

HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.

NATIONAL BROADCASTING COMPANY,
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INDEX TO ISSUE OF JULY 1, 1941

Capital Station Quits NAB In Further Chain Row.....	2
Twenty-Two Television Stations Soon, FCC Says.....	3
War Dept. Tries To Separate Sheep From Goats.....	5
Board To Cooperate In Civilian Defense Appointed.....	6
Gallup Poll Credits Movie Drop To Radio.....	7
FCC Work Assignments For July.....	7
CBS's Berlin Newscasts Cancelled.....	8
McDonald Glider Windwagons Attract Wide Attention.....	9
Radio Balloons In New Capital Airport Forecasts.....	9
Trade Notes.....	10
American Cable & Radio Quarterly \$271,542.....	11
NBC Proposes ASCAP Solution.....	11
NBC Issues First Television Rate Card.....	12

No. 1343

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JUL 3 1941

FRANK E. MULLEN

July 1, 1941

CAPITAL STATION QUILTS NAB IN FURTHER CHAIN ROW

In keeping with the 4th of July fireworks, there was another explosion in the fight between the networks when Station WOL, outlet in the National Capital of the Mutual network, resigned from the National Association of Broadcasters. The main reason given was the charge that when he testified at the recent Senate hearings, Neville Miller, the NAB President, neglected to present the minority viewpoint. It was claimed that he expressed only the opinion of the majority. The Mutual network, headed by Alfred J. McCosker, has strongly supported the Federal Communications Commission in its new rules and a number of Mutual stations, including WOR in New York, and WGN in Chicago, resigned in protest at the action of Mr. Miller in adjourning a session of the NAB convention at St. Louis without giving Chairman James L. Fly an opportunity to reply to an attack made on him by Mark Ethridge, of Louisville, a past president of the Association.

Here again Mr. Miller was accused of attempting to allow only one side of the case to be heard. Fly was later given an opportunity to reply. Though the Convention backed up Mr. Miller, nevertheless there was serious criticism of what was characterized as a "terrible blunder" in his not giving the FCC Chairman an opportunity to reply immediately.

As a result apparently, instead of leading the battling forces in the Senate, Mr. Miller seemed to take a very minor part in the Capitol proceedings and sat at the witness table day after day almost like the "forgotten man". When finally Miller did testify, his statement entirely lacking the fire of his St. Louis and previous challenges, was a very tame affair.

In his letter of resignation from the NAB, William B. Dolph, General Manager of WOL, questioned whether the memorandum presented to the Senate Committee by Mr. Miller "represents the viewpoint of the majority of the industry", and added:

"But assuming that it does, where is the report representing the minority? Certainly NAB as a trade association of the industry, if it undertakes a reportorial service, is duty bound to furnish an unbiased account of the proceedings. I have carefully followed the reports of NAB since the start of the hearings on June 2. Each and every one of these reports has presented only the 'majority' viewpoint. There can be no valid excuse for such undemocratic treatment to your constituent members, be they in the majority or the minority."

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TWENTY-TWO TELEVISION STATIONS SOON, FCC SAYS

Television is priming for the opening gun which will inaugurate visual broadcast service on a full-fledged commercial basis today (July 1).

Two television stations in New York will begin this new public service immediately, the Federal Communications Commission announces. Three more stations - in Los Angeles, Chicago, and Philadelphia - expect to make the transition from experimental to commercial operation in short order, and 17 other stations in various parts of the country signify their intention of going commercial as soon as it is possible for them to do so.

The National Broadcasting Company's television station located atop the Empire State Building, New York, has received the first license for commercial operation, and will render 15 hours of program service a week, beginning July 1. Formerly on an experimental basis with the call signal W2XBS, in its new commercial status, NBC's New York television station has been assigned the call letters WNBT. As soon as other experimental television stations are licensed commercially they, too, will receive new call letters.

Columbia Broadcasting System, Inc., is authorized to begin program tests over its New York station, now identified by the call signal W2XAB, the same day.

Don Lee Broadcasting System, W6XAO, Los Angeles; Zenith Radio Corporation, W9XZV, Chicago, and the Philco Radio and Television Corporation, W3XE, Philadelphia, will continue to transmit scheduled programs over their respective stations pending the formality of shifting from experimental to commercial operation at the earliest date possible.

Allen B. DuMont Laboratories proposes to begin commercial operation at its New York station, W2XWV, soon after July 1, but not later than August 1. This same company is also pushing work on its Washington station, W3XWT, so that this outlet, too, can go on the air quickly.

National Broadcasting Company intends to proceed promptly with construction of its Washington station, W3XMB, with the prospect of test programs in the capital city by November 1. It anticipates that its Philadelphia station, W3XPP, will be completed and in operation by July 1 of next year.

Thirteen other television stations are likewise arranging to go commercial in ensuing months. Their locations are:

Albany - W2XB, General Electric Co.

Chicago - W9SBK, Balaban & Katz Corp.
W9XCB, Columbia Broadcasting System

Cincinnati - W8XCT, Crosley Corp.

Los Angeles - W6XEA, Earl C. Anthony
W6XHH, Hughes Productions, Hughes Tool Co.
W6XYZ, Television Productions, Inc.

Milwaukee - W9XMJ, The Journal Co.

New York - W2XBB, Bamberger Broadcasting Service
W2XMT, Metropolitan Television

Philadelphia - W3XAU, WCAU Broadcasting Co.

San Francisco - W6XDL, Don Lee Broadcasting System
W6XHT, Hughes Productions, Hughes Tool Co.

Television stations licensed on a commercial basis are required to furnish at least 15 hours of program service a week, which may include Sundays, and on each day, except Sunday, "there shall be at least two hours program transmission between 2 P.M. and 11 P.M., including at least one hour program transmission on five week days between 7:30 P.M. and 10:30 P.M."

Persons within the reception areas of commercial television stations will be able to see on their receivers, with accompanying sound, studio productions with live talent, motion picture films, and "pick ups" of special events outside of the studio, such as news happenings, sports, parades, etc. In making spot news visible, as well as furnishing visual education and entertainment, this new broadcast medium expects to speedily develop popularity and interest. As a result of tests with television projection on large screens, a New York theatre is already being so equipped. Light-weight portable "pick up" equipment has been developed, and a special type of studio-craft is being evolved.

The existing coaxial cable between New York and Philadelphia is useful for the exchange of television programs between those cities. A similar cable is being laid between Baltimore and Washington. When the link between Baltimore and Philadelphia is added, all three cities will constitute outlets for television programs originating in either city. A television radio relay system is also being worked out.

In view of the impending demand for television receivers as new localities are opened to television service, the industry is seeking an orderly production consistent with requirements of materials for the National Defense. In this respect the Radio Manufacturers' Association is rendering continued and efficient cooperation. It was principally through its efforts that the engineering minds of the industry agreed on basic principles which

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enabled the Federal Communications Commission, on April 30, to adopt rules and regulations and standards and set the July 1 go-signal for regular television service. It was to pave the way for this commercialization that the Commission last year specifically licensed some two score individuals and firms, which had budgeted \$8,000,000 for the purpose, to engage in preparatory experimental operation.

After six months of practical tests of the present television standards, the Commission will consider further changes, with particular reference to new developments. Meanwhile, program stations are encouraged to experiment with color television. To guard against monopoly in this new field, not more than three television stations can be under the same control.

Development of frequency modulation makes it possible to use FM for the sound accompanying the pictures. And the location of the television frequencies offers an opportunity to make television sets which will also receive FM broadcasts, and FM sets which will receive the aural part of television broadcasts.

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WAR DEPT. TRIES TO SEPARATE SHEEP FROM GOATS

Somebody got the bright idea at the War Department last week of preparing a regular schedule evaluating the work of the best known radio commentators and newspaper columnists. Several released were mimeographed when the matter came to the attention of Gen. Robert C. Richardson, Jr., head of the War Department Press Relations Bureau, who very promptly put his foot down on the whole business.

No standard basis for the evaluations was set out on the sheet. Newscasters who had devoted their discussions to entirely different subjects were rated in a single issue without reference to the fact that they had not discussed the same news developments.

"Most radio newscasts are editorial in tone", the self-appointed analyst declared in one edition. Ratings were indicated by numerals set opposite the names of persons whose products were evaluated, and the numerals were explained in a "key" as follows: (2) very favorable; (1) favorable; (0) non-committal; (-1), unfavorable; (-2) very unfavorable.

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7/1/41

BOARD TO COOPERATE IN CIVILIAN DEFENSE APPOINTED

Appointment of a subcommittee of the Defense Communications Board to collaborate with a similar subcommittee of the Office of Civilian Defense was announced yesterday by James Lawrence Fly, Chairman of the Defense Communications Board and of the Federal Communications Commission. The action followed a conference between Chairman Fly and Mayor Fiorello LaGuardia of New York, Director of the Office of Civilian Defense.

Members of the DCB subcommittee named were Capt. Donald S. Leonard of the Michigan State Police, representing the International Association of Chiefs of Police; Herbert A. Friede of the District of Columbia Fire Department, representing the International Association of Fire Chiefs; Maj. Francis H. Lanahan, Jr., of the War Department; and Commander E. M. Webster, Assistant Chief Engineer of the Federal Communications Commission.

Effective use during war or other emergency of police radio systems, several thousand of which are now in operation, is one of the topics to be considered jointly by the DCB and OCD subcommittees, it was announced. These police radio systems have various potential defense uses in addition to their normal operations. The Defense Communications Board will integrate plans for emergency use of police radio with its general plans for emergency utilization of the nation's wire and radio facilities, while the Office of Civilian Defense will integrate them with other civilian defense plans.

Use of fire department communications systems is a second topic on the agenda of the subcommittees. Most fire departments have wired alarm systems, and many in addition have two-way radio communication facilities, generally through cooperation with police radio systems. In case of air attack or natural catastrophe, radio has proved of the utmost importance in the prompt routing and supervision of municipal fire-fighting forces.

To facilitate emergency use of municipal police and fire communications system, the Defense Communications Board has in preparation a special manual, to be distributed to all municipalities operating police or fire alarm systems. The manual is designed to aid in the maintenance of these systems at the peak efficiency required by emergency needs. It discusses the expansion of existing plant and equipment, the availability of auxiliary electrical power supplies in the event that regular power service is interrupted, the protection of communications centers against accident and sabotage, and other steps designed to increase the efficiency and dependability of municipal communications systems. Special attention is given to the use of these systems to protect defense plants and other key points located outside of municipalities but within the range of their alarm equipment.

Various State defense councils have proceeded with state-wide plans to supplement the National Defense effort. It is thought that the Office of Civilian Defense will serve as liaison between these State councils and the Defense Communications Board, which is charged with nation-wide coordination of all telegraph, telephone, radio, cable, and other rapid communications services, both domestic and international.

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GALLUP POLL CREDITS MOVIE DROP TO RADIO

Astonishing to movie leaders was the authoritative report that two of their most important stars, Jack Benny and Bob Hope, are largely responsible for the current frightening slump in theater attendance, according to a North American Newspaper Alliance dispatch.

Dr. George Gallup, hired by the R-K-O Studio to conduct film surveys, told the company's sales convention that the drop continuing since last April is due to radio - especially to the tremendous 'listening' power of a few headliners.

Gallup said his week-end surveys showed that Benny had attracted 36,000,000 listeners to Sunday programs, whereas picture theaters haven't been able to sell more than 11,500,000 tickets all day Sunday. A Monday night radio show strikes a similar paralyzing blow.

The poll conductor told salesmen that attendance dropped to 52,000,000 weekly from a 54,000,000 estimate made by his group in July, 1940.

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FCC WORK ASSIGNMENTS FOR JULY

The Federal Communications Commission has announced that the work, business, and functions of the Commission for the month of July have been assigned as follows:

Commissioner Case - Designated to determine, order, report or otherwise act upon all applications of requests for special temporary standard broadcast authorizations.

Commissioner Wakefield - Designated to hear and determine, order, certify, report or otherwise act upon: (a) except as otherwise ordered by the Commission, all motions, petitions or matters in cases designated for formal hearings, including all motions for further hearing, excepting motions and petitions requesting final disposition of a case on its merits, those having the nature of an

appeal to the Commission and those requesting change or modification of a final order made by the Commission; provided, however, that such matters shall be handled in accordance with the provisions of Sections 1.251 and 1.256, inclusive, of the Commission's Rules of Practice and Procedure; (b) the designation pursuant to the provisions of Sections 1.231 to 1.232 of the Commission's Rules of Practice and Procedure of officers, other than Commissioners, to preside at hearings.

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CBS'S BERLIN NEWSCASTS CANCELLED

The Columbia Broadcasting System's News broadcasts from Berlin have been canceled by the German government, it was announced last night in an International News Service item.

Harry W. Flannery, Chief of the CBS Berlin Bureau, telephoned to New York the news of the ban on broadcasting facilities which, he said, came as retaliation for remarks made last Thursday by Elmer Davis in New York, following a radio interview with P. G. Wodehouse. Wodehouse was recently released from an internment camp by the Nazis.

Mr. Flannery was permitted to give other news in his telephone report. He said the extraordinary refusal to allow broadcasts was subject to review by unnamed higher authorities. The ban may be lifted at any time, it was pointed out.

In connection with the action of the German government, Paul W. White, Columbia's Director of Public Affairs, issued the following statement:

"The Columbia Broadcasting System will submit to no foreign dictation as to its broadcasts in this country.

"We will not seek to please Germany in presenting the news over here as the price of being allowed to broadcast from Berlin. If the motive behind the German government's action is to compel us to color our analysis to its liking, that action has failed.

"When Flannery communicated the German decision to us, he was immediately instructed to make no compromise with the integrity of our news broadcasts in an effort to remain at his post. He was further instructed to make clear to the propaganda ministry that our broadcasts outside Germany and German-controlled territory were behind the censorship of the Reich."

In the Wodehouse radio interview, the English novelist said he did not mind being a prisoner of war since he had a suite at Berlin's famed Adlon Hotel at the expense of the Nazi government, and that he could come and go pretty much as he pleased.

In commenting on the interview, Elmer Davis pointed out that the German treatment of Wodehouse was somewhat different from that accorded other prisoners with less publicity value.

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McDONALD GLIDER WINDWAGONS ATTRACT WIDE ATTENTION

The "windwagon" instruction device invented by Commander E. F. McDonald, Jr., of Chicago, President of the Zenith Radio Corporation, and his single-handed effort to develop gliders in National Defense, have not only had official recognition in the War Department assigning officers to study the project but now are attracting country-wide attention. Commander McDonald, who long has been a student of aeronautics, started the glider ball rolling sometime ago by an article in Collier's Weekly. Then came the battle of Crete, which focussed world attention on the subject of gliders. McDonald then followed through with a double-page spread in the New York Times Sunday Magazine section and most recently an article in the July issue of the Scientific American.

Last week the Associated Press carried photographs of the artificial wind-making machines and finally nearly all the news services in the movies released pictures of the machines in their newsreels.

In explaining his new device, which makes it possible for glider students to practice whether there is any wind or not (and only being about 10 feet above ground like a kite), Commander McDonald concluded with this plea:

"If we make it easy for American youth, through subsidy, to purchase and own gliders; make it easy for them to become licensed, they will train themselves and will build for us an enormous reservoir of pilots, just as we have built a valuable reservoir of young amateur radio operators, all of them ready at a moment's call to respond to government and military communication needs in time of emergency."

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RADIO BALLOONS IN NEW CAPITAL AIRPORT FORECASTS

An added feature to the New National Airport in Washington, said to be the world's finest, is a station of the United States Weather Bureau which will use radiosonde balloons in forecasting the weather. Hereafter forecasts for numerous neighboring states including New York and as far West as Ohio and south to Tennessee will be made direct from the Washington Airport station.

Twice daily, at 12:30 P.M. and 2:30 A.M., the station send up 6-set helium balloons equipped with a radio-sound recorder for broadcasting the temperature, humidity and pressure at levels up to a high point in the stratosphere where the expanding balloon bursts and drops the broadcasting unit in a small parachute.

Four times daily, at 6-hour intervals, the bureau dispatches pilot balloons to determine wind velocities at altitudes

within sight of ground observers. The radio balloons are released from about 30 stations scattered over the United States and the pilot balloons from some 120 stations, including two on Coast Guard ships near the North Atlantic airways.

Data gathered from the ballons and from ground observations are put on interconnecting teletype systems for the compilation of weather charts. The station here gets clearance from the air control tower before releasing the larger balloons to prevent possible collisions. The lighter balloons could scarcely damage an airplane in flight, it was said.

On slow-moving scrolls of paper tiny crustal pens trace tell-tale lines to record permanently the sunshine, the rainfall, the temperature, the atmospheric moisture, the wind's direction and speed. Many of these are connected with instruments 1,500 feet away, well apart from any local influence of the building or the flying field

All these readings and several more are going out over the teletype network of the Civil Aeronautics Authority to all parts of the United States, and by radio to ships atsea, while from all these points readings like them are pouring in, with an ease and quickness never possible in the old main Weather Bureau station in Georgetown.

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:::: TRADE NOTES ::::

The National Broadcasting Company has just issued a time-saving reference folder of the radio broadcasting stations of the United States and Canada as of May 1. In it is listed the new broadcast allocations of all United States and Canadian stations as ordered by the North American Regional Broadcasting Agreement. There is also a chart of allocation of frequencies in the United States.

The Capitol Radio Engineering Institute of Washington, D.C. awarded diplomas to 68 graduates, many of whom are scheduled to enter work connected with the defense effort.

The staff of the new intelligence agency to be headed by Col. William J. (Wild Bill) Donovan is expected to be made up of experts from the State, Justice and Treasury Departments, intelligence officers of the Army, Navy and Marine Corps, and specialists from such agencies as the Federal Communications Commission.

NOTE - DUE TO THE FACT THAT FRIDAY IS THE FOURTH OF JULY THERE WILL BE NO ISSUE OF THIS SERVICE ON THAT DAY.

R. D. HEINL

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AMERICAN CABLE & RADIO QUARTERLY \$271,542

Consolidated net income of the American Cable & Radio Corporation and subsidiary companies for the three months ended March 31, 1941, amounted to \$271,542, as compared with \$348,455 for the corresponding period of 1940, as shown in the accompanying statement of consolidated income accounts. Consolidated net income of All America Corporation and subsidiary companies for those periods amounted to \$427,909 and \$291,711, respectively, whereas operations of Commercial Mackay Corporation and subsidiary companies resulted in a consolidated net loss of \$149,988 for the three months ended March 31, 1941, as against consolidated net income in the amount of \$59,183 for the first quarter of 1940, after deducting in all cases the full interest accrual on the outstanding Income Debentures for the respective periods. As previously reported, cable communications to continental European countries over the lines of The Commercial Cable Company have been completely interrupted since June, 1940.

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NBC PROPOSES ASCAP SOLUTION

Niles Trammell, President of the National Broadcasting Company, announced that he had submitted a proposal to the American Society of Composers, Authors and Publishers for the use of ASCAP music on NBC networks and Managed and Operated stations.

"Our proposal", Mr. Trammell said, "represents our best efforts to solve the music problem which has existed since January 1, 1941, when former licenses from ASCAP expired. I have sent our proposal to all of the independent stations affiliated with the NBC for their study and consideration."

The essential points of the new agreement between ASCAP and NBC as outlined by Trammell are:

1. NBC agrees to pay $2\frac{1}{2}\%$ on network commercial business while it proposes that the individual stations pay 2% on local and national spot commercial business.
2. NBC will clear and pay for the use of ASCAP music on all network sustaining and public service programs.
3. NBC proposes that ASCAP offer to the independent network stations four alternative methods for the use of ASCAP music locally.
4. NBC proposes that the new services of Television, Frequency Modulation, Shortwave, Etc., pay for the ASCAP music on the same basis when commercial revenue for such services is received.

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The proposal was tendered subject to the acceptance by NBC affiliates of their portion of the network commercial license fee which the NBC, under the terms of the ASCAP consent decree, must pay for clearing all network music at the source.

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NBC ISSUES FIRST TELEVISION RATE CARD

Said to be the first rate card in the history of television, was one issued by the National Broadcasting Company.

Beginning today, NBC started its regular commercial television service of 15 or more hours per week.

Covering the costs to advertisers for time on the air and studio facilities, the NBC card gives prices for time of from \$120 per hour for evening broadcasts on weekdays, to \$60 per hour for weekday afternoon shows, and \$90 per hour for Sunday daytime broadcasts.

In addition to the time costs, charges also are to be made for the use of both studio film and mobile transmitter facilities. These range from \$150.00 per hour for the use of the main studio in Radio City to \$75 an hour for the use of the small and film studios and for the field pickups. Service spots, for televised programs of news, weather, time, etc., are priced at \$8.00 per minute in the evening and \$4.00 per minute daytimes.

