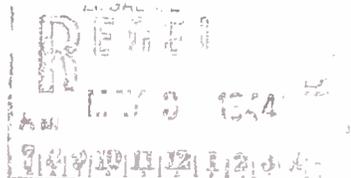


HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.

LA + 17c



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No. 1624

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May 2, 1944

CBS TELEVISION STAND STIRS UP A HORNET'S NEST

As had been expected, the announcement of the new Columbia Broadcasting System television policy at a specially staged "Television luncheon" in New York last week, stirred up somewhat of a hornet's nest in the industry. Paul W. Kesten, Executive Vice-President, had declared that CBS was willing, if necessary, to scrap its entire investment up-to-date in television in order to start all over again after the war and give the public the advantage of all the things that had happened during that time.

This got an immediate rise out of the Board of Directors of the Television Broadcasters' Association, who replied:

"The public statement on television, issued by the Columbia Broadcasting System, is contrary to the carefully considered recommendations of engineers of the industry comprising the television panel of the Radio Technical Planning Board.

"The CBS statement deals in the realm of speculation and is not based on experience or sound technical principles. It is a reflection upon the competency and integrity of television engineers who have carefully considered all these matters. It is our considered opinion that the present standards, based on sound engineering judgment, provide an excellent basis for commercial television in the post-war era.

"The present television receivers in the hands of the public, manufactured five years ago, do not take full advantage of the quality of the picture which the present standards provide. The public will be agreeably surprised at the picture quality which the post-war receivers will provide, based on present transmission standards.

"The present-day television system is capable of reproducing pictures of equivalent or better quality than 16-millimeter home movies. Television receivers will be available in the post-war period to fully utilize the potential quality of the present transmission system."

Members of the Television Broadcasters' Association include:

The National Broadcasting Company, General Electric Company, Philco Television and Radio Company, the Hughes Productions, television representative of Howard Hughes, Earle C. Anthony of Los Angeles, Television Products, Division of Paramount Pictures, the Don Lee System of the West Coast, and the Allen B. DuMont Laboratories of New York.

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The New York Times entered the controversy saying that the radio industry is not yet ready to adopt the proposal that has been made by CBS and until it is ready television should be widely introduced at the highest level possible. The Times editorial read, in part:

"With an eye on the post-war market the Columbia Broadcasting System advises the radio industry to abandon present television frequencies of 50-84 megacycles for wider bands above 200 megacycles. Translated into ordinary language, this means better television images than we have ever had. But has television engineering developed so far that such a revolutionary change is possible? The Columbia Broadcasting System apparently thinks it has, but radio engineers as a whole think otherwise.

"Broadcasting, whether of sound or light-images, has always been confronted with the problem of rapid technical change. The industry decided wisely, in view of the record, that as soon as transmitters and receivers had reached a point where they could satisfy a public demand, nothing was to be gained by waiting for something better which was not in sight. The television sets made according to present specifications should be good for at least five years unless the Federal Communications Commission reverses its policy of confining image-transmission to the existing channels. Moreover, there remains the fact, established by experiment, that though the detail and quality of television images could be improved at higher frequencies, there is a practical limit beyond which it is inadvisable to go for psychological reasons. In other words, as detail and quality are refined, a point is reached where the eye is unable to detect any further improvement.

"When the higher frequencies advocated by the Columbia Broadcasting System are used, more troubles than advantages are encountered. The waves resemble those of light more and more, so that we have reflections that create disturbing 'ghosts' on the screen. No doubt research will ultimately lay these ghosts. Why wait until the ghosts and other difficulties are laid if we have something that is acceptable? The phonograph industry did not wait for better methods of recording and reproducing sound when Edison's first crude cylinder records appeared."

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WPB URGES THAT ELECTRONIC PROGRAM BE KEPT AT PEAK

The importance of keeping the expanded military electronics program at its highest production level throughout 1944 was stressed yesterday (Monday) in a letter to all manufacturers of electronic equipment and component parts suppliers from L. R. Boulware, Operations Vice Chairman of the War Production Board, the text of which follows:

"As you perhaps know, the Army-Navy Electronics Production Agency is being dissolved and will not be active after May 15, 1944. The functions previously exercised by that Agency will in general be absorbed and carried on by the Army, the Navy and the War Production Board according to the normal sphere of action of each.

