east" and the "agricultural west," General Harbord described them as symbols of unity in productive effort, vitally important in winning the war. By way of illustration he recalled that in 1936 the Radio Corporation of America began manufacturing operations in Indianapolis, and in 1940 opened the plant at Bloomington, Ind. Today these organizations, he reported, employ 4,200 men and women, with an annual payroll ~~in~~ excess of five million dollars.

"In Indianapolis our phonograph record division has a productive capacity of 3,000,000 records a month, and our radio tube division 1,200,000 tubes a month," said General Harbord. "In addition all of RCA's sound equipment for motion picture studios and theatres, and for public address systems, is manufactured at Indianapolis. This division is more and more engaged in fulfilling the Govern-

1/30/42

ment's war-time needs in sound equipment of all kinds.

"Since RCA's plant at Bloomington was opened in 1940, more than a million radio receivers have been shipped. Present plans call for the ultimate use of the Bloomington plant facilities for war work."

In conclusion, General Harbord offered a number of suggestions on how those on the home-front can serve their country and help to win the war:

"Dinner party generals, by avoiding discussions that sap morale at home.

Non-defense factories, by helping to devise substitutes for materials needed in the war.

Workers, by staying on their jobs and doing their jobs better than they ever have been done before.

Machine workers, by getting the very maximum out of their machines, by protecting and maintaining their machines, and by saving scrap.

Distributors and retail merchants, by wise buying, avoidance in salesmen's talk and in advertising of exaggerated warnings of war scarcities that encourage panic shopping and hoarding.

Housewives, by accepting with good grace the fact that during the emergency she cannot buy all the many types and grades of products for which American merchandising is justly famous, and by buying only what she needs; avoid selfish 'stocking-up' sprees."

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NEW RADIO DEvised TO TURN OFF LIGHTS

Dr. Lee De Forest, inventor of the audion tube which made radio possible, demonstrated before members of the New Brunswick-Highland Park Defense Council his newest invention, which he calls the "blackourter."

The radio device, weighing less than five pounds, is designed to extinguish electric lights automatically in the home or on display signs. It is hooked to the light current and a radio aerial, then tuned to one of the major networks on a twenty-four-hour basis. When an air raid signal is sounded over the radio station the lights automatically are extinguished.

After the alert has been sounded, the lights may be turned on manually or by means of a time-delay switch which could be hooked to the unit. This switch would turn the lights on shortly after the station resumed broadcasting.

Dr. De Forest said he started work on the idea after he had received an appeal from defense authorities on the West Coast, where indignant citizens had hurled missiles through store windows where the lights were not extinguished during a practice blackout. One unit could be used to control lights in a whole block of stores the inventor asserted.

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Edward Cooper, who since 1939 has been connected with the Senate Interstate Commerce Committee as chief of staff of the investigation of the telephone industry, has been made Assistant Secretary of FCC. Born in New York City in 1903, and a former newspaperman, Mr. Cooper was formerly managing editor of Congressional Intelligence.

President Manuel Avila Camacho has put into effect in Mexico nation-wide measures closing amateur and private experimental radio transmitting stations.

The Board of Education of Buffalo has been granted a permit for a new FM station to operate on 42900 kilocycles, 1 kilowatt, special emission for frequency modulation. The Board proposes to broadcast educational programs, including science, art, music, English, vocational guidance, safety, and national defense, to the school system of Buffalo, embracing 13 high schools and 80 grammar schools with more than 75,000 students, as well as general educational and patriotic programs to the general public. Secondly, it was said, the new station will provide training of students in radio operation and transmission.

Two FM permits were granted to Jersey City, one to the New Jersey Broadcasting on 49,100 kilocycles and the other to the Bremer Broadcasting Corporation on 49,500 kilocycles.

It required only 2 minutes to evacuate FCC's 600 plus employees in the New Post Office Building, in their first air raid drill Wednesday (January 28). Commissioners and other participants at the press-radio hearing responded with the rest.

Charging false advertisement in the sale of "Pescor Shortwavatherm," a short-wave diathermic device, the Federal Trade Commission issued a complaint against Physicians Electric Service Corporation, Los Angeles, manufacturer of the device, and Solomon E. Mendelsohn, president of the corporation; and the May Department Stores Co., a New York corporation with a California office and store in Los Angeles, distributor of the device.

Boasting the aggregate of Mutual affiliate stations to 197, WFNC, Fayetteville, North Carolina, becomes the latest addition to the network.

One of the biggest radio manufacturers in the country said: "Frankly, I think in sight of six months none of us will be building household radios, unless it would be portables that the Government will urge us to build. They should do this as there is not a good distribution of portables in places where they are needed in case of a black-out."

The contents of the RCA REVIEW for January are: "NBC Studios 6A and 6B" G. M. Nixon; "General and Detection of Frequency-Modulated Waves", S. W. Seeley, C. N. Kimball and A. A. Barco; "A New Chemical Method of Reducing the Reflectance of Glass", F. H. Nicoll; "An Analysis of the Signal-to-Noise Ratio of Ultra-High-Frequency Receivers", E. W. Herold; "The Absolute Sensitivity of Radio Receivers", D. O. North; "An Omnidirectional Radio-Range System, Part II-Experimental Apparatus", D. G. C. Luck, and "Measurement of the Slope and Duration of Television Synchronizing Impulses", R. A. Monfort and F. J. Somers.