The Columbia Broadcasting System has received authorization from the Federal Communications Commission to conduct television program tests for at least thirty days starting July first. It has not, however, received a license for commercial television broadcasting as had been anticipated. Upon completion of the program tests, CBS expects to receive a commercial license.

CBS plans to continue its color television experiments, but no definite transmission schedule has yet been established.

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INDEX TO ISSUE OF JULY 8, 1941

International Communications To Be Maintained.....	2
Fly Says Radio Should Have Priority Preference.....	4
Higher Taxes On Radio Proposed.....	4
Ten Issues Outlined For Newspaper Probe.....	5
ASCAP Answers BMI Claim.....	7
Radio Repairs Given Priority Status.....	8
Minimum Service For Operators Is Eliminated.....	9
Coast Guard To Operate Radio Direction-Finders.....	9
Trade Notes.....	10
FCC O.K's \$5,000,000 Telephone Construction.....	11
G.E. Boosts Power For Television.....	11
Radio Short Wave Broadcasting Advances.....	12

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July 8, 1941

INTERNATIONAL COMMUNICATIONS TO BE MAINTAINED

The Defense Communications Board, which has just completed its first six months of service, has drafted plans to prevent interruption of international radio and cable communications between the United States and foreign countries, Chairman James L. Fly stated Monday.

Plans include the widening of bottlenecks, maintenance of alternative or "standby" routes and circuits, maintenance of auxiliary power supplies, message priorities, and other steps designed to maintain service at peak efficiency, Fly said.

Since its formation under the Executive Order of the President, dated September 24, 1940, the DCB has been concerned, among other things, with the maintenance of adequate communications routes with foreign countries in the event of various foreseeable contingencies. During the last war, serious inconvenience both to military and to diplomatic services was occasioned by communication obstacles. The DCB has completed certain plans to prevent similar hindrances hereafter. Additional plans are in preparation.

International communication service may be impeded in various ways, Fly said. As examples, he cited:

- (a) The cutting of cables
- (b) The jamming of radio circuits
- (c) Injury to equipment
- (d) Cutting off of power supply
- (e) Volume of message traffic in excess of capacity

Many of the steps designed to prevent such interferences must remain confidential, he declared. However, six aspects of the plans were discussed.

The DCB has made a careful survey of existing cable repair ships, and has checked to make sure that such ships will be made available for emergency use regardless of where the break occurs or what company owns the cable which has been interrupted. Specifications for converting additional ships for cable repair purposes in case of need have also been prepared.

Supply of cable. The DCB has surveyed existing supplies of cable on hand, as well as cable-manufacturing facilities, and has found that one special insulating material universally used in submarine cables, gutta percha, is grown only in certain distant tropical areas. Accordingly experiments are under way by various interested companies to find a substitute for gutta percha.

Alternative radiotelegraph routes are in readiness. If, for example, the direct radiotelegraph circuits from here to London were to be interrupted by jamming or otherwise, relay routes and alternate or "standby" frequencies can be immediately placed in service. Similarly, alternative routes are available for communication with other foreign cities. Also, in the event that radiotelegraph circuits are interrupted or overburdened, various radio-telephone circuits can be quickly converted into radiotelegraph circuits.

At the request of the DCB, each communications company has appointed a liaison officer at every major operating office to facilitate the interchange of traffic, interconnection of facilities, and other means of coordination in the event of an emergency.

Reserve equipment. Various surveys have been made to ensure the continuous operation of existing facilities under emergency conditions. One example is the DCB questionnaire sent all international broadcasting stations to determine the stocks on hand of tubes, condensers, resistors, relays, chokes, transformers, crystals, meters, motors, batteries, and a variety of other parts and supplies.

DCB committees have uncovered five potential supply bottlenecks, none of them serious as yet. At the head of the list, it might be mentioned, is fabricated aluminum, which is vital for the shielding of important radio parts because it has a low conductivity. While aluminum is therefore essential in communications work, the quantity needed is fortunately not large, and needless to say will be kept at a minimum.

Auxiliary power supplies. Power supply is an essential part of all communications work, and one of the most vulnerable points. Accordingly, the DCB has taken steps to ensure that each vital unit in our communications system has an auxiliary power supply available in the event of power failure of the main supply.

The DCB has prepared a manual dealing with auxiliary power supplies, outlining the various possible means of insuring adequate power in case of emergency.

Priorities. While all emphasis has been placed on putting our international communications system in such shape that it can handle peak emergency demands, the DCB has not been unmindful of the possibility that in spite of these efforts specific routes may be swamped beyond capacity with urgent messages. To meet such a contingency, a message priorities plan has been readied, under which messages of military importance will be granted immediate precedence.

The DCB is confident that through the use of foresight, through plans of the kind described above, and through the harnessing of modern scientific techniques which must, of course, remain defense secrets, our communications system can be kept operating at high efficiency through any future emergency, without interruption and without unnecessary delay.

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FLY SAYS RADIO SHOULD HAVE PRIORITY PREFERENCE

Chairman James L. Fly, of the Federal Communications Commission, told a press conference on Monday that he believed the radio industry essential to National Defense and suggested that it should have a priority preference in the allocation of vital raw materials such as aluminum.

He revealed that he had discussed the threat to the industry as a result of the shortage of aluminum and other materials with J. S. Knowlson, President of the Radio Manufacturers' Association.

If radio manufacturers cannot get necessary materials - particularly aluminum - 85 percent of them will be idle by Fall, he said. Only a small part of the industry's facilities are devoted to defense production. If the radio manufacturer cannot get aluminum in July, Fly pointed out, he will be unable to produce radio sets in October.

Radio broadcasting has a definite morale value, the FCC Chairman said, and is certainly more important than many civilian industries. He predicted that unless the industry is given a priority preference that there will be a substantial reduction in production of receivers.

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HIGHER TAXES ON RADIO PROPOSED

Higher taxes will be imposed on the radio industry to help finance the Defense program. The House Ways and Means Committee has included in the new defense tax bill several increases which will affect the broadcasting industry.

Among the increases affecting radio is a boost in the excise levy on radio sets and parts and a revision of the base for taxation, expected to yield \$9,400,000 a year. As now written the tax on radios and parts will be 10%, instead of the present 5½%. The 10% levy is in line with Treasury recommendations.

The committee voted to tax telephone, cable and radio leased wires. The new tax, expected to bring \$27,600,000 in revenue, will be imposed on any leased wire or talking circuit, and includes those not now taxed, such as teletype service, it is understood.

During its consideration of proposals advocated to supply new tax revenues, the committee voted down the plan of Representative Sauthoff (Prog. Wis.) for a franchise tax on radio stations. Such a tax had been urged strongly by John B. Haggerty, President of National Allied Printing Trades Association early in the Ways and Means hearings and the proposal had several Congressional advocates.

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TEN ISSUES OUTLINED FOR NEWSPAPER PROBE

The Federal Communications Commission last week announced its procedure for the hearings to start July 23rd on newspaper control of radio stations.

The hearings will be conducted before the full Commission, which is now short one member. The term of Frederick I. Thompson expired last Monday, and the President has not nominated his successor.

The hearings will collect a mass of information on which to base a policy concerning the issuance of licenses to applicants for frequency modulated stations associated with newspapers, and for the future acquisition of standard broadcast stations by newspaper interests. It was asserted that any policy concerning these new acquisitions probably would affect presently owned newspaper stations, because their licenses must be renewed annually.

The inquiry, according to the FCC, will center around the following questions:

1. To what extent broadcast stations are at present associated with persons also associated with publication of one or more newspapers, the classification (in terms of power, location, network affiliation, etc.) of broadcast stations so associated, the circumstances surrounding such association, and the tendency toward such association in the future
2. Whether joint association of newspapers and broadcast stations tends or may tend to prejudice the free and fair presentation of public issues and information over the air, or to cause editorial bias or distortion, or to inject editorial policy or attitude into the public service rendered by broadcast stations as a medium of public communication
3. Whether joint association of newspapers and broadcast stations tends or may tend to restrict or distort the broadcasting of news, or to limit the sources of news to the public, or to affect adversely the relation between news-gathering services and broadcast stations.
4. Whether the joint association of newspapers and broadcast stations has or may have any effect upon freedom of access to the radio forum, for the discussion of public issues.
5. Whether the joint association of newspapers and broadcast stations tends or may tend to lessen or increase competition among broadcast stations or to result in the monopolization of local broadcast facilities.
6. Whether the joint association of newspapers and broadcast stations tends or may tend to increase or decrease concentration of control over broadcast facilities or the use thereof.

7. Whether the joint association of newspapers and broadcast stations constitutes or may constitute an undue concentration of control over the principal media for public communication.
8. Whether joint association of newspapers and broadcast stations tends or may tend to result in the utilization of improved facilities and skilled, experienced personnel for the procuring and dissemination of information and opinion by broadcast stations.
9. Whether joint association of newspapers and broadcast stations tends or may tend to insure greater economic stability for broadcast stations and to encourage the maximum technological development of radio.
10. What considerations influence newspaper interests to acquire broadcast stations.

Editor & Publisher, in an editorial on the projected inquiry, was critical of the questions. It said:

"The Federal Communications Commission appears determined to find out every last fact that can be turned up in the relationship between newspapers and radio broadcasting. Some of the information sought in the questionnaire sent this week to broadcasting stations seems, indeed, to have very little bearing on the question of whether sound public policy is served by newspaper ownership of a radio station, or vice versa. Some of the questions have no apparent relevancy at all to that problem, or to any other problem in which the FCC has reason to concern itself.

"For instance, it is difficult to see what the Commission can do with data on the policies of newspapers within station areas on free publicity, listing of programs, radio comment columns, etc. That is a matter of newspaper administration; it is not a field in which a radio station can exercise any rights or privileges, and certainly it is a field in which neither the FCC nor any other branch of government has any right to interfere.

"Our suspicions may be entirely unfounded, but the feeling cannot be escaped that the Commission, in addition to seeking facts, is looking for data that can be used for hypodermic cross-examinations of newspaper people in the forthcoming hearings. Whether or not that is the intent behind some of the questions, we'll bet a red apple against a burned-out radio tube that some of the FCC lawyers will turn them to that or similar uses when the inquiry gets under way. And we submit that that is not a sphere of proper activity for the Federal Government."

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ASCAP ANSWERS BMI CLAIM

The claim by BMI that its suit against ASCAP over performing rights of songs in the E. B. Marks catalogue written by ASCAP writers is "by no means a suit against the songwriters", brought a blistering reply last week from John G. Paine, General Manager of ASCAP.

"How can BMI make any such contention", said Mr. Paine, "when ASCAP does not exist apart from its membership? The suit plainly seeks to take away the writers' rights from their own Society and to vest these rights solely in BMI, which is owned by the radio broadcasters. It is simply one more attempt to destroy the value of rights now vested in the creators of American music.

"The BMI explanation takes the form of a plea of guilty when it declares, 'BMI has acquired a grant of the rights from a former ASCAP music publisher.' On the one hand they claim to have purchased the composer's rights from his publisher and on the other hand they say their suit to legalize ownership of these rights is not aimed at the songwriter."

At the same time, the American Society of Composers, Authors and Publishers demanded that BMI answer some questions concerning BMI's relations with composers. Variety last week listed a number of Composers and publishers affiliated with BMI who are protesting over recent BMI payments covering the first quarter of 1941. Variety quoted Sidney Kaye, Executive Vice-President of BMI, as saying that his bookkeeping department has made "quite a mistake" in royalty allocations.

Following are the questions ASCAP would like to have BMI answer for the benefit of composers:

1. How much money has BMI received for performing rights during the past year?
2. How much money has BMI paid composers during the past year for performing rights of their music?
3. What provision has BMI made for the relief of composers during sickness and distress?
4. What provision has BMI made for the widows and orphans of composers who die but whose works live?
5. What provision has BMI made to make payments to composers of standard music whose compositions are rarely, if ever, played on the air but whose work is essential to the development of American musical culture?
6. What provision has BMI made to insure continued payments through years to come to composers who write hit songs now but whose output may dwindle or cease in a few years?

The very existence of BMI under radio domination, declares ASCAP, is a threat to rob composers of the rights granted them by the copyright laws of the United States. The American Society of Composers, Authors and Publishers is a voluntary association of composers and authors and their publishers maintained by its members for their collective security and to guard against piracy of their works.

ASCAP is dedicated to the principle that "no man or woman in the United States who writes successful music, or anyone dependent upon him, shall ever want." BMI is attempting to destroy all this, in the words of one of its recent song titles, "With a Twist of the Wrist".

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RADIO REPAIRS GIVEN PRIORITY STATUS

Priority status for repair and maintenance materials and equipment required for uninterrupted operation of radio communication and broadcasting facilities and a wide range of industrial processes and public services was assured last week when the Civilian Supply Allocation Division of the Office of Price Administration and Civilian Supply promulgated an allocation program covering such items.

Action was necessitated by growing demands on raw materials as result of the defense program and the priorities granted in connection therewith which have made it difficult for manufacturers of repair and maintenance materials and equipment to fill their orders. Effect will be to assure continued operation of essential industries and services which otherwise might have to curtail because of inability to secure needed repair or maintenance parts.

The program covers 26 industries and services whose continued operation is essential to the public welfare and maintenance of civilian supplies. Other industries will be added when their problems have been analyzed. The program provides that such materials and equipment shall be allocated prior to all other civilian requirements and prior to defense requirements to the extent consistent with the defense program as determined by the Office of Production Management. Administration and enforcement of the program will be carried out by the OPM.

"Increasing demands from all sources and the priorities granted to defense requirements have made it difficult for other enterprises to obtain materials and equipment needed for purposes of maintenance and repair quickly enough so that essential operations can be maintained without interruption", the OPACS order stated. "It is necessary, therefore, to provide priority status for the materials and equipment required to maintain such existing facilities in a satisfactory operating condition.

7/8/41

"Furthermore, in cases where unforeseeable breakdowns occur and the need for equipment and materials becomes acute, a very high level of preference is required. * * *

"Emergency Maintenance and Repair. Materials and equipment necessary for emergency maintenance and repair of facilities in the above classifications shall be allocated to such use prior to all other civilian requirements and prior to defense requirements to the extent consistent with the defense program as determined by the Office of Production Management.

"Avoidance of Excessive Inventories. Allocations made under this program shall not be used to accumulate excessive inventories, or to divert parts still serviceable.

"Definitions. As used herein, the term 'maintenance' means the upkeep of property and equipment, and the term 'repair' means the restoration of property and equipment to a sound state after wear and tear, damage, destruction of parts, or the like. These terms include replacement of parts which have been worn out, damaged or destroyed, but do not include replacement when the new part or parts represent a changeover in model, the introduction of superior type equipment to replace usable equipment of an older or inferior type or design, or a substitution more extensive than that which is necessary to replace the part or parts that are worn out, damaged or destroyed."

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MINIMUM SERVICE FOR OPERATORS IS ELIMINATED

Congress last week passed and sent to the White House a bill which removes requirements of a minimum of six months previous training for radio operators on cargo ships.

The measure authorizes the Federal Communications Commission to determine the qualifications of such operators.

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COAST GUARD TO OPERATE RADIO DIRECTION-FINDERS

The Treasury Department last week announced that the U.S. Coast Guard has taken over the operation of 22 radio direction-finder stations on the Atlantic, Pacific, and Gulf coasts formerly operated by the Navy as a result of an agreement between Treasury Secretary Morgenthau and Navy Secretary Knox.

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TRADE NOTES

Alfred J. McCosker, President of WOR, and Chairman of the Board of the Mutual Broadcasting System, has just been elected to membership in the Song Writers' Protective Association, according to an announcement by Irving Caesar, President of the Association. Mr. McCosker's work as a song writer during his early days in broadcasting and show business qualifies him for membership.

NBC's International Short-Wave Division celebrated Independence Day by quadrupling its radio-service to Europe. WNBI and WRCA, with a combined power of 100,000 watts, inaugurated a regular service beamed particularly to France and England. Transmitter WNBI has been newly reconstructed and its power increased from 25 to 50,000-watts.

An interesting sidelight of the National Defense Program is the fabulous increase in the refinement of pure selenium in the United States which, according to George Lewis, Vice-President of International Telephone and Radio Manufacturing Corp., has increased one hundred fold this year over last. Selenium is one of the lesser known of the physical elements but is employed in the manufacture of red glass, certain pharmaceutical products and now in the I. T. T. Selenium Rectifiers which are being used extensively by various National Defense suppliers.

Maurice G. Randall, star of the first television drama presented by General Electric Company September 11, 1928, over WGY, has passed away at his home in Wynantskill, N. Y.

Because every station on the network provides its own program schedule and since the CBS folio cannot adequately cover the field, they have discontinued this service. The logical source of all information regarding station schedules is the individual outlet, CBS believes. To cover the New York area, WABC will provide its programs, together with a summary of other network features.

As of August 1, next, billings of the NBC Red and Blue Networks will no longer be combined for discount purposes. All current contracts renewing without lapse will receive protection for one year up to and including August 1, 1942.

Establishing a record for a six months' period, orders received by General Electric Co. during the first half of this year amounted to \$521,139,000 compared with \$212,653,000 for the same period last year, an increase of 145 percent, President Charles E. Wilson announced this week. This included \$216,000,000 in the first six months of this year for National Defense purposes.

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FCC O.K'S \$5,000,000 TELEPHONE CONSTRUCTION

Nearly \$5,000,000 in new telephone construction was approved by the Federal Communications Commission last week.

The largest item involved joint application of the American Telephone and Telegraph Co. and the New England Telephone and Telegraph Co. to supplement existing facilities between Boston, Mass., and Brunswick, Maine, at an estimated cost of \$2,279,800, of which amount \$698,600 will be for carrier and associated equipment. A pair of cables will be buried for a distance of about 146 miles.

The American Telephone and Telegraph Co. was also authorized to improve facilities between Salt Lake City, Utah, and the Idaho-Oregon State line, via Pocatello and Boise, Idaho, by installing open wire for about 464 miles, building 302 miles of new pole line, and installing carrier equipment thereon. The estimated cost is \$1,270,000, of which amount \$340,000 will be for carrier and associated equipment.

This project will connect with new construction of the Pacific Telephone and Telegraph Co. from the Idaho-Oregon State line to Hood River, Ore., authorized at the same time. The latter will consist of an open wire line for 307 miles and cable for four miles. The estimated cost of this unit is \$767,500, of which \$192,500 is for carrier and associated equipment.

The Pacific Telephone and Telegraph Co. received a grant to augment existing facilities between Wyeth, Ore., and The Dalles, Ore., at a cost of \$453,000, of which \$189,000 is for carrier and associated equipment. A pair of cables will be constructed for nearly 34.4 miles, part of which will be aerial and the rest buried, with K carrier equipment installation.

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G.E. BOOSTS POWER FOR TELEVISION

Broadcasting of original television programs over W2XB, General Electric station at Schenectady, N. Y., will be resumed with greatly increased power upon completion of the new studio building and changes in the transmitter to incorporate the new standards within a few weeks, according to Robert S. Peare, Company Manager of Broadcasting.

Power at the transmitting station in the Helderberg mountains, 12 miles south of Schenectady, will be increased from 3 to 20 kilowatts for sound and eventually from 10 to 40 kilowatts for scene transmission. Locally originated programs, discontinued last December after 18 months of experimentation, will be of both live and film nature.

General Electric has been telecasting under an experimental license in Channel 3 and expects to apply for a commercial license in this channel.

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RADIO SHORT WAVE BROADCASTING ADVANCES

Behind the curtain of mystern which war drops on scientific research to guard devices developed for military purposes, radio engineers report it is no secret that outstanding advances are being made in shortwave broadcasting, according to a review released this week by the Radio Corporation of America

"By means of electrically steerable aeriels fed by high power, the National Broadcasting Company is putting Uncle Sam in a dominant position on the international radio map, hurling spoken words across the hemispheres with efficiency undreamed of during World War I", the RCA states. "How the radio engineers have harnessed the short waves, which in 1918 were just beginning to indicate their value, is one of the miracle stories of the current war period. Modestly, the engineers credit the great advances to the vacuum tube and to other developments, such as the steerable or "searchlight" antenna, designed to throw a fan-shaped beam of radio energy instead of broadcasting it to the four winds. * * *

"Since the European war broke out, America's horizon of steel towers and tall wooden masts has widened in the interests of National Defense and international communications. Despite the fact that heavy penalties are meted out in oppressed countries on the Continent of Europe to those caught listening to foreign broadcasts, mail reaching the United States from foreign shores furnishes proof that the American short-wave broadcasts of unbiased news are over-spreading the hemispheres and finding ears that are long-distant targets for truth.

"Mindful of the importance of this short-wave service, the National Broadcasting Company has redoubled its efforts around the clock, operating a minimum of 16 hours a day, and at times 24 hours.*"

"Tabulating the number of radio sets in the countries of South America, the 'RCA Review' lists Argentina first with 1,050,000 sets; then in order Brazil, 500,000; Mexico, 300,000; Chile, 160,000; Uruguay and Cuba each 150,000; Venezuela, 138,000; Colombia, 100,000; Peru, 68,000, and all other Latin American countries below that number.