"These organizational changes do not in any way change the rules of General Limitation Order L-183-a nor do they weaken the force and importance of the Precedence List as the basic schedule for the military electronics program. We feel that this should be made clear so that there will be no misunderstanding, and no thought on the part of any of you that because ANEPA is being discontinued the Precedence List schedules and the requirements of Order L-183-a may be disregarded.

"You should observe particularly the requirement in Order L-183a that purchase orders must be identified with the Precedence List designations and schedules applicable to them. It is increasingly important that this identifying Precedence List information appear on purchase orders for purposes of expediting and scheduling. The provisions of paragraph (b) (4) of Order L-183-a must be observed.

"Expediting for Signal Corps procurements will be carried on through Production Field Offices established by the Signal Corps. Expediting for Navy equipment contracts will be handled by the Offices of Inspectors of Naval Material. It is expected that both the Army and the Navy will advise their prime contractors in more detail as to these new organizational arrangements.

"The Radio and Radar Division of War Production Board is substantially increasing the staff of Radio and Radar Specialists working in the field under the Regional Offices. Each of these field Specialists will have assigned responsibility for a specific component plant or plants. These field men of the War Production Board are thoroughly familiar with the radio and radar program. Many of the new men were formerly with ANEPA. They will assist the Services and the industry in every way possible in all expediting and scheduling problems. It is expected that they will be called upon freely when other means of expediting have failed. Problems of special priorities and expediting assistance requiring such actions as AAA's or directives, will be handled substantially as in the past - with the Army or Navy expeditor and the appropriate War Production Board field representative preparing the case for submission to the Radio and Radar Division through a joint Army-Navy Review Group.

"The importance of the military electronics program and the size of the job now with your industry cannot be over-emphasized. The primary purpose of this letter is to impress upon you that these organizational changes in no way indicate that production needs have leveled off in this area. This program demands still greater production than in the past, and there must be no slackening of your efforts

"We are confident that you will find the new expediting arrangements in this field in every way workable. Your own expediting efforts must be increased and at the same time you may expect and will receive assistance from the Service expeditors and the Radio and Radar Specialists who work with you. In turn we will expect your fullest cooperation with them."

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HOOSIER BOB PEARE NEW GE V-P IN CHARGE OF BROADCASTING

The fact that Robert S. Peare, Manager of Broadcasting and Publicity for the General Electric Company since 1940, and Chairman of the Company's General Advertising Committee, hails from Indiana and looks like Wendell Willkie, didn't prevent him from being elected a General Electric Vice-President last week.

In his new position, Mr. Peare will direct the company's advertising, broadcasting, and general publicity activities as a member of the president's staff.

A native of Bellmore, Indiana, Mr. Peare began his service with General Electric in its accounting department in August, 1922, following his graduation from the University of Michigan. In 1926 he was elected Secretary-Treasurer of the Maqua Company in Schenectady, and three years later became its General Manager. In 1934 he was elected President, a post he continues to hold, and in 1940 was named G-E Publicity Manager.

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SYLVANIA'S NET INCOME CLIMBS TO \$1,567,936

The volume of sales of Sylvania Electric Products, Inc., last year was the highest in the company's history, amounting to \$60,473,821, against \$32,338,870 in 1942, an increase of 87 per cent, according to the annual report to stockholders, released by Walter E. Poor, President.

Net income for 1943, after taxes and charges, was \$1,567,936, which was equal, after preferred dividends to \$1.79 each on 854,474 common shares outstanding. This compares with a net income of \$1,057,760, or \$1.76 each on 514,368 shares outstanding, in 1942. The 1943 net is after provision of \$3,133,000 for renegotiation of Government contracts, subject to final approval.

The trend of the company's business in 1943, according to the report, followed the same general pattern as in 1942, with 85 per cent of its products going directly or indirectly to the Government or to war industries, and 15 per cent going to civilian use.

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"Proposed Wheeler-White bill to amend radio law is bogged down, probably won't be heard of again in this Congress", says the Washington (D.C), News. "One reason: industry can't agree on what it wants.

"Long hearings were held after first bill was introduced; measure was to be brought back in revised form. But weeks have passed, and there's no sign that it 's coming."