"The North American broadcasters consider the most important language areas of South America are centered around Rio de Janeiro and Buenos Aires. These areas are twenty degrees apart as viewed from New York. By means of the electrically steerable antennas, the NBC's radio beams are steered to serve either Rio or Buenos Aires. The radio energy is handled in much the same way as a searchlight is turned to cut a swath through the darkness in a desired direction.

"As an illustration of the effectiveness of the short-wave system: President Roosevelt's 'fireside chat' on May 27, 1941, proclaiming an unlimited emergency, was broadcast through the NBC Bound Brook short-wave transmitters to every one of the American republics as well as to Europe and Asia. Stations in the 20 Latin American republics and in Puerto Rico rebroadcast the Spanish and Portuguese versions which were given from Radio City simultaneously with the English broadcast from the White House. The speech was rebroadcast by the British Broadcasting Company and Italian, German and French translations were beamed to Europe on the regular times assigned to those languages."

HEINL RADIO BUSINESS LETTER

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INDEX TO ISSUE OF JULY 11, 1941

Defense Program To Change Radio Market.....	2
Lindy Radio Dispute Aired On House Floor.....	3
Thompson Job Not Expected To Be Filled Now.....	4
Compromise Sought As Radio Probe Pauses.....	4
Priority Order No Help To Home Receiving Set.....	5
NAB Reorganization Is Rumored.....	5
Amateurs Given Additional Channels.....	6
Industrial Specialists On Radio Are Sought.....	6
Listeners Foot Bill In N.Y.C. Experiment.....	7
Pranksters In Danger Now, FCC Says.....	9
Television Absolved Of Woman's Illness.....	10
Trade Notes.....	11
RCA Gets First Soviet Radiophotos.....	12
End In Solar "Storm" Foreseen.....	12

No. 1345

DEFENSE PROGRAM TO CHANGE RADIO MARKET

Fewer radios, more limited choice of models, and an emphasis on the more expensive radio-phonograph combination are expected in government circles as a result of the National Defense Program. Listeners also may make their present radios last longer.

The reasons for this change in the market are three-fold:

1. Curtailment of raw materials, particularly aluminum, will compel manufacturers to reduce production, probably by Fall, unless the radio industry is given a much better priority status.

2. Officials of the Office of Production Management are urging sharp reductions in the varieties of many articles, including radios, in order to release both materials and skilled workmen for defense.

3. Dealers and manufacturers already are preparing for demands for more expensive radio receivers and combination sets due to the rising national income. This trend, it is predicted, will be apparent in the 1942 models and may be emphasized as the defense program continues.

Robert E. McConnell, Chief of the Conservation Unit of the OPM, at a recent press conference said:

"There is going to be without any question fewer automobiles, as we have more defense, also fewer refrigerators, vacuum cleaners, radios and the like.

"Now to overcome these deficiencies the first job is conservation. This country has been for many years the most extravagant, wasteful nation on earth because we are so rich in resources that we can afford to use things until they are partly worn out and then throw them away and replace them with new products.

"Many of the products could have been made to last longer with a little repair, and the material in them could have been reclaimed and used over again.

"Careless, thoughtless, selfish waste must be avoided wherever possible, and in this connection the rich, as well as the poor, have to hold down their purchases on these materials."

Regarding aluminum, the shortage of which is threatening the radio industry, Mr. McConnell said:

7/11/41

"As regards aluminum, I don't see any way out. Aluminum is going to be unavailable to my mind for ordinary consumption until the emergency is over."

While he did not mention radios, Mr. McConnell did say:

"It is perfectly obvious that it is not patriotic to buy and operate a yacht every year, and so, in the future, it will be unpatriotic to own two automobiles when one will do."

Previously, Donald M. Nelson, OPM Director of Purchases, designated radios as an example of a manufactured article that might be simplified by reducing the variety of models.

He explained that he did not mean that radio receivers should be standardized so that the consumer would have no choice, say between an RCA, a Zenith, or a Philco, but that there should not be so many models of each brand. Designs might be simplified, he said.

A more definite pronouncement along this line, covering many manufactured products is expected from the OPM in the near future.

The substitution of other materials for those which are vitally needed for defense industries meanwhile is being given impetus by the OPM. Plastics as a substitute for aluminum are being encouraged.

"We are at the beginning of an ersatz program", Mr. McConnell said. "There is much that can be done, but it must be borne in mind that the demand for raw materials, especially the metals, is so great that there are very few substitutes, and you can go from one metal to another until you run into another shortage."

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LINDY RADIO DISPUTE AIRED ON HOUSE FLOOR

Correspondence between Representative Lambertson (R.), of Kansas, and Samuel R. Rosenbaum, President of the WFIL Broadcasting Co., Philadelphia, regarding the broadcasting of the Philadelphia address of Col. Charles Lindbergh was placed in the Congressional Record of July 3 by Representative McGranery (D.), of Pennsylvania.

Congressman McGranery came to the defense of Mr. Rosenbaum and Dr. Leon Levy, President of WCAU, in response to an attack made on them by Representative Lambertson.

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THOMPSON JOB NOT EXPECTED TO BE FILLED NOW

The Federal Communications Commission is expected to function for the time being as a six-man agency as the President is not expected to fill immediately the vacancy caused by the expiration of the term of Frederick I. Thompson.

Observers point out that any person named to the FCC at this time would be placed in an unfortunate position at the outset due to the controversy over the monopoly report. His examination by the Senate Interstate Commerce Committee might well become another FCC investigation.

Mr. Thompson returned to his home in Alabama immediately upon the expiration of his term June 30th. He had told friends that he did not wish to be reappointed, but there was some expectation that he might be retained because of his part in drafting the Monopoly report.

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COMPROMISE SOUGHT AS RADIO PROBE PAUSES

The future of the Senate Interstate Commerce Committee's hearings on the radio monopoly report was uncertain this week as representatives of the three major networks sought to reach an agreement on compromise regulations.

Chairman James L. Fly has received no information as to whether the Senate inquiry will resume. Observers are inclined to think it will not unless Senator Tobey (R.), of New Hampshire, produces some additional witnesses.

Ed. Craney, Montana broadcaster and friend of Senator Wheeler, is said to be sitting in on the conferences of the networks as an unofficial observer for the Committee Chairman.

It was generally expected meanwhile that the August 2 effective date for the FCC chain monopoly regulations will be postponed.

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A Washington, D. C., resident objects to the "squawking" of a neighbor's loud speaker until 2 A.M. The Federal Communications Commission advises that operation of receivers is outside of its province and that any nuisance problem is a matter for local civil authorities to consider.

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PRIORITY ORDER NO HELP TO HOME RECEIVING SET

The action of the Office of Price Administration and Civilian Supply in including radio broadcasting among the services to be given priority preference for repairs and maintenance will not help listeners.

A spokesman for radio manufacturers this week pointed out that the order applies only to radio transmitters and not to receivers. An effort is being made by the industry to have the OPACS order amended to cover receiving sets.

The OPACS order was due to be followed late this week by a supplemental order from the Priorities Division of the Office of Production Management.

Meanwhile, it was learned that the amount of aluminum used in the manufacture of radio sets already has been reduced from 2,000 tons, last year's consumption, to 15 tons a month this year. The reduction has been accomplished through the use of substitutes.

The radio industry estimates that a million sets must be produced annually to take care of replacements of obsolete receivers regardless of the limitations on new purchases.

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NAB REORGANIZATION IS RUMORED

Rumors were current in Washington this week that the National Association of Broadcasters may be reorganized as an outgrowth of the intra-radio fight over the FCC monopoly report.

In addition to the resignations of nearly a dozen stations from the trade association since the development of the monopoly controversy, it was reported that a substantial group of stations are contemplating concerted action in resigning from the trade association, in protest against the position taken by President Neville Miller on the chain-monopoly proceedings.

Resignations are being solicited, it is reported, on the purported ground that the NAB has not represented independent stations, but rather has reflected the viewpoints of the major networks in the current controversy. The criticism is largely directed against President Miller, who joined NAB in 1938 as its first president at \$25,000 per year, plus \$5,000 in allowances. His salary was increased by \$10,000 at the San Francisco convention of the NAB in 1940 and his contract was extended from 1942 until 1944, at the NAB convention in St. Louis last May as a vote of confidence in the position he had taken both in connection with the monopoly regulations and the copy-right controversy.

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AMATEURS GIVEN ADDITIONAL CHANNELS

At the request of the American Radio Relay League, the Federal Communications Commission has amended its rules governing amateur radio service to make an additional 400 kilocycles available for voice communication (Section 12.115), and has allocated 50 kilocycles for utilization of frequency modulation (Section 12.117).

As a result, radiotelephony is now authorized on the amateur band 28,100 to 30,000 kilocycles instead of the 28,500 to 30,000 kilocycles as heretofore, and the frequencies 29,250 to 30,000 kilocycles are assigned for FM transmission. The present extent of the amateur band remains unchanged.

This action was taken to accommodate the increasing number of amateur radiotelephone stations and, at the same time, to encourage activity of amateurs in developing FM equipment, as well as to obtain data respecting characteristics of this band for FM use.

At the same time the Commission, on its own motion, amended Section 12.63 to clarify operation of amateur stations by remote control. This amendment will tend to eliminate misunderstanding about the Commission's requirement that an amateur desiring to operate a station by remote control must submit complete information regarding location of the control point, his right to the use of the premises, the means by which remote control is effected, and the equipment to be used to monitor the transmissions from the control point. As has long been the case, amateur operation, directly or remotely, is prohibited on premises controlled by an alien.

Section 12.83, which concerns transmission of call signals, was amended to facilitate Commission monitoring of amateur stations in the present emergency.

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INDUSTRIAL SPECIALISTS ON RADIO ARE SOUGHT

The U. S. Civil Service Commission has announced an examination for Industrial Specialist positions paying from \$2,600 to \$5,600 a year. One of the industries cited for which applicants must have had some experience is "radio and other electrical equipment".

Industrial specialists may be called upon to perform any of three types of jobs. The first is that of liaison representative in developing and maintaining working relationships with manufacturers of materials or equipment vital to the defense program. Secondly, they may act as consultants on industrial materials, methods and processes, or they may examine and evaluate data secured from the reports of various industrial concerns. The third possible assignment is that of investigator and analyst in the field of

industrial materials, which involves the collection of data on production techniques, uses, consumption, and market supplies of particular materials.

Applications are acceptable at the office of the Civil Service Commission until August 7.

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LISTENERS FOOT BILL IN N.Y.C. EXPERIMENT

A new kind of radio program service in which the listeners rather than sponsors pay the bills is to be tried on an experimental basis in New York City.

The Federal Communications Commission last week granted a construction permit to the Muzak Corporation, New York City, for a developmental FM broadcast station. This corporation, which is now in the business of furnishing wired musical programs without advertising to hotels, restaurants and home subscribers on a contract basis, contemplates experimenting with a like service by means of radio.

According to the applicant:

"The purpose of the experiment is to determine whether the public or a sufficiently large portion of the public would prefer to obtain radio programs by direct payment for the service. The experiment will be conducted by offering a service to the general public in New York City and furnishing this service to those of the general public who pay the service. There will be no advertising in connection with the service and the success or failure of the experiment will depend upon the willingness of the public to pay an amount which will warrant the furnishing of such a service as an established business."

The applicant intends to restrict the reception of its non-advertising programs to subscribers by transmitting an accompanying "pig squeal" or discordant sound which can only be eliminated by special receivers leased from the applicant.

Pointing out that this will enable persons to obtain selected radio programs by direct payment rather than by indirect payment through purchasing products advertised on the air, the Muzak Corporation holds in connection with its application that "there is no basic or inherent reason why the American public should be compelled to pay for its radio programs by submitting to advertising announcements." It adds:

"There is no reason why the public should pay directly for moving pictures and indirectly for radio. It is merely a matter of circumstance that radio in the United States is

available to the public only in connection with advertising announcements which frequently are highly disturbing or irritating. The American people have never decided or been given the opportunity to decide that radio should not be sold in the usual manner by direct payment for the service."

The applicant will broadcast no commercially sponsored programs, and no advertising continuity whatever will be used. Because of its regular business, the applicant states that it has a great volume of transcribed program material available for use in connection with the experiment, and that engineers from Associated Music Publishers, Inc., and Wired Radio, Inc., have been added to its staff. News will be obtained from the United Press.

The Muzak transmitter for this purpose will be located at 11 West 42nd Street, New York. It will use power of 1000 watts. It will operate on the frequency 117,650 kilocycles "on an experimental basis only, and upon the express condition that this authorization is subject to change or cancellation by the Commission at any time, without advance notice or hearing, if, in the Commission's discretion, the need for such action arises."

In authorizing the experiment, the Commission observes that the use of this frequency must be temporary, since it is in a crowded part of the spectrum devoted to other established services. Any action looking to establishment of the projected new type of service upon a regular basis would require consideration of the problem of finding frequencies for allocation to such service. Therefore, the immediate grant "is not to be construed as a finding by the Commission that the operation of the proposed station upon the frequency authorized is or will be in the public interest beyond the express terms of the grant." The Commission stipulates that FM must be used.

The Commission stresses that the Muzak operation will be purely experimental in connection with "the development of a subscriber broadcast service in accordance with Sections 4.151 and 4.153 subject to the condition that no interference is caused to any established services."

The proposal, according to a Commission memorandum opinion issued in conjunction with the grant "is unique in the annals of radio broadcasting in this country." Such an experiment has not been conducted in this country, and the Commission believes it worthy of investigation in the public interest. It comments:

"A broadcast station is defined, both by treaty and statute, as one licensed for the transmission by radio-telephone emissions primarily intended to be received by the general public. The first such stations licensed in this country were sought and obtained by individuals or organizations engaged in manufacturing or similar enterprises who desired either to advertise their own produce or to promote public good will in their own behalf. Licensees, in order to meet the increasing cost of providing broadcast programs, gradually entered into the

practice of transmitting, for a fee, advertising matter for other persons. As the effectiveness of radio as an advertising medium developed broadcasting became a business in its own right. Thus arose the practice in this country of public support of broadcast service, not through any direct charge, but through the purchase of articles and services advertised by radio. This is not true in all countries of the world.

"The service which this applicant proposes will be available to the general public; any member of the public, without discrimination, may lease the equipment to receive the service. The distinguishing feature will be that those receiving the programs will pay directly rather than indirectly therefor. Operation of a station in this manner is within the definition of broadcasting.

". . . A charge to the subscriber for the program service is an integral and inseparable part of the experiment. The rule prohibiting a direct or indirect charge by the licensee of a developmental broadcast station for the transmission of programs was promulgated in the light of the existing practices of broadcast stations. Under the circumstances here presented, we are of the opinion that the rule should be construed in such a manner as to permit the proposed operation."

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PRANKSTERS IN DANGER NOW, FCC SAYS

The Federal Communications Commission this week warned that the present emergency invites serious complications for the "prankster" or operator who does not conform to requirements. The FCC pointed out that the ether highways are now so effectively patrolled in a hunt for illegal operators that trespassing or erratic driving thereon is quickly detected.

Of particular concern to the Commission is a mistaken notion that the ultra-high frequencies are open to transmission without license or regulation. The fact is that some of our most vital safety services are assigned to this particular sort of the radio spectrum. Included are police communication systems and aircraft navigation aids.

"I didn't know I had to have a license, since my low-powered transmitter can't be heard outside of my State", is one frequent explanation. It is an established engineering fact that any radio signal will at times have effects which extend beyond the borders of a State, or interfere with reception of interstate communications. The courts have held that a radio signal is interstate in character and that the Communications Act applies to all radio emis-

sions intended for reception. Accordingly, any person operating a radio transmitter must be licensed by the Commission.

When the Commission's monitoring service notes the presence of a suspicious signal and the field division is put to work tracing its origin, there is no way of knowing whether the case will develop subversive aspects or prove to be an ordinary violation. However, defense ether-policing requires each and every case to be investigated. This entails considerable expenditure of public money and time.

If, after much effort, it is determined that the offense is a minor one, routine proceedings are instituted against the culprit. Should the case have more serious aspects, it is turned over to some other agency. But the fact remains that under present conditions every violator is subjected to inquiry and penalty.

The imprudence of trifling with the ether patrol is well illustrated in the case of a student at a certain western university who thought it was "fun" to hold telephone conversations with a monitoring station and imply that he was one "Edgar Von Spiegel" engaged in mysterious activities. The upshot was that he was apprehended, detained in jail for 24 hours for questioning, and released with a warning after he had signed a confession in which he admitted that he had been "very foolish" to engage in such a stunt.

Strange signals appearing in the ether lanes were recently traced by the Commission's Defense Operations Section to Swainsboro, Ga., and Springfield, Mass. They proved to be simple cases of unlicensed operation. In the Georgia case Ed Schrader pleaded guilty before a United States Commissioner and was released on \$1,000 bond. At Springfield, Mario La Zazzera had to post bond of like amount.

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TELEVISION ABSOLVED OF WOMAN'S ILLNESS

A California woman in a complaint to the Federal Communications Commission attributes her illness to television and other radio signals which permeate her home and person. The Commission, while sorry to learn of the complainant's illness, states definitely that no case has ever been brought to its attention where either television or broadcast signals received at a distance from transmission have any physical effect on humans. Many tests have been made, the FCC said, and it has been found that these emissions are so weak and insignificant that they are incapable of harming anyone. Since it would appear that the woman's illness must be due to some other cause, the FCC recommends that the woman consult a physician.

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 ::: TRADE NOTES :::
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The Federal Communications Commission will meet every Wednesday this Summer so long as a quorum is available. There will be no Summer recess due to the urgency of National Defense.

Station WHIS, Bluefield, West Virginia, has joined the National Broadcasting Company as a basic supplementary outlet to both the Red and Blue Networks. This station will not join the Blue Southeastern Group as had been previously announced.

Robin Kinkead has been assigned to cover news and special events broadcasts, the Columbia shortwave listening station, and engineering developments for the Columbia Broadcasting System Publicity Department, Louis Ruppel, network Publicity Director, has announced. Kinkead has been a staff writer in the magazine division of CBS Publicity. In his new post, Kinkead takes over the work of Arthur Perles, who was recently assigned by Ruppel to cover Columbia's Latin American affairs. Perles was detailed to CBS Latin American headquarters in the Studio Building at 49 East 52nd Street, but he continues to report directly to the network press department.

Reductions approximating 14 percent in long-distance telephone tolls became effective July 10 as a result of the \$14,000,000 rate adjustment negotiated by the Federal Communications Commission applicable to the Bell System telephone companies. Interstate message toll rates and incidental charges of The American Telephone and Telegraph Company were reduced \$12,500,000 and other Bell System associated company interstate rates and incidental charges will be reduced \$1,475,000.

Eugene Fubini this week became Acting Engineer-in-Charge of the Short Wave Division, as William H. Moffat, who had held that post, was called to active duty in the United States Naval Reserve. The appointment was made by E. K. Cohan, CBS Director of Engineering.

Radio sets are now barred from the Yankee Stadium. New York Yankees' management issued the ban last Sunday. No similar action has been taken by the N. Y. Giants' management but in the matter of public policies one team usually follows the other. Portables have been banned at college football games for two years.

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RCA GETS FIRST SOVIET RADIOPHOTOS

The first radiophotos ever transmitted directly to the United States from the Union of Socialist Soviet Republics were received in New York this week by R.C.A. Communications, Inc., a service of the Radio Corporation of America. The photographs of war scenes were made available to American news photo services for publication in Wednesday's newspapers.

The radiophotos were received in a test transmission from Moscow. The tests were highly successful, according to RCAC technicians, and if further test transmissions prove as good, a regular commercial radiophoto service between Moscow and New York will be inaugurated.

According to RCAC's information, radiophoto equipment recently has been installed at Moscow, and this week's transmission were believed to be the first ever made to a point outside of the USSR.

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END IN SOLAR "STORM" FORESEEN

Although the solar disturbance that has marred international short-wave radio reception for the past six days continued this week over the Atlantic and Pacific Oceans, radio men professed to see signs of a general abatement of the "storm", according to the New York Times.

Reception was "spotty", Berlin and London broke through from time to time with fair signals, then faded out again. Rome was reported weak and unreliable throughout the day. Moscow was scarcely heard at all. Radio men of the National Broadcasting and Columbia System's listening posts, who monitored the European waves, noted a general clearing of the channels but all were called far short of perfection. Land wires, which sometimes suffer, too, were operating normally.

The disturbances, scientists said, are due to powerful solar radiations that make turbulent the earth's ionosphere.

This trouble often recurs at intervals equal to the period of rotation of the sun on its axis, or about twenty-seven days. Therefore, a disturbance is likely to be felt at monthly intervals on long-distance radio channels.

The trouble, however, is not due so much to the primary effects of a solar storm, as to the secondary or "hangover" period that often occurs months after the original trouble is past, it was said.

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2400 CALIFORNIA STREET

WASHINGTON, D. C.

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NATIONAL BROADCASTING COMPANY, INC.
GENERAL HEADQUARTERS
485 MADISON AVENUE, NEW YORK, N. Y.

INDEX TO ISSUE OF JULY 15, 1941

Bitter Battle Seen In Newspaper Inquiry.....	2
Radio Equipment On Priorities Critical List.....	3
Fly Hints At Monopoly, Report Modifications.....	4
DuMont Picks Site For D. C. Television.....	4
Mediation Board Gets Radio Labor Dispute.....	5
WGN To Operate FM Station.....	5
Danaher Hits Fly On "Censorship".....	6
Radio Defense Committee Named.....	7
Ship Radiotelegraph Operator Requirements Modified.....	7
President Silent On FCC Vacancy.....	8
Army Training Thousands Of Radio Operators.....	8
British Would Supply Alloy Denied In U. S.....	9
Trade Notes.....	10
RCA Continues Radiophoto Test With Moscow.....	11
CBS Lines Up 62nd S-A Station.....	11

July 15, 1941

BITTER BATTLE SEEN IN NEWSPAPER INQUIRY

Advance indications are that the forthcoming inquiry of the Federal Communications Commission on newspaper owned and controlled radio stations will be a knock-down, drag-out fray with no quarter asked or given.

Chairman James L. Fly, questioned at his weekly press conference Monday, admitted that a "few subpoenas" have been prepared, but he insisted that this was not unusual. He did not disclose upon whom they were to be served.

Mr. Fly said he knew of no plan to postpone the hearing, which is scheduled to begin July 23. He estimated that it would consume at least a week.

The American Newspaper Publishers Association announced last week that it will intervene in the investigation as publishers expressed resentment of the tone of the FCC questionnaire sent out in preparation for the hearing.

In a lead editorial Editor & Publisher warned newspaper owners that it is "time to be alarmed."

"From many indications, it appears that the FCC is bent upon proving that newspaper ownership or operation of broadcasting stations is not in the public interest, and that its ultimate aim is to bar newspapers, as a class of business, from such activity", the editorial said. "If that is so, it represents a trend the importance of which cannot be exaggerated, for newspapers, for radio, and indeed for every branch of American business. If the FCC has power, under existing law, to disqualify newspaper interests from radio ownership and to destroy the many millions of investment that newspapers have made in radio, it is difficult to see where the power of government over private business can be limited. . . .

"The fight for survival of radio as a private enterprise can be lost or won in these hearings on newspapers as radio owners or operators. If newspapers can be barred, the Commission's right to set up further discriminations may be considered as established, barring new legislation by Congress. We don't believe that the radio people can make the fight, representing as they do a diversity rather than a community of interests. Newspapers can, and we believe that they should.

"They are evidently facing a hostile tribunal in the forthcoming hearings, and unless they come to grips with their situation in short order, they may presently find that newspapers as a radio factor belong to history and not to now. From the stand-

7/15/41

point of the newspaper business, the radio business, and the public at large, that would be a most unfortunate outcome. It need not happen if newspapers fight their case strongly before the Commission, and, even more important, keep their readers completely informed of what goes on and what hidden facts lie behind the Commission's hearings."

Editor & Publisher, in its news columns, quoted a number of indignant publishers after the following preface:

"Prominent newspaper executives, some of them owners or operators of radio stations and others having no radio connections, this week expressed their resentment at the nature and tone of the questionnaire sent last week by the Federal Communications Commission to all U.S. radio stations. The questionnaire, described in Editor & Publisher for July 5, put especial emphasis on the relations between radio stations and newspapers within their broadcast territory - a fact which led several newspaper executives to believe that the Commission was more intent upon investigating all newspaper practices than those dealing with newspapers using the ether waves.

"The American Newspaper Publishers Association will be represented at the hearings before the Commission, now scheduled for July 23, by Elisha Hanson, its general counsel, and according to Walter M. Dear, ANPA president, "every effort will be made to protect all engaged in our business from discriminatory action". The Newspaper-Radio Committee, headed by Harold Hough, Fort Worth Star-Telegram, is also gathering data from newspaper-owned stations, in preparation for the Commission's hearings."

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RADIO EQUIPMENT ON PRIORITIES CRITICAL LIST

Radio sending and receiving equipment, radio direction finders, and radiosondes and equipment are on the revised Priorities Critical List issued this week by the Priorities Division of the Office of Production Management.

The list contains over 300 items and classes of items on deliveries of which Army and Navy contracting officers may assign preference ratings.

Except for certain specified items which are subject to industry-wide control by the Priorities Division, most of the materials which appear on the list are subject to priority control only in the sense that Army and Navy orders for these items may automatically be assigned preference ratings.

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FLY HINTS AT MONOPOLY REPORT MODIFICATIONS

While insisting that the Federal Communications Commission was not preparing to postpone indefinitely the highly controversial network regulations, due to become effective August 2, Chairman James J. Fly stated at his press conference Monday that some modifications may be accepted.

He stated that progress had been made at a series of conferences with network officials but that it is too early to predict the outcome. The parleys are continuing.

A hint that a delay may be granted, if requested, was thrown out by the FCC chairman, but he said that the Commission will not consent to an indefinite postponement.

Asked about the forced sale of the NBC-Blue Network, Mr. Fly said that the network would be granted whatever reasonable time it needs to effect the sale. He said that there was no disposition upon the part of the FCC to force a sacrifice sale and that the date of the transfer is not important.

He told the press that he had heard nothing further about the recessed hearings of the Senate Interstate Commerce Committee. He expressed the opinion that there will be no further testimony on the White resolution and that the Committee's action will not depend upon the outcome of the current conferences with network officials.

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DU MONT PICKS SITE FOR D.C. TELEVISION

The Federal Communications Commission Saturday received an application from Allen B. DuMont Laboratories, Inc., to place the transmitter for its proposed new Washington television broadcast station at 726 Eleventh Street, N.W. This, it was said, is the site of the former transmitter of Radio Station WMAL.

The DuMont application said the studios of the proposed new station would be placed at the same location. A prior application of the DuMont Laboratories had sought to place its transmitter on top of the National Press Building, at 14th and F Streets, N.W., and its studios in the building.

The original DuMont application also specified that work was to begin on July 1 last, and be completed on January 1, 1942, but the new application seeks an extension of this time from 30 days after the Commission grants the request, and requiring 180 days to complete.

The National Broadcasting Co. also is constructing a new television station in Washington. It is expected to be ready for service during the Fall. Its transmitter is to be located at Wardman Park Hotel

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7/15/41

MEDIATION BOARD GETS RADIO LABOR DISPUTE

The Labor Department Saturday certified to the National Defense Mediation Board a labor dispute at the Breeze Corporation in Newark and Elizabeth, N. J.

The Department said C.I.O.'s United Auto Workers Union was threatening a strike there in a dispute involving questions of a 10 percent wage increase a union shop contract and dues check-off.

The corporation employs 520 workers and manufactures radio equipment for the Army Signal Corps.

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WGN TO OPERATE FM STATION

Authority to construct a frequency modulation (FM) station immediately was granted to WGN, Inc., last week by the Federal Communications Commission. The FCC order authorized WGN, Inc., to construct station #59C, to operate on a frequency of 45.9 megacycles, with temporary transmitting equipment of 1,000 watts.

Station W59C, it is expected, will be on the air with regular programs in a week or ten days, Carl J. Meyers, Chief Engineer of WGN, announced. It will be the second FM station for Chicago, W51C, owned and operated by the Zenith Radio Corporation, broadcasting on 45.1 megacycles, is on the air daily from 8:30 A.M. to 1 A.M.

W59C's transmitter will be installed on the 29th floor of Tribune Tower, with temporary antennae atop the Tower. Meanwhile, WGN will go ahead with plans for a 50 kilowatt station for which the transmitter already has been ordered. Meyers said that he expected that the high powered FM station would be ready for service in December.

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The radiolocators used in Britain to warn against the approach of enemy planes are being developed and produced in Canada. Orders to manufacture and assemble \$40,000,000 of the locators have been placed with Research Enterprises, Ltd., a Canadian government-owned company.

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7/15/41

DANAHER HITS FLY ON "CENSORSHIP"

Senator John Danaher (R.), of Connecticut, assailed Chairman James L. Fly, of the Federal Communications Commission, last week after the latter had suggested to Washington newspaper and radio commentators that they refrain from using the descriptive term, "Stalin Line".

"Now we have come to the point where newspaper and radio-men must get approval of news, not from a Cabinet official, but from the head of an administrative agency", the Senator said. "The news the American people read and hear is being colored at the source.

"Things have come to a pretty pass when a nation not at war has its newspaper and radio reporters - the latter servants of companies operating with licenses from the Government - told how they should present the news to which the American people are entitled without coloring. Probably the next step will be to censor the Congressional Record."

The conference was called suddenly last Thursday afternoon.

News commentators H. R. Baukhage of NBC, Fulton Lewis, Jr., of MBS, and Albert Warner of CBS, of whom only the latter directs a network news bureau, were among those summoned to the Chairman's office. Others asked to attend included representatives of the United Press, International News Service and Associated Press as well as the New York Times.

The meeting was called as a part of the activities of the Defense Communication Board, it was reported. It was "highly confidential" until the "news" leaked out.

Chairman Fly suggested to the radio and newspaper representatives that they refrain from use of the phrase "Stalin Line" in their broadcasts or dispatches. He pointed out that it was merely a suggestion, not a request or an order, and that if they didn't agree with the idea to disregard his request.

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An Illinois radio fan complains to the Federal Communications Commission about the use of the expression "now we have news" in connection with commercial announcements. The Commission itself can do nothing about this, but suggests that comments regarding radio presentations, if addressed to the station concerned, will receive attention.

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7/15/41

RADIO DEFENSE COMMITTEE NAMED

The National Association of Broadcasters last week set up a National Radio Defense Committee to collaborate with U. S. defense agencies in future planning. The Committee was appointed pursuant to a resolution adopted at the NAB convention in St. Louis May 12-15.

John Shepard, 3d, Yankee Network, was named Chairman of the Committee, which was scheduled to hold its first meeting in Washington this week. Other basic committee members are Ben Ludy, WIBW, Topeka; Leo Fitzpatrick, WJR, Detroit; H. Vernon Anderson, WJBO, Baton Rouge; A. J. Fletcher, WRAL, Raleigh.

NBC and CBS have not yet formally named their representatives but they are expected to be F. M. Russell, NBC, Washington Vice-President, and Harry C. Butcher, CBS Washington Vice-President.

In addition the 17 District NAB Directors will designate a broadcaster in each district to serve as field liaison representative for the Committee. District members, however, will not attend the Washington conferences regularly.

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SHIP RADIOTELEGRAPH OPERATOR REQUIREMENTS MODIFIED

To help meet the demand for radiotelegraph operators in the expanding United States merchant marine, the Federal Communications Commission has ordered suspension for six months of the requirement in Section 13.61 of its Rules Governing Commercial Radio Operators that such operators possess six months previous ship service to be eligible for employment as the single radio operator on a cargo ship.

This action is pursuant to public law number 155 approved July 8, 1941, amending Section 353(b) of the Communications Act. The new law is an emergency measure. The action taken by the FCC is in accordance with the express intention of Congress in enacting the legislation that the suspension of the six month service requirement be placed in effect immediately to meet a shortage of operators which, Commission investigations disclosed, resulted in delayed sailings of cargo carrying ships.

The provisions requiring the holding of a suitable license, showing the operator is qualified by reason of having passed the prescribed examination, remain in effect. Under the Commission's order, graduates of the Maritime Commission's radio schools who have secured FCC licenses will be eligible for employment on cargo ships.

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PRESIDENT SILENT ON FCC VACANCY

At his press conference last Friday, President Roosevelt said he had not decided on the FCC appointment to fill the vacancy left by Frederick I. Thompson. Asked about the possibility of naming Edward Roddan, Assistant Publicity Director of the Democratic National Committee and a former Washington newspaperman, the Chief Executive said he had no information.

FCC Chairman James L. Fly, according to some reports, has been urging reappointment of Thompson, primarily because the Commissioner has voted with the majority on controversial issues and was in the forefront of both the chain monopoly regulations and the newspaper-radio proceedings.

Other possible appointees have been rumored in Washington. Possible promotion of T. J. Slowie, FCC secretary and Iowa Democrat, to the Commission is the latest report. Other names previously mentioned are those of G. W. Johnstone, former Radio Director of the Democratic National Committee and pioneer network public relations officer; Fulton J. Redman, Portland, Me., attorney, and Thomas E. (Buster) Lawson, Jr., Attorney General of Alabama.

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ARMY TRAINING THOUSANDS OF RADIO OPERATORS

The Army is training thousands of radio operators and mechanics both for active military service now and a vocation after they are discharged, the War Department disclosed recently. The principal training schools are the Signal Corps School at Fort Monmouth, N. J., the Air Corps Radio School at Scott Field, Ill., and the Armored Force Radio School at Fort Knox, Ky.

At the Army Air Corps Radio Operators and Mechanics School at Scott Field, Belleville, Ill., the largest of the Air Corps radio operator schools, 20,000 operators and mechanics are instructed a year in a 22-week course which trains them in the operation and line maintenance of aircraft radio equipment and in the installation, operation and field maintenance of tactical ground radio equipment. The soldiers, who enter in classes of 800 approximately every two weeks, spend 770 hours in the classrooms and laboratories and many hours of study in their quarters.

At the Armored Force School, the radio training comprises the instruction of 60 officers for 3 months and 10 days, 100 radio electricians every 3 months and 1,280 radio operators for a three months course.

The Scott Field course comprises 70 hours on radio hand tools and beginners code; 385 hours on code practice, radiotelegraph and radiotelephone procedure and handling of radio traffic and

handling of radio traffic and flight radio operation; 175 hours on trade science on electricity and studying transmitters and receivers; 105 hours on circuit analysis, test sets, frequency meters and interphones, command and liaison sets, and radio compass; and 35 hours on marker beacons, antenna ties, and maintenance and inspection of apparatus.

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BRITISH WOULD SUPPLY ALLOY DENIED IN U. S.

English metallurgical companies have offered to supply an alloy denied radio makers in this country by the government's strict priority regulations, according to Eugene F. McDonald, Jr., President of the Zenith Radio Corporation. He told the Chicago Tribune that his company several weeks ago had been informed by a British producer that the alloy could be delivered here. Mr. McDonald said that his company had deferred cabling an order in the hope that the Government would relax its regulations and enable domestic makers of the alloy to fill the order.

The alloy, known as alnico because it contains aluminum, nickel, and steel, is needed urgently by radio manufacturers in the production of permanent magnet speakers for portable and rural receivers. The radio industry has reported that thousands of sets, needing only the tiny magnet for completion, have accumulated in factories.

Alnico, for which no satisfactory substitute is known, is made by smelting companies under license from General Electric Company, which owns the patent covering the alloying process. Government priorities created a grave shortage of alnico by withholding aluminum and nickel, needed critically in armaments. The radio industry has not received any allotments of aluminum since May, when it was allowed only one-tenth the amount it used in May, 1940.

With alnico supplies dwindling in this country, radio makers had hoped to be able to acquire some of the alloy from English producers, and recently had been informed by the English that a supply would be available. Since then, however, some uncertainty has developed as to whether the promise will be kept.

Commander McDonald reported that 10,000 battery sets have piled up in Zenith's plant, their completion held up by lack of the speaker magnets. In these particular sets, only 5 ounces of alnico is needed, Mr. McDonald said.

He declared that the shortage not only has serious aspects for the radio producers, but that it threatens to interfere with the building of morale in Army camps.

"There are few things that do more than a portable radio to help a boy in the Army keep in touch with the world and keep up his spirits while he is away from his home and friends", McDonald said.

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 ::: TRADE NOTES :::
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The application of the Crosley Corporation (WLW), Cincinnati, Ohio, for a permit to increase its power from 50 to 500 KW on 700 KC, was retired to the closed files of the Federal Communications Commission last week.

Further indications of the tightening German policy on American broadcasters in Berlin was evidenced last week as Charles Lanius, NBC correspondent in the Nazi capital, was cut off the air by censor for 40 seconds during the regular morning broadcast last Thursday.

Secretary of the Navy Knox will be the principal speaker at a luncheon in Washington Thursday, to be given by leaders of the United Service Organizations campaign in honor of newspaper and radio officials.

The luncheon will be at the Mayflower Hotel. Final reports will be made by those who have been directing the campaign to raise \$250,000 in the District for the U.S.O.

Martin J. Levin, 18-year old former student at DeWitt Clinton High School, New York, pleaded guilty in Federal Court last week to a charge of operating a short-wave radio station without a license. He was freed "in his own custody", on bail of \$100, pending sentencing. FCC officials had been listening to the signal of the station and finally tracked it to Levine's home at 667 Crotona Park North, the Bronx. The youth's equipment was seized.

John S. Royal, National Broadcasting Company Vice President in Charge of International Relations, left Sunday on a Latin-American mission in the course of which he will confer with NBC Pan-American radio executives in twenty countries.

Among the subjects of discussion will be programs now on NBC networks using Latin-American talent and material, plans for short-wave radio programs originating in Central and South America for rebroadcasting in the United States, and arrangements for the enlarging of programs for short-wave transmission to the Pan-American network.

The Federal Communications Commission has granted a license to Edgar Bergen to operate a radio in his private plane out Beverly Hills way. But Charley McCarthy need not be jealous. By a coincidence, the call letters contain his initials -KHBCM!

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RCA CONTINUES RADIOPHOTO TEST WITH MOSCOW

Successful reception of the first radio-pictures from Moscow has inspired the engineers of R.C.A. Communications, Inc., to continue the tests, the outcome of which may lead to establishment of a regular commercial radiophoto service between the United States and Russia. The 4,615 miles circuit between New York and Moscow passes through one of the most turbulent magnetic regions in space and, therefore, much depends upon favorable atmospheric conditions.

Soviet war scenes, which appeared in American newspapers last week, are being received at "Radio Central" at Riverhead, L.I., for relay to the radiophoto machines of R.C.A. Communications, Inc., at 66 Broad Street on Manhattan Island.

Moscow has become the fifth addition to the RCA radiophoto circuits, the others being London, Berlin, Buenos Aires and Tokyo. Observers now note that radiophoto service is world-wide, and military commentators, recalling there were no pictures on the wavelengths during the first World War, see new advantages to be gained on the side of truth. They point out that Berlin has taken every opportunity to use radiophoto circuits for international dissemination of pictures. Now it is expected that, with Russia broadcasting pictures, the photographs of the battle-fronts will not appear to have been taken only from one side of the line.

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CBS LINES UP 62ND S-A STATION

With the addition of Radio Nutibara - Station HJDT - in Medellin, Colombia, the Columbia Broadcasting System has engaged the 62nd station in its Latin American chain.

Negotiations are also under way to sign additional affiliates for the new "Network of the Americas" - "Cadena de las Americas" - which, according to Edmund A. Chester, CBS Director of Shortwave Broadcasting and Latin American Relations will provide programs for every one of more than 4,000,000 radio sets below the United States border.

Meanwhile, CBS engineers are pushing construction work on the two 50,000 watt transmitters for Columbia's international stations, WCBX and WCRC, in Brentwood, Long Island. From this point, programs originating anywhere in the world, are to be short-waved to Latin American station affiliates for broadcasts within their own listening areas.

The two high fidelity stations will devote eight directional antennas exclusively for transmissions south of this country. Even though these are capable of 19 different broadcasting combinations, five other antennas, with 13 more broadcasting combinations, have been assigned to blanket coverage of Mexico, with provisions for shifting to shortwave toward Europe.

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INDEX TO ISSUE OF JULY 18, 1941

War Department Spends Millions On Communications.....	2
Newspaper Hearing Gets "Go" Signal Despite Opposition.....	5
RMA Materiel Bureau Studies Radio Substitutes.....	6
FCC Warns Against Axis Propaganda.....	7
Defense Programs Given Priority On Ether.....	8
G.E. Gets Television Construction Permit.....	9
Bids Asked On Coast Guard Radio Station.....	9
FCC Can't Stop "Thirty" Sign-Off.....	9
Three FM Stations Authorized By FCC.....	10
Trade Notes.....	11
MBS And AFRA Sign No-Strike Accord.....	12
DCB Lauded On Initial Report.....	12

No. 1347

July 18, 1941

WAR DEPARTMENT SPENDS MILLIONS ON COMMUNICATIONS

A substantial share of National Defense appropriations is finding its way into radio communications equipment for aircraft, tanks, armored cars, as well as for infantry, Under Secretary of War Robert P. Patterson told the Senate-Truman investigating committee this week.

Discussing the role of radio and wire communications in modern defense preparations, Mr. Patterson said:

"The Signal Corps functions have a far wider scope than the mere wig-wagging of flags implied in its corps insignia. The Chief Signal Officer is charged with the procurement of all communications equipment used by all branches of the Army, whether it be by radio, by wire, by carrier pigeon or by visual signal. It also obtains meteorological and photographic equipment.

"The most important and expensive materiel assigned to the Signal Corps relates to communication by radio, and one of the most important types of radio equipment relates to aircraft. Every airplane, except certain training planes, is equipped with a radio command set, a low power receiving and transmitting radio set which enables communication between airplanes for purposes of direction. All bombardment and transport planes, in addition, have a radio liaison set, a low or medium power receiving and transmitting radio set, which in one type has a range as great as 2500 miles, for use in communication with other airplanes, or with vehicular or other ground points. The bombardment, transport and advanced training planes are also equipped with a radio compass, which is a dual remote control radio set, to be operated by either pilot, for ascertaining the location of the plane with reference to ground radio stations. For use with aircraft there are also receiving and transmitting ground sets, some of which are built into trucks and trailers for mobile use, for communication from ground to plane. Airplanes are also provided by the Signal Corps with interphone equipment, for communication within the plane.

"In July, 1940, there was being delivered monthly \$500,000 in cost of aircraft equipment. There was no stock on hand, outside of insignificant amounts delivered to the services and installed in planes. The programs for the Fiscal Year 1941 called for an expenditure of \$103,742,000 for this type of equipment. By June 21, 1941, aircraft equipment costing \$11,521,475 had been delivered. The 1942 program, as thus far approved, will call for about \$208,000,000 more to be expended on this materiel, and it is expected to reach an ultimate rate of delivery amount to \$12,000,000 in value of aircraft radio and interphone equipment each month.

"In present-day warfare, radio equipment is also needed in combat vehicles. Tanks and armored cars are designed to be equipped with receiving and transmitting vehicular radio sets provided by the Signal Corps, issued to the Armored Force, Cavalry, Field Artillery, and Signal Corps units for communication between vehicles and with ground stations and aircraft. These sets are of varying power and able to communicate with each other in column or with headquarters located many miles distant. Tanks are also provided by the Signal Corps with interphone equipment.

"On July 1, 1940, there was no vehicular radio equipment on hand unissued to troops; new units were being delivered at the rate of \$115,000 per month. The programs for the Fiscal Year 1941 called for an expenditure of about \$41,000,000 for this type of equipment. By June 21, 1941, vehicular radio equipment costing \$5,270,230 had been delivered. The 1942 program as presently approved calls for \$6,825,000 more to be expended for this type of equipment, and an ultimate delivery is expected at the rate of \$3,000,000 in value of vehicular radio equipment each month.

"There is also need for portable ground equipment. Portable ground radio sets, both transmitting and receiving, are procured by the Signal Corps for issue to the Infantry, the Cavalry and the Field Artillery, etc. These sets vary in power and portability from the light weight sets carried by parachute troops to the heavier and more bulky set carried by man pack or by truck.

"On July 1, 1940, there was none of this equipment on hand other than that in hands of troops, and a monthly rate of delivery of equipment costing \$62,000. The 1941 Fiscal Year programs called for an expenditure of \$38,000,000 for this type of equipment, and by June 21, 1941, ground equipment having a value of \$4,881,895 had been delivered. The 1942 program thus far approved calls for the expenditure of an additional \$789,000 under this head, and it is expected to reach a delivery rate of \$3,400,000 in value of ground radio equipment each month.

"There remains a type of radio equipment which has received much public notice of late - aircraft and surface vessel locating equipment. Not much can be said of this important part of the radio equipment procured by the Signal Corps, because of the necessity for secrecy. Certain secret ground apparatus already under construction under the 1941 program is included in the figures given above for portable ground equipment. A further expenditure of some \$118,000,000 for aircraft equipment of this nature is included in the \$208,000,000 previously mentioned as already approved for the 1942 aircraft radio equipment program. Suffice it to say that the equipment now being delivered is the equal of that in use by any foreign power and is a powerful asset to the defensive system of this country.

"Communication by wire remains important to the Army, in spite of the great development of radio communication. Wire cable of various kinds is needed by front-line units, in addition to

7/18/41

heavier types of field wire for communication over longer distances. In addition, there are various portable field switchboards and field telephones required. The switchboards vary in size from the small monocord type used by assault units to the larger portable type which approach in size those used in large commercial exchanges.

"On July 1, 1940, there was a stock of wire cable and wire communications equipment of \$1,500,000, with monthly delivery of \$66,000. The 1941 Fiscal Year program called for the expenditure of \$32,500,000, and by June 1st equipment costing \$3,853,248 had been delivered. A monthly delivery is expected of \$2,300,000.

"In addition, a considerable amount of miscellaneous equipment, such as flags, panels for signalling airplanes, codes, ciphers and wire cards and meteorological and photographic equipment has been ordered and received, while the homing pigeon, in spite of all modern inventions, is still a valuable messenger in charge of the Signal Corps.

"The entire programs of the Fiscal Year 1941 for procurement by the Signal Corps totalled over \$223,000,000, and the 1942 program, thus far approved, will add another \$221,000,000. To date material costing \$25,771,544 has been delivered, and a total monthly delivery rate of communications equipment costing \$21,500,000 is in sight. In estimating the progress in procurement in the communications field, it is the building up of the capacity for production of military equipment that is most important. It is noteworthy that the small existing stock of communications equipment has been increased by a delivery of \$25,750,000 in new equipment. But it is more significant that a capacity for production of such equipment amounting to less than \$750,000 a month in June, 1940, will shortly have become a capacity for \$21,500,000 a month. It is this rate of production which will eat up the balance of the 1941 fiscal year program and any increases which may be approved for 1942 and succeeding years.

"This result has been achieved largely by education of the existing huge communications industry to make equipment suited to military needs. Only one facility to date has been enlarged at public expense under the sponsorship of the Signal Corps; to wit, the erection of a plant for the construction of special type of radio equipment. In addition, a plant is under construction for the manufacture of Carbonyl E iron powder used in electrical cores, and 3 plants for the manufacture of the new light assault wire. Expansion is also planned for the ceramics industry in the manufacture of insulators. All told, the total cost to the public of the expansion in production capacity of the communications industry, so far as now planned, will probably not much exceed \$3,500,000."

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7/18/41

NEWSPAPER HEARING GETS "GO" SIGNAL DESPITE OPPOSITION

The Federal Communications Commission was preparing to go ahead with its scheduled investigation of newspaper ownership and control of radio stations next Wednesday, despite a challenge of its authority by the American Newspaper Publishers' Association.

The hearing will be held in the auditorium of the National Archives Building, Pennsylvania Avenue at Seventh Street, N.W., with entrance on Pennsylvania Avenue. Daily sessions will open at 10 A.M. and close at 4:30 P.M.

Elisha Hanson, general counsel of the ANPA, asserted that the FCC is legally powerless to inquire into newspaper ownership of radio broadcasting stations and asked the Commission to call off the investigation.

In a formal motion filed with the Commission, Mr. Hanson said the Federal agency was "without authority under the statute governing its operations to conduct such an inquiry", or to adopt any policy or rules governing future application for newspaper radio stations.

Likewise, he said the Commission could not "conduct a general inquiry into the newspaper publishing business".

He moved that the Commission vacate its orders for the hearings.

The A.N.P.A., its counsel noted, comprises more than 425 newspaper publishers whose papers represent more than 80 per cent of all daily and Sunday circulation in this country.

Many association members, he went on, hold radio broadcast licenses, and others are applicants, and while many do not possess licenses, "all are vitally interested" in the question precipitated by the commission's questionnaire preliminary to the hearing.

The association, Mr. Hanson asserted, holds the Commission "without power under the Constitution of the United States, to lay down a policy, the purpose of which is to bar persons, firms or corporations engaged in the newspaper publishing business from engaging in the radio broadcast business."

The hearing is expected to continue a week or longer.

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7/18/41

RMA MATERIEL BUREAU STUDIES RADIO SUBSTITUTES

The Radio Manufacturers' Association, alarmed at the prospect of the radio manufacturing industry being unable to get aluminum and nickel, has set up a Materiel Bureau to find substitutes for the metals taken over for National Defense.

The Materiel Bureau has set up several sub-committees to study particular problems, especially in connection with the manufacture of electrolytic capacitors, tubes, variable condensers, and permanent magnet speakers.

The objectives of the Material Bureau are explained in the following memorandum prepared by Dr. W. R. G. Baker, Director of the RMA Engineering Department:

"The Radio Industry, like other consumer goods industries is beginning to feel the effect of priorities on materials. In certain instances such as aluminum and nickel, the limitations are such as, in effect, to withdraw such materials from the industry. Many other materials have been partially restricted due to priority action. In cases of other materials shortages have resulted from their increased usage as substitutes for materials under either complete or partial priority restrictions.

"The Board of Directors of RMA believes that the material situation will become increasingly difficult. It believes that there is required an immediate and continuous effort toward the conservation of materials. Such action is necessary not only for defense purposes but also in order that the radio industry may continue to manufacture its various products in quantity and with no decrease in quality.

"To that end the Board has instructed the RMA Engineering Department to establish a Materiel Bureau, whose function is to find substitutes for, or more effective use of, materials under priority regulations. This Bureau, with the cooperation of the engineers of the industry, is to undertake the problem of material utilization, not only through substitute materials, but also, from the viewpoint of mechanical design, circuit design, and standardization, both electrical and mechanical. It is planned that the Materiel Bureau will cover all product lines in which the members of RMA are interested, such as receivers, transmitters, tubes, and other component parts.

"Of the many projects sponsored by the RMA Engineering Department, the Materiel Bureau is one of the most important, and at the same time, undoubtedly, the most difficult. To function successfully and to bring to the industry the results anticipated by the Board, the Materiel Bureau will require the maximum in voluntary cooperation.

"The members of the Board were informed by the Director of the RMA Engineering Department that no important results might be expected of this Bureau, unless the executives of the various companies inform their engineers as to the importance of the project, instruct them to actively contribute to the work of the Bureau, and emphasize to them the absolute necessity for full cooperation. It was further pointed out that the efforts of the Bureau would be completely vitiated unless the industry accepted and acted on such findings of the Bureau as were deemed by the Advisory Council to be in the best interests of the industry. It is on this basis that the Materiel Bureau has been established.

"We have two approaches to the problem of material conservation. The first is through the better and more efficient utilization of such normal material as may be available.

"The second approach is through substitution of materials, and even in this instance, the utilization factor must not be neglected lest a shortage of the substitute materials results.

"Running through both the utilization and the substitution methods is the need for the maximum in standardization of types, sizes, shapes, values, etc. An immediate acceleration of our normal program of standardization, well planned and executed will, in itself, result in appreciable conservation of material."

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FCC WARNS AGAINST AXIS PROPAGANDA

The Federal Communications Commission has served notice on the broadcasting industry that it will "not tolerate hostile propagandizing in the interest of any foreign government which has repeatedly and flagrantly expressed its enmity to this country and to the continued existence of its basic system of government".

The warning came in a decision involving two New York stations. Station WCNW, licensed to Arthur Faske, had accused Station WWRL, operated by Long Island Broadcasting Corporation, Woodside, of pro-Nazi leanings. Investigation failed to establish the charge but the Commission took occasion to deliver an admonition.

FCC conceded that radio stations have "a recognized duty to present well rounded programs on subjects which may be fairly said to constitute public controversies of the day within our democratic system of government", but set bounds beyond which radio must not go if a licensee is to remain on the air.

Both licensees were granted renewals of their permits to continue present operations. The Long Island station had requested permission to assume the operating hours of WCNW, but this proposal was rejected. The controversy was part of the "Little Brooklyn Cases" which involved 11 Brooklyn radio stations or applicants.

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DEFENSE PROGRAMS GIVEN PRIORITY ON ETHER

The broadcasting industry is going to give priority to those Government programs dealing with the essentials of National Defense, the National Defense Committee of the National Association of Broadcasters, announced Thursday, following the adoption of a "priorities" resolution for the guidance of the industry.

The Committee pointed out that governmental agencies had made so many requests for time on the air that many stations were finding it impossible to grant all of them and, at the same time, to preserve a balanced program service. Such a balanced program service was necessary, the Committee said, to continue to attract and hold the large listening audiences, without which governmental programs and announcements would be ineffective.

Therefore, the Committee recommended that all stations give priority to governmental programs in substantially the following order:

- (1) Enlistment of man power for both the armed services and National Defense industries.
- (2) Defense financing, such as the sale of Defense Bonds.
- (3) Morale building
- (4) Activities of government agencies not primarily connected with National Defense.

The Committee also approved the resolution adopted by the N.A.B. Executive Committee reaffirming "the industry's desire to continue its present practice of making its facilities available at no cost to government agencies engaged in promoting the National Defense program."

Among other aspects of the relationship between radio and the Defense program discussed at the Committee's two-day meeting was the development of an adequate supply of radio technicians for both the government and the industry. The Committee advised both the War and Navy Departments that the industry was ready to do its part in a large-scale training program to help fill any need.

According to the United States Civil Service Commission radio has contributed in large measure to prompt locating and securing of over 500,000 skilled workers for War and Navy Departments. A large proportion of these were for the field.

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"The British Grenadiers", a marching tune known all over the world, has become a signature-tune for the British Broadcasting Company's Empire Services. A recording specially made for the purpose by the Grenadier Guards Band now introduces each of the transmission periods of the day's broadcasting. In all the tune is heard by overseas listeners ten times each weekday and seven times on Sundays.

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G.E. GETS TELEVISION CONSTRUCTION PERMIT

The Albany-Schenectady-Troy area was brought a step nearer commercial television service this week when the Federal Communications Commission granted a construction permit to the General Electric Company for such a station to operate on Television Channel No. 3 (66,000-72,000 kilocycles) to serve 3,320 square miles with some 572,000 residents.

The applicant proposes to remodel its present experimental television station, W2XB, in the Helderberg Hills, New Scotland, N. Y., for commercial purposes by September 1. Incidental experimentation with color television is contemplated.

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BIDS ASKED ON COAST GUARD RADIO STATION

Bids have been solicited for the construction of buildings and accessories for a new Coast Guard radio station to be located at East Moriches, N. Y. This station will be the first of nine similar stations to be constructed in the near future, eight in the United States proper and one in Alaska.

The new station will consist of an operations building in which the actual radio communications work will be performed, two small transmitter buildings, an equipment building, which will house two radio communications trucks and a truck for radio testing in the field, a two-story barracks building, and a dwelling for the officer in charge.

The site for the station was selected after extensive radio tests on the basis of minimum interruption and interference by power plants, power lines, industrial plants, and other sources of interference. At the same time the new station is so located that radio communication of the Service may be carried on with the highest degree of efficiency.

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FCC CAN'T STOP "THIRTY" SIGN-OFF

A New York radio listener has written the Federal Communications Commission on several occasions objecting to the use of the term "and thirty" at the conclusion of broadcasts by a certain news commentator.

The FCC has advised the complainant it does not have authority to order discontinuance of the use of this term. However, it explains that "thirty" is a term traditionally used by telegraphers. It means "that is all", "the end", or, in this

particular case, "goodnight". It is said to have originated in the following manner: In the early days of news reporting, Washington correspondents wrote by long hand, and their copy was transmitted by telegraph. Operators at the receiving end had to make as many as a dozen copies of each dispatch. To mark the end of an item they adopted the symbols "XXX". Since three X's constitute the Roman numerals for "30"; this practice was not only popularized by telegraphers but by copy desk men as well. By the same token, the following numerals have special significance to old-time telegraphers: "4" (where?); "8" (wait); "13" (understood); "19" (railroad order); "31" (other order); "73" (best regards), and "22" (kisses).

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THREE FM STATIONS AUTHORIZED BY FCC

Construction permits for two commercial FM stations in California and a non-commercial educational station in Illinois, were authorized this week by the Federal Communications Commission.

Columbia Broadcasting System, Inc., of Hollywood, was granted a Class C station construction permit, for extended urban and rural service from an antenna planned atop Mount Wilson, Pasadena, subject to certain engineering and legal requirements. It is authorized to use the frequency 43100 kilocycles for this purpose.

Metro-Goldwyn-Mayer Studios, Inc., proposes to locate a station in the Santa Monica Mountains to cover the Los Angeles metropolitan district and adjacent basis trading areas of Los Angeles, Orange, and Ventura counties, as well as the western portion of Riverside County. More than 2,500,000 persons reside in this 7,000-mile service area. Pending approval of the antenna site by the Civil Aeronautics Administration, the applicant can arrange to use the frequency 46,100 kilocycles.

The University of Illinois was granted a construction permit for an FM station which will supplement its educational services. The station will operate on 42900 kilocycles, using power of 250 watts.

The university, which is at Urbana, Ill., intends to utilize the antenna of its present standard broadcast station, WILL, located south of Champaign, Ill., for the new service. Its non-commercial educational service will provide supervisory and administrative instruction as well as supplementary educational programs for the Champaign and Urbana elementary and secondary public schools supplement teaching in the rural schools of Champaign County, and augment the educational services of the University High School in the College of Education. Programs will be determined by the Dean of the College of Education in cooperation with the supervising head of the unit to which the particular program is directed but, in general, will embrace history, civics, economics, literature, music, and speech.

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: : : TRADE NOTES : : :
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General Electric Company's profit available for dividends for the first six months of this year amounted to \$26,003,665 compared with \$25,981,572 for the same period last year, President Charles E. Wilson has announced. These earnings, which were equivalent in each case to 90 cents a share of common stock, were after provision for Federal income and excess profits taxes of approximately \$52,000,000 for the six months' period this year compared with \$19,000,000 for the same period a year earlier.

The first citation ever made by the United States Treasury Department as the result of a television broadcast, was made this week by Secretary of the Treasury Morgenthau to Alfred H. Morton, Vice-President in charge of Television for the National Broadcasting Company. The citation reads: "In recognition of distinguished and patriotic services to our country rendered in behalf of National Defense on a nation-wide broadcast on the date of May 1, 1941, televised." This was the coast-to-coast broadcast ushering in the sale of Defense bonds.

The fourth annual Spanish edition of the American Radio Relay League's "Radio Amateur's Handbook", the standard manual of amateur radio communication, made its appearance in the United States this week.

William S. Paley, Columbia Broadcasting System President, has set Monday, October 6, as the date for the 1941 meeting of the CBS Adult Education Board. Invitations are going out to the 13 leaders in education and the country's public life who make up the Board's personnel, to convene at Columbia's New York headquarters for the annual session.

Station WBAL, Blue Network outlet in Baltimore, is no longer synchronized with Station WJZ, New York, key station of the Blue Network, William S. Hedges, Vice-President in Charge of Station Relations has announced. Station WBAL is now on full time operation on the 1090 channel with 50,000 watts power.

General Electric stockholders on June 27 totaled 217,340, an increase of 6223 over a year ago, W. W. Trench, Secretary of the company, has announced. The present number to whom the July 25 dividend will be paid is an increase of 1782 over the last record date, March 14, 1941.

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MBS AND AFRA SIGN NO-STRIKE ACCORD

The Mutual Broadcasting System and the American Federation of Radio Artists have signed an agreement which will prevent strikes against programs transmitted by this network to a station engaged in a labor dispute with AFRA, providing the outlet agrees to arbitration of its local negotiations. This new pact, combined with earlier agreements between Mutual originating stations and the union, thus frees the network from involvement in the labor-talent disputes of its affiliated stations where arbitration is accepted, and leaves AFRA free to strike where the affiliate refuses arbitration.

The agreement, signed by W. E. Macfarlane, President of Mutual, and Mrs. Emily Holt, National Executive Secretary, and George Heller, associate secretary and treasurer of AFRA, marks an important step in network-labor relations.

Simultaneously it was announced by Fred Weber, General Manager of Mutual, that the servicing of network programs to all its affiliates continues without interruption, following settlement of differences between AFRA and radio station WKRC, Cincinnati.

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DCB LAUDED ON INITIAL REPORT

The following editorial on the Defense Communications Board appeared in the Washington Post:

"A nation, like an Army, must be forever on guard lest its communications be interrupted. In time of trouble cables may be cut, radio circuits jammed, equipment damaged, power supply cut off, and there might be an overconcentration on particular methods of communication. In the original defense setup preparedness for these eventualities was intrusted to the Defense Communications Board. Little has since been heard of it, but this is because, under the energetic chairmanship of James L. Fly, it has been too busy to say much. Now we are told what the DCB has been up to. And the report on progress testifies to the industry of the DCB staff. Here are a few of the items: Cable repair ships have been surveyed and checked to make sure of their availability in time of emergency; arrangements have been made to add to their number; resources of cable, together with insulating material, have been tabulated, sources checked, and substitutes experimented with; interconnections among communications companies have been worked out, and each communications company now has appointed a liaison officer for this job; bottlenecks have been examined, and methods for dealing with them are under study. The DCB seems to be confident that none of the problems remitted to it is insoluble. For the release winds up: 'Our communications system can be kept operating at high efficiency through any future emergency without interruption and without necessary delay.' "

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HEINL RADIO BUSINESS LETTER

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WASHINGTON, D. C.

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INDEX TO ISSUE OF JULY 22, 1941

Postponement Of Network Rules Is Expected.....	2
Favorable Action Seen On Radio Priority Request.....	3
FCC Prepares For Press Hearing Despite Challenge.....	4
FCC Staff Of 515 Forms Defense Unit.....	5
OPACS Says Radio Parley Unnecessary.....	6
D.C. Radio Towers Asked In Naval Bill.....	6
Craney Proposes Organization Of "Independents".....	7
Two-Year Licenses Under Consideration.....	7
Soviet Embassy Sets Up Washington Station.....	8
FCC Commended For Defense Of Free Speech.....	9
Kentucky Listening Centers Rehabilitated.....	10
Trade Notes.....	10
Ethridge, Sarnoff Appointed To Defense Jobs.....	11
Cuba Considers For Defense Control Of Radio.....	11

No. 1348

B U L L E T I N

The Federal Communications Commission at its Tuesday meeting granted a petition of the National Broadcasting Company and the Columbia Broadcasting System to postpone the proposed network regulations from July 30th to September 16th.

July 22, 1941

POSTPONEMENT OF NETWORK RULES IS EXPECTED

The National Broadcasting Company and the Columbia Broadcasting System, without opposition of the Mutual Broadcasting System, this week made a formal request for postponement of the effective date of the FCC monopoly-chain regulations until September 16.

The Commission was scheduled to consider the petition at its meeting Tuesday afternoon, and it was expected that the request would be granted.

The FCC released the joint NBC-CBS statement at the close of a conference between representatives of the networks and Chairman James L. Fly, who had indicated previously his willingness to grant a postponement under proper safeguards.

The joint statement follows:

"On petition from National and Columbia, without opposition by Mutual, the Commission is being requested to postpone the effective date of its Order of May 2, 1941, from July 30 to September 16, 1941. This postponement is being requested by National and Columbia in order to permit more time for the discussions that have been going on during the past ten days in which the various problems that confront the Commission and the networks are being explored.

"The officials of the networks are hopeful that the additional time will permit of a satisfactory solution of the various problems involved."

Chairman Fly agreed with the networks to present the motion to the Commission at its meeting Today (Tuesday) and expressed appreciation for the cooperative attitude of the network officials and for their willingness to devote themselves continuously to a discussion of the problems.

Chairman Fly, at a press conference on Saturday, had stated that whatever time is necessary to accomplish adjustments probably would be granted. He said he would be inclined to recommend more time under a particular rule.

He said that the heads of the networks had been in for three conferences during the past week and had held numerous meetings among themselves in Washington and New York. All the conferences, he said, had been of a constructive nature and everybody was in a splendid mood. He expressed optimism over the ultimate outcome.

7/22/41

A different report came from Broadcasting, trade magazine, which stated:

"Anything but optimism prevailed among the major networks last Friday after their top executives had conferred three successive days with FCC Chairman James L. Fly on modification of the radical network monopoly rules, still scheduled to become effective August 2.

"When the secret informal conferences recessed Friday forenoon, to be convened again Monday (July 21), only one topic -- time options -- had been discussed, and no solution was in sight even on that issue.

"Though Chairman Fly steadfastly has declined to recede from the 'principles' enunciated in the eight rules, several of which are no longer in controversy, it nevertheless was expected that before the Aug. 2 deadline something would be worked out. Chairman Wheeler (D. Mont.), of the Senate Interstate Commerce Committee, who instigated the conference method, has not participated in the sessions but is sitting on the sidelines, keeping posted on every development.

"NBC and CBS representatives appeared pessimistic because of the slow progress, while MBS conferees, apparently supporting the rules in toto, were represented as just as well satisfied to see them go into effect as written."

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FAVORABLE ACTION SEEN ON RADIO PRIORITY REQUEST

The Priorities Division of the Office of Production Management is understood to have agreed to a plan for allocation of a limited amount of aluminum and other vital materials to the radio industry for the manufacture of radio and television receivers this year and next.

An announcement is expected to be forthcoming within a few days. Conferences have been held over a period of several weeks, and an accord is said to have been reached.

One report was that sufficient scarce metals will be allocated to permit the manufacture of 2,000,000 receivers. Another report was that the industry plans to turn out 25,000 television receivers within the year if granted a priority rating.

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FCC PREPARES FOR PRESS HEARING DESPITE CHALLENGE

Barring a last-minute alteration in plans, the Federal Communications Commission will open its investigation of newspaper ownership and control of radio stations on Wednesday at 10 A.M. in the auditorium of the Archives Building.

The Newspaper-Radio Committee, through Harold Hough, its Chairman, followed the lead of the American Newspaper Publishers' Association in challenging the authority of the FCC in filing a request to be heard.

The FCC was scheduled to consider the petition filed by Elisha Hanson, counsel for the ANPA, at its Tuesday afternoon meeting. No delay in the hearing was expected, although Chairman James L. Fly indicated that the petition might be set down for oral arguments as requested by ANPA.

Meanwhile, Arthur T. Robb, Editor of Editor & Publisher, declined an invitation from the FCC to testify at the hearing on the ground that the Commission does not have authority to make the inquiry.

The Hough petition denied the right of the FCC to lay down any rules, or regulations affecting broadcasting ownership and differing from "those generally promulgated". To do so, said the petition, would interfere with freedom of the press and violate other constitutional guarantees.

At the opening of the hearings July 23, said the Newspaper Radio Committee, it would not be in position to present evidence, but, making studies now, it wished to be in position to speak as the hearings developed.

From appearances already filed, it was shown that many interested persons will not be ready to testify this week, but it was indicated by the FCC Chairman that the Commission will hear available evidence and then present data collected by the Commission's investigating unit.

Station WGN, Inc., owned and operated by the Chicago Tribune, in filing a formal appearance, said it reserved the right to question the power of the Commission in this matter.

The file of appearances disclosed a new network of frequency modulation stations is being formed, and that a number of newspapers which have made application for FM stations are stockholders in the new venture, which is known as the American Network, Inc., a Delaware corporation. It disclosed to the Commission that 23 individuals and organizations, including newspapers, contributed \$500 each to defray the cost of making studies before incorporation.

7/22/41

The projected new network informed the Commission it desired to offer evidence to show "the adverse effect which prohibition against ownership or operation of an FM station by newspaper publishers or interests would have on the organization and operation of the proposed network. Such an order would preclude several of those who have indicated their desire and interest in joining the new network and aiding in financing and operating it from doing so, it was asserted.

While Commission experts are understood to have a mass of data collected over a period of weeks by the investigating unit, it was disclosed that attorneys for the unit have met difficulties in efforts to obtain data from various sources in the radio field.

Although a number of subpoenas calling for the production of papers and documents were issued, it was learned that the only ones which were served were those where the parties were willing to accept services.

In one instance, it was said, the attorneys were met with a refusal of their requests for data, and were invited to serve the subpoenas, which they are alleged to have refused to do. It was said they did not want the authority for the hearing tested on the matter of issuance of subpoenas.

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FCC STAFF OF 515 FORMS DEFENSE UNIT

The Federal Communications Commission has a staff of 515, mostly technicians which has been mustered by the Field Division of the National Defense Operations Section headed by George E. Sterling to man the 91 monitoring stations that have been established throughout the United States and its territories. Of the staff, 99 are designated as monitoring officers, 126 assistant monitoring officers and 255 as operators.

There are 11 supervisors at as many primary monitoring stations, eight of them with assistants. The monitoring officers, their assistants and most of the operators are located at the secondary stations.

The primary stations are equipped with long-range, high frequency direction finders, long-distance intercept apparatus and machines for recording propaganda programs from abroad as well as foreign-language programs on United States stations.

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OPACS SAYS RADIO PARLEY UNNECESSARY

A conference planned for the entire radio industry, similar to the automobile, refrigerator and other industry conferences, by the Office of Price Administration and Civilian Supply (OPACS) is regarded as unnecessary by OPACS, and will not be called, according to the Priorities Committee of the Radio Manufacturers' Association. OPACS officials also have assured RMA that radio is regarded as "essential" and that there will be preference allocations for maintaining supplies of radio repair and maintenance parts to keep in operation receiving sets now in the hands of the public. Allocations of materials for new radio production are still under consideration.

The reason that OPACS has cancelled its plan for a general radio industry conference, similar to that of the automobile, refrigerator and other industries, held recently, is because the RMA, through its Priorities Committee, in previous conferences has already submitted extensive briefs, memoranda and statistics on radio requirements for civilian use. Also, RMA has previously held conferences with many OPACS officials.

Communications, regarded as including the 50,000,000 radio sets now in public use, has already been classified by OPACS on its "essential" industry list. Pursuant to this policy of supplying adequate repair and maintenance parts for consumer goods now in use, OPACS, on July 12, issued a formal allocation order for such repair and maintenance parts for automobiles, household refrigerators and a few other articles. RMA has been advised by OPACS officials that radio receiving sets in public use are similarly regarded as "essentials" of communication, and that OPACS' action to provide radio repair and maintenance parts for such privately-owned receivers will follow in due course, with a similar priority allocation order for radio repair parts to OPM.

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D.C. RADIO TOWERS ASKED IN NAVAL BILL

Construction of three 150-foot radio towers for the Naval Air Station in Anacostia, D.C., is needed for the simultaneous transmission and receipt of messages, Rear Admiral Ben Moreell, Chief of the Bureau of Naval Construction, told the House Naval Affairs Committee last week as it took up a \$300,000,000 expansion program for shore facilities.

Admiral Moreell said it was planned to put up the towers near St. Elizabeth's Hospital, which would take them out of air-traffic lanes, and was the best available site.

Representative Cole, R., of New York, remarked that the Navy tore down radio towers in one spot and put them up in another, referring to the Arlington (Va.), towers.

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CRANEY PROPOSES ORGANIZATION OF "INDEPENDENTS"

Ed Craney, friend of Senator Wheeler (D.), of Montana, and operator of Station KGIR, Butte, Mont., is trying to organize the independent broadcasters to supplant the National Association of Broadcasters.

His trade association would admit no network or network-owned stations. He made an attack upon the NAB because "it can't represent us as independent broadcasters, at the White House, in the Capital, before the FCC, or with the Department of Justice".

In a letter prepared for circulation to independently-owned stations, Mr. Craney attacked what he described as "industry boondoggling" and ascribed to the networks domination of the NAB. In parallel columns he gave his version of industry activities - one devoted to copyright and the other to regulatory problems under the NAB dating back to the "good old days before 1932".

Mr. Craney's outburst followed his own resignation from the NAB several weeks ago, largely as a result of the St. Louis NAB convention episode, which has seen the resignation of nearly a score of stations from the trade group. MBS, which has broken off with NAB and its president, Neville Miller, is understood to be fostering a reorganization, and a half-dozen of its most important stations are among those that have resigned. In addition at least two other station owners are reported to be promoting what amounts to blanket resignations.

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TWO-YEAR LICENSES UNDER CONSIDERATION

Two-year licenses for broadcasters are being considered seriously by the Federal Communications Commission, according to Chairman James L. Fly.

He told a press conference Saturday that negotiations for "workable modifications" of the Commission's new regulations governing chain broadcasting had made "very considerable progress". He added that he felt "pretty optimistic about the ultimate outcome" of the negotiations which he is conducting with representatives of the three major networks.

The Commission Chairman made it clear no definitive conclusion had been reached at the conferences, which are being continued early this week. Any proposed changes in rules tentatively agreed upon by network representatives would be the subject of formal applications to the Commission.

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Mr. Fly said there has been considerable complaint about the option time of networks, particularly in cases where much had been set aside and little used. There had been consideration of the question of extending the limitation of option time as fixed in the new rules. There had been no extensive discussion up to this time, he said, of disposal by NBC of its Blue network or of rate control.

Despite the August 2 deadline for the new rules, Mr. Fly suggested that stations affected stand pat under their present system until there was further definite action by the regulatory body, in the light of the discussions now going on.

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SOVIET EMBASSY SETS UP WASHINGTON STATION

The Russian Government, after consultation with the State Department, has constructed a powerful short-wave radio in Washington to make possible direct communication between the government in Moscow and the Soviet Embassy here.

The apparatus has been set up on the estate of the late Rudolph Kauffmann, 2607 Military Road, N.W., which the Embassy has leased. The Embassy has assigned a number of its staff to permanent work at the radio setup. The State Department monitors the messages that pass through the apparatus.

The apparatus thus far has been used only for receiving purposes, but it is equipped with a rhombic antenna, which, frequently, is an adjunct of a transmission station. The antenna is strung around four towers set on the ground.

Communications by normal channels between Washington and Moscow have suffered interruption recently, especially since the outbreak of the German-Russian war. The State Department was cut off from the American Embassy in Moscow for 48 hours after the war began.

The question of whether the apparatus' use is to be limited to receiving signals or whether it will be used also for transmission is something the State Department and the Federal Communications Commission are unwilling to discuss. Section 310a of the Communications Act forbids the licensing of a transmitting station controlled by a foreign government or its representative, but the problem has never arisen whether a diplomatic mission needs a license.

The British Embassy has a receiving apparatus of moderate power. One factor in the considerable size of the Soviets' apparatus is that it is a diversified receiver, which can catch a signal that the ordinary receiver would not be able to get.

7/22/41

The State Department authorized construction of the apparatus so the Soviet government would approve similar construction by the American Government in Russia if the United States wanted one. The Navy Department for three years has been broadcasting to American Embassies and Legations a news bulletin prepared by the State Department. Already this short-wave bulletin service reaches Moscow, but there is no transmission from Moscow to Washington.

A Soviet Embassy spokesman said there was nothing about the station that was worthy of public interest in it.

"Just some people listening to the news from Moscow", he said.

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FCC COMMENDED FOR DEFENSE OF FREE SPEECH

The American Civil Liberties Union recently commended the FCC's attitude on free speech, as reflected both in the Network Monopoly Report and in an opinion involving WAAB, Boston.

In its review of the year, the Union cited that radio, as the single greatest instrument of free speech, has been strengthened not only by the two-year-old code of the National Association of Broadcasters, but was reinforced by an order of the Commission directed to WAAB, whose license "was challenged on the ground of favoritism" in the discussion of public issues.

"The Commission", contended the report, "held that a station is operating in the public interest only if it affords equal facilities to all sides of controversial questions.

"Even more important from the point of view of long-range effect on free speech was the Commission's monumental report on the monopoly practices of national networks. Diversity in ownership and control is an obvious requirement for greater freedom on the air; and the Commission directed its order to restore a greater degree of freedom and competition. The Commission also insisted, during the political campaign, that candidates for national office must be afforded equal facilities even in States where their parties were not on the ballot".

In what it described as a "Balance Sheet of Civil Liberties", the Union commended the FCC decision in the WAAB case, the monopoly report and the FCC action in "insisting on the rights of candidates in the national election to equal facilities on the radio, even in States where national candidates were not on the local ballot".

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KENTUCKY LISTENING CENTERS REHABILITATED

A complete rehabilitation of the equipment in the University of Kentucky's forty listening centers in southeastern Kentucky is planned for the near future because of a gift of thirty-eight new battery and two electric radio sets to the University. The gift, made by radio station WHAS, Louisville, as a part of their policy in furthering the University's work in equalizing listening opportunities for those portions of Kentucky remote from radio stations, will enable the University to replace every one of the sets now in use by new ones of the most modern design.

The listening center system was started by the University of Kentucky in 1933 for the purpose of providing facilities for listening to educational and other worthwhile broadcasts. While the number of radio receivers in the Kentucky mountains has increased several hundredfold since that date, the centers are still proving their usefulness as focal points for educational listening activities. Last Fall a similar system of listening centers was started in eastern Tennessee.

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:::: TRADE NOTES ::::

The Board of Directors of the American Society of Composers, Authors and Publishers last week announced the election of thirty-three new members to the Society. Of this number, twenty-six are writers and seven are publishers. This brings the total membership of ASCAP to 1,192 writer members and 146 publisher members.

The first commercial FM station that has no alliance with any existing broadcast interest went on the air last week when W47A, serving Albany and Schenectady, N.Y., began regular programming. Operated by the Capitol Broadcasting Company, an independent concern devoted solely to FM, W47A will be heard 16½ hours daily, and 18½ hours on Saturdays. Its coverage is to embrace some 6,500 square miles in mid-state New York.

The Columbia Broadcasting System has accepted the invitation of the government of Mexico to hold the first Latin American Conference of the "School of the Air of the Americas" in Mexico City, on August 14, 15 and 16.

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ETHRIDGE, SARNOFF APPOINTED TO DEFENSE JOBS

Two outstanding figures in the radio industry were given special defense jobs by the President last week.

Mark Ethridge, former President of the National Association of Broadcasters, and General Manager of Station WHAS, Louisville, was appointed Chairman of a committee to investigate complaints of discrimination against Negroes seeking work in defense industries and the government.

Other members are David Sarnoff, President of the Radio Corporation of America, Philip Murray, President of the C.I.O.; William Green, President of the A.F. of L., and two Chicago Negroes, Milton P. Webster, Vice-President of the Brotherhood of Sleeping Car Porters, and Earl B. Dickerson, an attorney.

The committee was created under an Executive Order of June 25, which reaffirmed the policy of the government against discrimination in the hiring of defense and government workers because of race, creed, color or national origin.

Serving without pay, the Committee will investigate complaints and take steps to redress grievances.

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CUBA CONSIDERS FOR DEFENSE CONTROL OF RADIO

The establishment of a system for efficient control of radio throughout Cuba, is regarded in Havana as one of the primary defense needs, according to a Havana dispatch to the New York Times.

At present the authorities are greatly handicapped by lack of proper technical equipment. No efficient vigilance can be maintained over channels utilized by communication companies, vessels in Cuban waters or the regular commercial broadcasting stations. Nor is it possible to locate clandestine transmitting stations with accuracy and rapidity. Also, stringent regulations are needed to give the National Radio Bureau adequate authority to deal with violators.

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The Italian government has silenced American radio correspondents at Rome, according to information received by the National Broadcasting Company from David Anderson, its representative in the Italian capital. Anderson gave no explanation of the Italian order. The government had "removed facilities", he said in his radiogram to NBC headquarters at Radio City.

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HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.



INDEX TO ISSUE OF JULY 25, 1941

FCC Press Hearing Recesses Until Wednesday.....	2
Taxes Put On Radio Time Sales.....	5
Bill Permits Suspension Of Radio "Saboteurs".....	5
Fly Explains Purpose Of Press Inquiry.....	6
New Radio Taxes Approved.....	7
300 KC. Assigned To Defense Purposes.....	8
Census Reports On Radio Makers' Sales.....	9
FTC Hits S-W Diathermy Claims.....	9
FCC Grants FM; Conditions CBS Grant.....	10
FCC Establishes "Flight Test Stations".....	10
Illness Of Missionary.....	11
Paul Klugh, Former Zenith V.P., Dies.....	12

No. 1349

NATIONAL BROADCASTING COMPANY, INC.
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FCC PRESS HEARING RECESSES UNTIL WEDNESDAY

After only two days of testimony, the Federal Communications Commission late Thursday recessed the hearing on newspaper control of radio stations until 10 A.M. Wednesday.

Highlights of the hearing for the two days were:

The FCC denied a motion by the American Newspaper Publishers' Association to halt the inquiry on the ground that the Commission lacked jurisdiction.

A similar plea by the Newspaper Radio Committee was denied.

FCC witnesses testified that during 1940, some 214 newspaper stations made a profit while 68 operated at a loss.

At the outset of the hearing when Attorney Hanson was trying to challenge the authority of the Commission to hold the investigation, Chairman Fly said: Please don't interrupt us further. We are going to proceed with the hearing. You may file your objections at any time."

"Then I'll file them right now", said Hanson angrily, and he handed a brief to the Commission secretary.

"Your powers", said Hanson in his brief, "do not embrace authority to adopt any policy or rules the purpose of which is to prohibit persons engaged in the newspaper publishing business from operating radio stations. Being without power to adopt any such policies or rules you are without power to conduct an inquiry for the purpose of determining whether or not you should adopt such a policy or rules."

In a formal order denying Mr. Hanson's motion, the Commission stated that "with the recent advent of frequency modulation (F.M.) broadcasting this question has taken on an increased importance." It was added that out of 116 applications for F.M. licenses, 45 were filed by newspaper interests, confronting the Commission "with the necessity of determining whether or not the granting of F.M. licenses to such interests will serve the public interest, convenience or necessity." The Commission's duty to act on these applications, it was pointed out, "carries with it the duty to determine the qualifications of the applicants."

Citing court decisions in support of his position, the counsel for the newspaper publishers said:

"There is no statutory authority empowering the Commission on its own motion to make general classifications of persons

otherwise qualified under the statutes for the purpose of laying down a policy or adopting rules either for the purpose of prohibiting persons belonging to a certain class from holding licenses or limiting the number of persons within a certain class who may hold licenses."

Mr. Hanson declared that the questionnaire which the Commission sent out to publishers throughout the country in preparation for these hearings "is nothing more nor less than an impertinent effort on your part to inquire into the newspaper publishing business, the business policies of newspapers, the editorial practices of newspapers, the promotional activities of newspapers, the news policies of newspapers, the nature of the work performed by newspaper employees and the business connections of newspapers, over none of which does this Commission have any authority whatsoever."

Mr. Hanson said the Commission's own General Counsel had held that the Commission had no authority to take up the question of whether it was for or against the public interest for newspapers to operate stations.

Exhibits showed that newspapers or their employees or stockholders had an interest in 298 standard broadcast stations, including 243 in which they owned an interest of 50 percent or more.

Another exhibit purported to show that the number of stations in which newspapers or their employees or stockholders had interests increased from 85 in 1931 to 298 as of June 30, 1941.

Mr. Hanson told reporters that four persons he had advised not to appear in answer to subpoenas were Edwin S. Friendly, business manager of the New York Sun; Lt. Comdr. James G. Stahlman of the Nashville Banner, former publisher of the Publishers' Association and now on active duty with the Navy; Arthur Robb, editor of Editor and Publisher, newspaper trade paper, and William A. Thomson, Director of the Bureau of Advertising of the Publishers' Association of New York.

The FCC developed at the opening session of the hearings, a statistical background on the number of newspapers interested in broadcasting outlets and other pertinent figures.

The Commission learned from figures and charts offered in evidence that advertisers spent an estimated \$545,000,000 on newspapers and \$200,000,000 on radio last year.

The total circulation of daily newspapers in the United States, the Commission was told, increased from 29,080,323 in 1922 to 41,009,258 in 1941, although the number of daily papers decreased from 2,033 in 1922 to 1,877 at the close of 1940.

The figures showed that during the same 19 years the number of broadcasting stations increased from 30 to 882 and the number of radio receiving sets from 400,000 to 50,100,000.

7/25/41

Chairman Fly asked whether there were estimates of how many of these receiving sets were in actual operation a good part of the time, pointing out that some households might own several, and automobile sets were included. Allen W. Saylor of the Commission's research staff said information on this subject would be presented later.

Another witness Elmo Roper, a research expert for the Fortune Public Opinion Service, introduced the results of recent polls intended to develop the popularity of radio and newspapers, respectively, as sources of news.

Mr. Roper said, in answer to a question, that a poll he conducted on the last presidential election was only one-half of 1 percent off in predicting the popular vote. Analyzing public opinion samples on the newspaper-radio news questions, he said:

"They show without question that the radio has come up as a source of news. And we know that people think, rightly or wrongly, that the radio gives them news more quickly."

The polls established beyond question, in his opinion, that "radio increases as a source of news as you go down the economic ladder and newspapers increase as you go up." He point to tables in which persons of varied economic status were interviewed.

Harold Hough, Chairman of the Newspaper-Radio Committee, a group of the interests concerned in the Commission's inquiry, issued a statement expressing disappointment that the Commission had refused, at the outset of the hearings, to consider the question of whether it had power to take up the issue involved.

Differences and similarities between radio and newspaper methods of present news were discussed Thursday at the FCC as the Commission continued its inquiry into newspaper ownership of radio stations.

Mitchell V. Charnley, Professor of Journalism at the University of Minnesota, pointed out that the "ear audience" listening to radio news-broadcasts included many living room groups, with the whole family addressed. This, he said, had led to certain taboos on radio which newspapers did not observe. Some stations, he said, never use the word "smoke", because it is objectionable to many persons.

Necessarily, Prof. Charnley said, radio news is briefer and less complete than accounts in newspapers. Both media of news, he added, must select a comparatively small portion of the many thousands of words a day they receive from press associations and local reporters, because of the space limitation which both must meet.

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TAXES PUT ON RADIO TIME SALES

Taxes on "net time sales" of radio networks and stations above \$100,000 a year, were written into the defense tax bill reported by the House Ways and Means Committee this week.

The bill also carries excise levies on radios and radio messages.

As the "net time sales" of radio broadcasting, the Committee voted to impose this tax: on less than \$100,000 income, no tax; from \$100,000 to \$500,000, a 1 percent tax; from \$500,000 to \$1,000,000, a 10 percent tax; above \$1,000,000 a 15 percent tax.

The Committee will ask the Rules committee for a rule "protecting" the bill against amendments from the floor, which means if the rule is adopted by the House, that only changes suggested by the Ways and Means Committee can be considered.

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BILL PERMITS SUSPENSION OF RADIO "SABOTEURS"

The House this week passed and sent to the Senate a bill giving the Federal Communications Commission power until July 1, 1943, or until the end of a national emergency, to suspend radio operators in the U. S. Merchant Marine, and to refuse licenses to applicants believed to be subversive.

The bill would give the FCC power to inquire into the "capacity, experience, habits of life and character" of applicants for licenses.

Operators already in the service who are believed to be subversive may be immediately suspended but have the right to appeal and a hearing before the Commission.

The bill defines "subversive" activities to include membership in the Communist Party, German-American Bund, or advocacy of overthrow of the government.

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B. F. McClancy, NBC Traffic Manager, is leaving the National Broadcasting Company on August 15 to accept an executive position with the Eaton Manufacturing Company, Cleveland, Ohio, makers of precision parts.

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FLY EXPLAINS PURPOSE OF PRESS INQUIRY

Following are excerpts from the opening statement of Chariman James L. Fly at the newspaper-radio hearing:

"The general question of joint control over newspapers and broadcasting stations has been a topic of interest, both in Contress and elsewhere, for a long time. . . .

"The importance which has thus been continuously attached to the problem and the further fact that the Commission is now faced with a group of newspaper applications for FM facilities, have caused us to conclude that a general inquiry is advisable. Out of 99 applicants for FM licenses as of June 30th, 43 are newspaper interests. These newspaper applications raise the common question of the extent to which and the circumstances in which grants to newspapers will serve the public interest. We could, of course, have considered the question separately as to each of the 43 applicants. The proper dispatch of business, however, as well as the need to achieve that degree of uniformity, consistency, and informed judgment properly expected of administrative bodies, clearly indicate the advisability of these general hearings.

"I would like particularly to emphasize that the purpose of these hearings is to inform the Commission. No conclusions or opinions have been formulated by the Commission. The facts and circumstances which will be developed in these hearings may lead us to the conclusion that no rules or policies whatsoever need to be developed. Or they may lead us to the conclusion that recommendations to Congress should be made, and the problem handled by way of legislation. Or we may conclude that certain policies or regulations can and should be developed within the jurisdiction already committed to us by Congress.

"The Commission believes that discussion of its jurisdiction under existing law to take action with respect to joint control of newspapers and radio stations would be premature at this time. The jurisdictional question itself must be determined partly in the light of the facts and circumstances which the hearings develop, and argument should be based on concrete rather than supposititious proposals. The Commission will afford ample opportunity for the expression of views of the jurisdictional question if and when it contemplates the issuance of any rules.

"I have emphasized the fact that the sole purpose of these hearings is to inform the Commission. I want to add, with equal emphasis, that the Commission is determined to be informed. Our jurisdiction to formulate rules will be determined subsequently; our jurisdiction to make a study of the problem we think clear, as stated in our decision released on the petition filed by the American Newspaper Publishers' Association. Government commissions have a duty to inform themselves of problems pertinent to the field in which they function. The public and the Congress would rightly criticize us for passing over without consideration problems basic

to the welfare of the radio industry and the public which it serves. It is for just such reasons that Congress has empowered this Commission to hold hearings concerning any question which may arise under the Act which we administer, and to require the attendance and testimony of witnesses and the production of relevant documents and to pay the attendant expenses of such proceedings. Furthermore, it is wholly in accord with the traditions and institutions of our form of government that we should carry on such a study, and it has been familiar practice at least since the establishment of the Interstate Commerce Commission half a century ago."

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NEW RADIO TAXES APPROVED

The House Ways and Means Committee Tuesday night gave final approval to the \$3,529,200,000 defense tax bill.

Nearing completion of the \$3,500,000,000 tax bill, the House Ways and Means Committee formally approved 12 new or increased excise levies to raise approximately \$325,000,000 annually.

The so-called "hidden" taxes officially incorporated into the bill were, in addition to tax on automobiles, tires and tubes, imposition of a flat 5 percent tax on telephone bills, \$43,000,000; lower exemptions and increased rates on existing telephone and telegraph toll taxes to raise \$27,600,000; commercial trucks and automobiles, 2½ percent to 5 percent, \$16,100,000; imposition of a 5 percent tax on total bills in cabarets, \$1,500,000; reduce exemptions in club dues, \$2,800,000.

Ten percent tax on phonographs, records and musical instruments, \$15,000,000; increase tax on radios from 5½ to 10 percent \$9,400,000; increase tax on mechanical refrigerators from 5½ to 10 percent \$21,000,000; and imposition of a tax of 2 cents per 1,000 on matches, \$8,200,000.

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Declaring that Mayor LaGuardia's broadcast over WNYC, the city station, constituted the "most overworked commercial on the air today", Vice Chairman Joseph T. Sharkey of the City Council criticized the Mayor and his third-term backers Wednesday for using the city station to announce his candidacy at the Fall election. Mr. Sharkey, leader of the Democratic majority in the Council, said the city station was "airing nothing but Fusion medicine shows" at a cost of \$125,000 yearly to the taxpayers. He threatened Council action to limit the station activities.

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300 KC. ASSIGNED TO DEFENSE PURPOSES

So that adequate protection through the use of radio communication may be given the many thousands of military pilots undergoing training to serve the nation's augmented air force, the Federal Communications Commission is notifying amateurs that 300 kilocycles in one of the bands normally allocated to amateur use will be assigned for this important national defense purpose.

The frequencies in which amateur operation will give way to the military are from 3650 to 3950 kilocycles. To cause the least interference to amateurs, these frequencies will not be immediately withdrawn, but will be transferred by degrees between September and March next.

In order to provide the widest possible development of amateur activities, the Commission intends to rearrange the amateur allocations so as to make additional frequencies within the remaining amateur bands available for amateur radiotelephone. In that way, although the amateurs temporarily vacate some ether space, opportunity will remain for their valued service in developing all forms of radiocommunication.

"There is under way in this country a vast plan for the training of many thousands of additional military aircraft pilots at a large number of new air fields located throughout the United States", the FCC explained. "An essential part of their training involves a large-scale use of radio communication. Amateurs are well aware of the congestion existing throughout the frequency allocation know that in the medium-high frequencies the congestion has been acute for years.

"It is the desire of the Federal Communications Commission to cause the least inconvenience to existing services and to divert for any defense requirements the minimum number of channels possible. The Commission is also aware that the amateurs maintain some of their most important services in the band 3500-4000 kilocycles but the new pilot training program is a vital component of the defense plans of the country, and from the considerations of the equipment available for it and the number of frequencies required, no other portion of the spectrum is capable of accommodating this need."

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Commercial television by the National Broadcasting Company, in operation only since July 1, has already so increased the work and staff of the NBC Television Division, under Alfred H. Morton, Vice President in Charge of Television, that it has been necessary to seek new quarters. All units of NBC Television are being moved from the main NBC studio building in the RCA Building to the Fourth Floor of the Sixth Avenue Building.

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CENSUS REPORTS ON RADIO MAKERS' SALES

The following report was released this week by the Census Bureau:

"Approximately one-half, 51.0 percent, of the radios, radio tubes, and phonographs produced in the United States in 1939 were sold to wholesalers and jobbers; one-fifth, 18.6 percent, went direct from point of production to industrial, commercial, professional, and institutional users; and 14.0 percent were sold direct from plants to retailers for resale. In addition, 5.2 percent of the total 1939 output was produced for export direct from plants to buyers in other countries. Sales through selling organizations owned and operated by manufacturers amounted to 6.5 percent (5.1 percent through wholesale branches and 1.4 percent through retail outlets).

"This industry, as reported by the Census of Manufactures, consisted of 224 establishments with value of products for the year 1939 amounting to \$275,870,165 (preliminary figure). Of these establishments, 217, with products valued at \$270,693,254, reported an analysis of their sales. Sales and intra-company transfers of these 217 plants amounted to \$270,614,000. Sales may differ from value of products for several reasons: (1) Receipts for contract work are included in value of products but not in sales; (2) sales are affected by changes in inventory between the beginning and end of the year; (3) in a few instances, sales were distributed on the basis of selling price rather than value of products; and (4) some plants in the industry purchase and sell goods which they do not process. The latter, included in sales but not in value of products, amounted to \$8,435,000 in 1939."

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FTC HITS S-W DIATHERMY CLAIMS

The Federal Trade Commission, in complaints issued against two Los Angeles firms, charges misrepresentation and false advertising in the sale of short wave diathermy devices for treating diseases. The respondents are Nolan B. Stadley, trading as Sterling Appliance Co., distributor of the "Sterling Short Wave Diathermy", and George S. Mogilner and James Walker, trading as Merit Health Appliance Co., selling the "Merit Short Wave Diathermy".

In both cases the United States District Court for the Southern District of California recently restrained the respondents from disseminating certain advertisements of their products pending issuance of Federal Trade Commission complaints and their final disposition. The court actions were taken upon application of the Commission under the amendment to the Federal Trade Commission Act providing injunctive relief in cases involving advertised commodities the use of which may be injurious to health.

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FCC GRANTS FM; CONDITIONS CBS GRANT

Construction permit for a new FM broadcast station, to serve the Lansing, Mich., basic trade area, was granted this week by the Federal Communications Commission to WJIM, Inc., of that city. The proposed station is authorized to use 47,700 kilocycles to cover an area of 3,800 square miles with more than 250,000 population. The proposed antenna location is the Olds Tower. The applicant now operates standard broadcast station WJIM, affiliated with the Michigan Radio Network.

In connection with grant to Columbia Broadcasting System, Inc., for a Class C FM station at Hollywood, Calif., (announced July 16), to use 43,100 kilocycles for a service area of 38,000 square miles embracing San Diego and Bakersfield, the Commission stipulated that prior to issuance of construction permit the applicant shall obtain approval by the Commission of the exact coverage pattern and shall submit proof satisfactory to the Commission that the applicant's lease agreement of December 3, 1940, with Mount Wilson Hotel Company, is so modified as to eliminate the provisions therein pertaining to exclusivity of use for broadcasting purposes of property on Mount Wilson controlled by the lessor.

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FCC ESTABLISHES "FLIGHT TEST STATIONS"

The Federal Communications Commission this week established a new class of radio stations called "Flight Test Stations" in the aviation service to provide facilities for communication with aircraft undergoing flight tests.

Adopted modification of Ship Rules (Part 8) and Rules Governing Coastal and Marine Relay Services (Part 7) necessitated by developments in maritime telephone service on the Great Lakes, communication between ships and Government stations, interference caused by improperly adjusted ship radiotelephone transmitters, and misinterpretation of certain regulations. Sections 7.30; 7.38; 7.61; 7.62; 7.77; 7.90; 7.93; 7.96; 8.54(f); 8.91; 8.98; 8.114; 8.116; 8.132; 8.237; 8.108).

Adopted amendment to Section 13.61'a) of Rules Governing Commercial Radio Operators to require operators of commercial high frequency and television broadcast stations to hold radiotelephone first class operator license as in the case of standard broadcast.

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ILLNESS OF MISSIONARY DIAGNOSED BY RADIO

A battle against infantile paralysis that took him half-way around the world, after his illness had been diagnosed over the radio thousands of miles away, is ending in victory for the Rev. James Harold Shultz, 36-year-old missionary of the Seventh Day Adventist Church, who has lived since 1933 in the wilds of Tibet.

Seized by a strange illness, the Rev. Mr. Shultz wrote a letter to his brother Gerald, who is employed at Washington Sanitarium, Takoma Park, Md., explaining the symptoms.

Gerald Shultz took the letter to Dr. Robert Hare, chief of the medical staff of the sanitarium, and talked the case over with Dr. Hare and Dr. C. H. Wolohon. The doctors said: "It looks like infantile paralysis. Tell Harold to come home where he can get the proper treatment."

Gerald knew of one quick way to communicate with his brother. The missionary is an amateur radio operator. In Tibet he had set up his own transmitter, powered by two automobile batteries and a motor generator. Each Monday night at 8 o'clock, from Tibet, he conversed with a National Broadcasting Co. radio engineer in New York. Gerald was in New York, standing by the engineer's side, on the Monday night following his conference with the doctors.

The atmosphere was unusually clear that night, so clear that the engineer and the Rev. Mr. Schultz could talk by radio telephone, rather than by code. Gerald took over the phone after contact had been made.

"Harold", he told his brother in Tibet, "Dr. Hare and Dr. Wolohon say you have infantile paralysis. Do the best you can for yourself with what you have in the clinic. But come home as soon as you can."

The message from New York was beamed over the ether waves southward through the South Pole, and then sped northward to Tibet, a distance estimated at 17,000 miles.

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NBC Research Division has just completed an analysis of the choice of media by the nation's 50 largest advertisers. This analysis covers their gross expenditures in 1940 in the three principal media - network radio, magazines and newspapers. In compiling the 50 leaders, the statisticians omitted 5 liquor advertisers which are not acceptable as network clients. The 50 leading advertisers - all spending more than \$1,000,000 and know best the relative values of various media - spent 12.5% more for network time than they spent for newspaper space, and 27.3% more for network time than they spent for magazine space. Of the 50 advertisers 40 used network radio. Each of these 40 advertisers also used magazines and newspapers, but spent 27.3% more for network time than for newspaper space and 51.9% more for network time than for magazine space.

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PAUL KLUGH, FORMER ZENITH V.P., DIES

Paul B. Klugh, retired Vice President of the Zenith Radio Corporation, of Chicago, and Executive Chairman of the National Association of Broadcasters from 1924-1927, died last week in Yellowstone Park, Wyoming, while on an extended vacation trip. Mr. Klugh, who was 62 years old, lived at 20 Prospect Hill Avenue, Summit, N. J. and was touring the West with his wife at the time of his death.

As Executive Chairman of the National Association of Broadcasters, Mr. Klugh in 1924 directed the first fight of broadcasting stations against the demands of the American Society of Composers and Publishers for fees for the use of copyrighted music, a controversy which broke out again January 1st of this year. In 1924 broadcast station representatives appeared before the Senate Patents Committee to support a bill designed to relieve them of payment of copyright dues on broadcast music. Altogether seven bills to amend the 1909 copyright law were introduced in Congress but all failed of passage. In 1926, Mr. Klugh stated that continuation of broadcasting was doubtful unless music copyright owners agreed on reasonable fees and asked for legislation fixing them. In 1926, after two years of controversy, Mr. Klugh again supported a bill designed to fix a flat fee for broadcasting all copyrighted music, on the grounds that such a fee would also include benefits to non-ASCAP members.

Mr. Klugh served for a number of years as Chairman of the Annual Trade Shows and Industry banquets of the radio industry.

A Native of Detroit, Mr. Klugh lived in Chicago until six years ago when he took up residence in Summit, N.J., a year following his retirement as Vice-President of Zenith Radio Corporation. At the time of his death he was a Director of the Corporation and of the Radio Manufacturers' Association.

Surviving are his wife, Mrs. Rhoda Corwin Klugh and two daughters, Mrs. Irvin G. Gaverick of Chatham, N.J., and Mrs. Gordon P. Stearns of Rohoboth, Mass.

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HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.

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INDEX TO ISSUE OF JULY 29, 1941

Weak NAB Leadership Blamed for \$12,000,000 Tax.....	2
Princeton Discontinues Listening Center.....	4
To See If They All Look Alike.....	4
More Torrid Newspaper Sessions Ahead.....	5
New Radio Alert To Revolutionize Air Raid Warnings.....	6
Philips Co. Still Powerful In Radio Trade.....	8
Trade Notes.....	9
RMA Secures Aluminum For "Essential" Radio Services.....	11
RCA Reports On Defense Material Saving.....	12

No. 1350

NATIONAL BROADCASTING COMPANY, INC.
GENERAL LIBRARY
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July 29, 1941

WEAK NAB LEADERSHIP BLAMED FOR \$12,000,000 TAX

Caught off its guard - although there were at least three distinct warnings by the Allied Printing Trades believed to be responsible for the tax - the National Association of Broadcasters, weaker on Capitol Hill than at any time in its history, has begun the fight of its life upon the proposed \$12,500,000 tax on radio broadcasting net time sales. This unprecedented assessment was embodied in the House Ways and Means Committee's \$3,500,000,000 defense tax bill which is expected to be immediately taken up and debated in the House.

In addition to the broadcast advertising tax which was new and came out of a clear sky to the rank and file who were depending upon their national organization to keep the Washington front manned, the defense tax bill dealt radio another stunning blow by increasing the rate on receiving sets and parts from 5½ to 10 percent. This is expected to yield an additional \$9,400,000, making the grand total which the radio industry may be assessed somewhere around \$22,000,000. In the same bracket are the kindred fields of phonographs and records to yield \$4,500,000 and musical instruments \$3,600,000.

Telephone, telegraph and cable messages, where the charge is 25 cents or more, tax of 5 cents for each 50 cents or more, \$26,600,000. Refrigerators and air-conditioning apparatus, rates increased from 5½ percent to 10 percent to yield \$21,000,000.

The provision of the defense bill to tax broadcasting stations says "the right to operate a broadcasting station in particular areas carries with it a measure of monopolistic privilege and the opportunity for an extremely profitable investment".

Radio stations are divided into these classifications with resultant taxation rates:

1. Stations with net time sales between \$100,000 and \$500,000 - 5 percent.
2. Stations with net time sales between \$500,000 and one million dollars - 10 percent.
3. Stations with net time sales in excess of one million dollars - 15 percent.

The number of stations each with time sales within the amounts shown for the group: \$100,000 to \$150,000 - 49; \$150,000 to \$200,000 - 45; \$200,000 to \$250,000 - 25; \$250,000 to \$500,000 - 69; \$500,000 to \$1,000,000 - 42; \$1,000,000 or more - 8; Total 238.

7/29/41

The debate on the defense tax bill in the House is scheduled to last four days and its passage anticipated by the end of this week or the early part of next. The bill will then go to the Senate where it will be referred to the Senate Finance Committee where hearings will be held prior to the bill's consideration by the Senate. This may take several weeks during which time the radio industry will bring its heaviest artillery into action. It is believed that the interval will be too short to accomplish a great deal in the House, though hopes are held for a reduction, therefore the big plea will likely be registered in the Senate.

In the meantime no cheers were heard for the National Association of Broadcasters, which was charged with having been absolutely asleep at the switch in the tax matter. The opinion was expressed even had the Association been alive to the situation that under the present leadership of Neville Miller, it would not have been able to do anything about it.

Those credited with giving the broadcasters "the works" and giving it to them good and plenty, were John B. Haggerty, President of the Allied Printing Trades Association, and his right-hand man Mike Flynn. Mr. Flynn, one of the shrewdest public relations men in the business, told the writer almost a year ago, and repeated the prophecy thereafter (See Heintz Radio Business Letter, issues of September 20, 1940, March 18, and April 22, 1941) that the broadcasting industry would sooner or later be taxed "in the millions". It was the argument of the printers that radio with the spoken word was putting the printed word out of business and pointed to casualties among the newspapers as evidence. It was their contention that radio had thrown thousands of printers out of work.

To offset this, the Printing Trades advocated the present heavy tax and having a stronger organization than the broadcasters, and one which knew its way about on the Hill unquestionably brought the \$12,500,000 tax down upon the heads of the broadcasters. Whether or not it is too late for the broadcasters to do anything about it, their efforts during the forthcoming critical weeks will tell.

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Radio news services in Canada have been substantially expanded by entry into the field of Press News, Ltd., a major new project supplying bulletins for broadcast on a paid basis. The concern is already serving a number of radio stations in Ontario and Quebec with bulletins based on regular news reports of the Canadian Press, Associated Press and other allied agencies.

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PRINCETON DISCONTINUES LISTENING CENTER

With the Government now in the field, Princeton University Listening Center has discontinued its work. A pioneer undertaking to ascertain the character of foreign propaganda broadcast in this country, it is closing down with the following announcement:

"The Federal Communications Commission has established a number of Listening Posts throughout the country and will maintain a comprehensive coverage of short wave radio transmissions directed to the United States by other countries.

"Our recording and transcribing of broadcasts, therefore, are being discontinued and the publication of our reports will end with the issuance of Report No. 20.

"John B. Shitton, Director."

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TO SEE IF THEY ALL LOOK ALIKE

The naming of Mark Ethridge, General Manager of WHAS, Louisville, by President Roosevelt, Chairman of a committee to investigate complaints of discrimination against Negroes seeking work in the defense industries, has occasioned considerable comment in the radio world, especially since it so closely follows what friends of Ethridge declared to be the "double-crossing" of the Kentuckian when the President appointed him to investigate the radio situation which resulted in the Ethridge-Fly-NAB explosion at St. Louis recently.

Equally puzzling was the inclusion of David Sarnoff, President of the Radio Corporation of America, on the Negro discrimination committee. Just what qualifications for this particular task these two outstanding radio leaders had, Administration critics declared they failed to see.

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The Associated Press will soon have its own radio "listening post" to facilitate access to broadcast war communiques, it was announced this week in the AP house organ, Inter-Office. A site has been picked in Westchester County, about 20 miles from New York, whence the AP's reception station will feed its reports by land line to the cable desk.

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MORE TORRID NEWSPAPER SESSIONS AHEAD

With the heat in Washington sufficient to fry an egg on Pennsylvania Avenue, and the temperature of the newspaper publishers about the same, the Federal Communications Commission will resume its hearings tomorrow (Wednesday) on the question of newspaper ownership of radio stations. Up to now anyone who has had the temerity to question the right of the Commission to pass upon whether or not a newspaper is qualified to operate a broadcasting station has gotten the axe. Chairman J. L. Fly seems to take such an assumption as a personal insult and has been acting accordingly. It has brought about a renewal of the charge of one prominent broadcaster that the Chairman is acting as "complaining witness, prosecutor, judge, jury and hangman, all in one".

This resulted in an editorial of warning in the Washington Post, owned by Eugene Meyer, an independent publisher. The Post does not own a broadcasting station, is not affiliated with any station, and has been generally friendly to Mr. Fly. The editorial follows:

"It is not surprising that the Federal Communications Commission's hearings on the question of newspaper ownership of radio stations took on a controversial tone at the very beginning. The issue which the Commission has set out to investigate is a vital question of public policy. Indeed, it is far too important an issue to be decided by the FCC, even though extensive hearings may be held.

"Chairman James L. Fly explained that, because of the large number of newspaper applications for frequency modulation stations, the FCC has launched a general inquiry instead of trying to decide each case separately. Apparently the Commission hopes to work out a general policy to guide its future action in granting F.M. licenses to newspapers. Such procedure is constructive when it relates to issues that may be properly decided by the FCC. In this instance, however, the Commission is dealing with a broad question of public policy which no small group of appointed officials can properly decide.

"The FCC has the duty of licensing broadcasters on the basis of the public service they are equipped to render. That is a complicated and delicate task, and the Commission must have some leeway in shaping regulations to accomplish it. But it does not appear that Congress intended to authorize discrimination by the FCC against the category of broadcasters. Thomas D. Thatcher, counsel for the Newspaper-Radio Committee, flatly asserts that the FCC has no power under the law to make such arbitrary distinctions between applications. Certainly it is reasonable to suppose that Congress would have given specific instructions as to the denial of licenses to newspapers or other institutions if any such policy had been contemplated.

"Regardless of what the findings of the FCC may be, therefore, it would be inadvisable for that agency to adopt a policy of discrimination against the press in granting frequency modulation licenses. The chief effect of such a course would be greatly to strengthen the demand for a general review of the Federal Communications Act by Congress."

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NEW RADIO ALERT TO REVOLUTIONIZE AIR RAID WARNINGS

The new RCA Radio Alert Receiver for air raid warnings demonstrated for the first time in New York City on Monday received the instant endorsement of Mayor LaGuardia, National Director of Civilian Defense, and at the same time aroused great interest in the Federal Communications Commission, the Army and Navy and other defense circles in Washington. The new set turns on automatically when it receives a special inaudible signal from a broadcasting station, rings a bell to summon listeners, and then shuts off when an all-clear signal is flashed.

Mayor LaGuardia became so enthusiastic over the device that in a two-way talk to England Monday night with Major F. W. Jackson of the London Fire Brigade and W. B. Breet, Chief of Operations Office of the London Civil Defense, he said he believed the new "Alert Receiver" might eventually replace all other air radio warnings. The Britishers showed the greatest interest in the new invention and asked many questions, one of them being whether or not the "Alert" transmissions might be used as directional beams by raiding planes.

David Sarnoff, President of the RCA, answered that they were giving much thought to this but didn't believe it would prove a handicap as the signals only had to be transmitted by one station. Finally the British asked if they could actually hear how the thing worked. "Say when", LaGuardia replied, "and I'll push the button." The British said "when" and they were instantly given a thrilling and noisy demonstration, first with the siren and "all the works", as Mayor LaGuardia put it, and later the milder signal just the bell.

There was a prior test Monday for the benefit of New York City listeners, participated in by Mr. LaGuardia and Mr. Sarnoff at LaGuardia Field. It is the plan to have the "Alert Radios" located throughout the country. "We will notify the entire population through this means", LaGuardia declared.

As explained by Mr. Sarnoff, the Alert Receiver, which he called the modern "Paul Revere" is a simple instrument, about the size of a portable radio set, and can be carried just as conveniently. So successful is its application that radio engineers believe the day will come when radio sets throughout the country

will be provided with the simple Alert attachment, to summon listeners when an important message, news item or television event is about to be broadcast. Present radios are not designed to hear the inaudible signal. In no way, however, does it interfere with the broadcast program on the air over the same station simultaneously.

Widespread application of the instrument is possible in the interest of Civilian Defense, since manufacturing rights have already been made available to all RCA licensees.

The Alert Receiver was developed by Arthur F. Van Dyck, Stuart W. Seeley and Harmon B. Deal, engineers of RCA Laboratories. They describe it as a small, three-tube receiver requiring negligible power for operation and, therefore, it can be operated twenty-four hours a day over a long period of time at low cost.

The receiver can be fixed-tuned to any one broadcasting station. It is then receptive to the inaudible signal from that transmitter. The RCA Alert has a loudspeaker of its own, which normally is silent until the special electric flash is received. When the signal arrives, it energizes an electric relay which clocks the loudspeaker into the circuit to reproduce the program from the broadcasting station. Simultaneously, the bell rings. If the Alert signal is flashed in the night, the bell, acting as an alarm clock, will awaken the listener. The bell, if desired, may be located away from the Alert Receiver so that the listener, although in another part of the house, will not miss the call.

At the transmitting station, the apparatus is even simpler than that at the receiver. It consists merely of a vacuum tube oscillator which generates the two sub-audible frequencies - one to turn on the Alert Receiver, while the other will turn it off. The signal generating unit is connected to the broadcast transmitter like a microphone. In fact, the control room operator plugs the oscillator device and electric button into the microphone circuit. When the button is pressed it releases the "On" sub-audible signal, which turns on all receivers equipped to be actuated by it.

Application of the Alert to Civilian Defense communication obviously is valuable, since it provides a local, regional or nation-wide instantaneous radio call system without expensive new equipment.

The Alert does not require even one additional frequency allocation for its full use. The instrument is so designed that it can be installed at a broadcasting station without disturbing a single wire used for normal broadcasting service.

In New York City there will be nearly 200,000 Air-raid and Fire Wardens and others trained for civilian defense. They will be directed by hundreds of zone and district chiefs. The problem is to reach them all simultaneously and instantaneously.

7/29/41

This, of course, would require considerable time by telephone, telegraph or by radio broadcasting since, up to now, there has been no way of suddenly calling all to listen. The Alert Receiver is designed to solve that problem.

In a similar way, should the President desire to deliver an unscheduled "fireside chat" to the Nation, he might summon a record-breaking audience by means of a signal flashed from the White House through broadcasting stations everywhere. As a result, the bells on Alert Radios throughout the country would ring.

Similarly, in television, the Alert can be made to notify set owners of an unscheduled event. Also, vast public service can be performed by the Alert Receiver in time of earthquakes, fires, floods and storms. In the police field, wide application of the Alert Radio idea is envisaged. In wartime, the Alert might be built, according to the engineers, to sound a series of one-ring to signify the approach of enemy bombers, while a series of two-rings would give the signal to evacuate schools. Three rings might be the warning for all in a certain area to seek air-raid shelters. It is even possible for the Alert signal to be keyed as three dots and a dash, forming the Morse code letter "V" for Victory.

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PHILIPS CO. STILL POWERFUL IN RADIO TRADE

The Philips company of Eindhoven, Holland, said to have been the largest radio exporting company in the world, has been able to maintain a considerable part of its world operations despite the Nazi occupation of The Netherlands, according to Chicago radio manufacturers.

"Before the Nazi invasion of the Low Countries, the Philips organization did an export business equal to 75 percent of the export volume of all American radio manufacturers", the Chicago Tribune states. "It dominated the European markets, with the exception of Great Britain, Germany, and Italy, and, according to radio men, was able to eliminate American competition in Europe through aggressive use of patent controls.

"When the Germans seized the Netherlands, Philips officials fled to England and later came to the United States. They formed the Philips Export corporation, with headquarters in New York City, and obtained the release of capital transferred to this country which had been frozen with other Dutch assets to prevent them from falling into Nazi hands.

"The new corporation entered into agreements with several American companies for the manufacture of parts and equipment to be shipped to the Philips' company's branch in Buenos Aires,

Argentina. The parts made in America, together with some made in Argentina, are being assembled in two factories in Buenos Aires owned by Philips for sale throughout Argentina and the other South American countries.

"American radio manufacturing companies are said to have long dominated the Latin American markets. Now, according to Chicago manufacturers, the Philips company is able to compete with American companies largely as a result of its being able to obtain parts and equipment in this country.

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Station W2XBB, Bamberger Broadcasting Service, of New York has been granted a modification of its construction permit as modified for a new television broadcast station, for extension of commencement and completion dates from January 22, 1941, and July 22, 1941, to August 22, 1941 and January 22, 1942, respectively.

Hygrade Sylvania Corporation - Six months to June 30:
 Net profit, \$530,693, equal, after preferred dividends, to \$2.19 a share on 207,184 common shares, against \$416,378, or \$1.68 a share last year; net sales, \$8,992,878, against \$6,313,756.

Six WOR engineers are now working all night shifts to install the new 10,000-watt Frequency Modulation transmitter which the station recently purchased for W71NY, its FM station.

The 10-kilowatt transmitter, which incorporates several innovations in FM design and engineering features, is being set up at 444 Madison Avenue, New York City.

Immediate creation of a Pan American Broadcasters' Union was suggested last week by John F. Royal, Vice-President of the National Broadcasting Company in Rio de Janeiro during his acceptance speech as an honorary member of the Brazilian Broadcasters' Association.

Mr. Royal envisages the creation of a Pan-American Broadcasters' Union modeled along the same lines as the International Broadcasters' Union, with headquarters in Geneva, Switzerland, which was successful until the outbreak of the present European conflict.

7/29/41

The Crosley Radio Corp. showed a net profit of \$798,634 for the first six months of 1941 after setting aside \$300,000 for Federal income taxes, R. C. Cosgrove, Vice President and General Manager, announced. The figure compares with a net profit of \$96,660 for the first six months of 1940, based on sales of \$8,596,613 after providing \$85,774 for Federal income taxes.

Profit for the first half of this year was based on sales of \$12,868,956, and the \$300,000 set aside for taxes allows for possible increased rates and changes in present laws.

The Zenith Radio Corp., Chicago, has applied for a construction permit for a new commercial television broadcast station (formerly W9XZV) to be operated on Channel #1, 50000-56000 kilocycles, A5 and special emission for frequency modulation, unlimited time.

A thirty day extension of the original thirty day program test period that started July 1st has been requested of the Federal Communications Commission by the Columbia Broadcasting System for its television station, WCBW.

Paul Forman Godley, Newark, N.J., a pioneer broadcaster, has applied for a construction permit for a new broadcast station to be operated on 1230 kc., 250 watts, unlimited time.

Audience mail received by the National Broadcasting Co., during the first six months of this year reached an all-time high. From January to June the total mail was - Sponsored 4,027,261; Sustaining - 835,420.

This compares with January through June, 1940 - Sponsored 2,094,136; Sustaining 837,872.

Station WLAP of Lexington, Ky., seeks to increase its power from 250 watts to 1 kilowatt, using directional antenna night, install new transmitter and directional antenna, and to change its frequency from 1450 to 610 kilocycles.

Judge A. L. Ashby, Vice President and General Counsel for the National Broadcasting Company, was appointed Chairman of the Committee on Communications of the New York County Lawyers Association. Among the others chosen by former Justice Robert McC. Marsh, President of the Association, to serve on Judge Ashby's Committee were: Manton Davis, of RCA, and Bethuel M. Webster, formerly of the Federal Radio Commission.

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RMA SECURES ALUMINUM FOR "ESSENTIAL" RADIO SERVICES

Special allocation of aluminum for radio, announced today (July 29) by Director Stettinius of OPM Priorities Division, results from months of effort by RMA, through its Priorities Committee of which Paul V. Galvin of Chicago is Chairman. It is based on recognition by OPM officials and also OPACS that the present radio service is "essential" for many important Government and public service functions.

The order is designed (1) to provide repair parts and also a limited amount of new radio sets to maintain existing radio use by the public; and (2) also for the industry and its employees on a reduced production basis until national defense work is more available.

The extent of the reduced production of new radio sets, as stated by OPM, cannot be approximated, but the tentative aluminum program for radio, reduced gradually, is generally expected to carry along the industry during the approaching season and until radio defense contracts are available more extensively.

The July aluminum allocations were divided as follows: 60,000 pounds of scrap for manufacturers of variable condensers; 40,000 pounds of new metal for electrolytic and fixed paper condensers, divided about equally; 10,000 pounds of scrap for PM speakers, and up to 150 pounds of new metal monthly for tube "getters", all comprising the radio components requiring aluminum.

The metal allocated will be distributed by OPM among the respective parts manufacturers on an equitable basis, according to the ratio of their 1940 sales and, through them, on the same basis, to set manufacturers, parts jobbers, dealers and service men. These customers of the parts manufacturers will secure their quotas through their regular parts resources, not OPM.

Priority for supply of maintenance and repair parts in the allocation for electrolytic capacitors and fixed paper condensers, the principal replacement parts using aluminum, was stipulated by OPM. These condensers will be supplied by the manufacturers in the amount needed on a general basis of 25 percent of 1940 condenser sales for such repair and maintenance purposes. The balance of aluminum allocated for electrolytic and fixed condensers may then be used for production of new sets and so distributed to the set manufacturers.

The special aluminum allocation provides for participation, on an equal basis, by non-members, as well as members of RMA. The July aluminum allocation will be gradually "tapered down" each month through December to about 50 percent of the July quotas, under the tentative OPM program for the industry, depending on aluminum defense demands.

Use of aluminum for many purposes - coil cans, chassis, etc. - was voluntarily discontinued by the industry several months ago, and there already has been wide resort to substitutes, such as scrap, instead of the scarce virgin metal, for variable condensers and PM speakers. Further substitution and also conservation of metal is now being actively pressed by the RMA Materiel Bureau so that, in every way possible, the industry will be using less and less critical national defense materials.

Following the RMA procedure in connection with aluminum, which was in direct charge of OPM Aluminum Administrator Frank B. Cliffe and his staff, conferences are proceeding with OPM and also OPACS on nickel needed by tube and also PM speaker manufacturers.

The RMA Priorities Committee, acting for the industry and headed by Chairman Galvin, comprises the following: Paul V. Galvin, of Chicago, Chairman; Fred D. Williams of Philadelphia, Vice Chairman; H. C. Bonfig, of Camden, N.J.; James E. Quan, of Chicago, Ill.; A. Bloom, of Elizabeth, N.J.; John R. Howland, of Chicago, Ill.; Ray F. Sparrow, of Indianapolis, Ind.

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RCA REPORTS ON DEFENSE MATERIAL SAVING

How industry and the Government can work together to save on materials needed for National Defense was shown when the RCA Manufacturing Company made known that, on one item alone, there has been more than 66,000 pounds of aluminum conserved by the substitution of steel in the manufacture of radio receiving set cases for the Army.

The suggestion that the use of steel be extended where aluminum previously had been used, was made some time ago by the Signal Corps Laboratory, at Fort Monmouth, N.J.

Immediately an elaborate series of tests were begun at RCA's Camden plant to determine: if steel were to become the temporary standard for use in Army radio cases; how it ought to be treated to insure the cases against all harmful influences to which aluminum presents a natural barrier.

After several months' work a sample case was produced, submitted and approved by Army officials.

In the treatment of steel used in the new receiving set cases, the base plate first is cleaned of all substances having a tendency to encourage rust. Later it is coated with enamel before the finishing touches are applied. The parts of the case are copper-plated before being assembled. After assembling they are copper-plated a second time to secure to the over-lapping parts protection from rust encouragements that may have developed as a result of welding or riveting. A zinc chromate is applied as a primer before the completed case receives its regulation Signal Corps finish.

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