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HARBORD REPORTS \$300,000,000 ORDERS; SARNOFF OVERSEAS

The Radio Corporation of America has developed for the armed forces more than 150 new electron tubes and approximately 300 types of apparatus not manufactured by any one before the war, Lieut. Gen. J. G. Harbord, Chairman of the Board of RCA, disclosed today (Tuesday) at the 25th annual meeting of RCA stockholders in New York. He reported that unfilled orders for RCA products form a backlog of approximately \$300,000,000.

General Harbord, speaking for the Directors in the absence of Col. David Sarnoff, President of RCA, who is overseas on active duty with the Army of the United States, announced a gain in volume of production of the Company in the first quarter of 1944, but revealed that net profit, after Federal Income taxes, was \$2,401,000 - a decrease of \$194,000, or 7.5 per cent, compared with the same period last year.

Consolidated gross income of RCA during the first quarter of 1944, was reported to be \$78,809,000 compared with \$67,284,000 in the first quarter of last year, an increase of \$11,525,000 or 17 per cent. Net profit before taxes amounted to \$10,413,000, 16.5 per cent above the same period in 1943.

General Harbord said Federal Income taxes amounting to \$8,012,000 are provided for in the first quarter of this year. This represents an increase in taxes of \$1,671,000 or 26.3 per cent over the first quarter in 1943.

Earnings per Common share of stock before estimated Federal Income taxes for the first quarter in 1944 were 69.3 cents, while earnings per Common share after the taxes were 11.6 cents a share. Estimated Federal Income taxes were 57.7 cents per share. A year ago the first quarter earnings per Common share before Federal Income taxes were 58.6 cents per share, the taxes 45.7 cents per share, and after taxes were 12.9 cents per share.

Recalling to stockholders that RCA's production of vital radio, sound, and electronic equipment for the armed forces and the United Nations in 1943 exceeded by more than 100 percent that of 1942, General Harbord declared:

"Victory, while surely ahead, is not yet in sight. We, too, must be untiring in our efforts to defeat the enemy. It is for us to do our utmost on the production line, on the invisible lines of communications and on the home front - to work as never before to support the valiant efforts of our fighting men."

General Harbord said that RCA's scientists and those of other laboratories are given primary credit for decisive victory over the U-boats, and expressed the belief that "this epic of the sea and the triumph of science will be one of the great stories" for future generations. He remarked that while it now is possible only to mention the "magic term radar", radio is achieving "almost unbelievable"

results in navigation and collision prevention and peacetime application of radar will contribute to the safety of all kinds of travel.

"In attaining our excellent record of wartime production and communication services", General Harbord asserted, "both management and workers have cooperated harmoniously and with constantly increasing efficiency. Labor-Management War Production Drive Committees, sponsored by the government, have been successful in operation."

The production achievements of RCA, it was pointed out, have been recognized by the Government in the award to RCA plants and Laboratories of six Army-Navy "E" flags, and eight stars, each representing an additional six months of continued excellence in accomplishment. These flags were on display at the meeting.

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ARMY TELEPRINTER CONSOLIDATION LIGHTENS RADIO BURDEN

Consolidation of teleprinter systems of all Army forces and technical services already has resulted in a saving of about \$1,500,000 a year, with completion of the integration plan still six months away.

Brigadier General Frank E. Stoner, Chief of the Army Communications Service of the Signal Corps, estimated that an additional \$3,000,000 will be saved annually in wire rentals and incidental expenses when the Army Command and Administrative Network is completed.

Economies in manpower, critical materials and both wire and radio circuits also have been achieved by the consolidation and by the introduction of semi-automatic equipment. Personnel requirements in the War Department Signal Center were reduced 44 per cent. In one major tributary station served by the Signal Center the personnel was reduced from 111 to 33 persons, with comparable savings at many other points.

The consolidation not only has effected the release of teletypewriters and telephone instruments, but the diversion of traffic within the continental United States from radio to the land line wire system also has released many frequencies for overseas transmission.

The network now consists of 16 major relay centers in the United States serving directly 349 installations throughout the country and connecting with nine major overseas theatres. So rapid is the process of consolidation that in the past two months one additional relay center and 61 installations have been connected in this country, and two additional overseas areas have been tapped. When completed, the project will consist of 28 relay centers in the United States, serving a total of 1,600 installations.

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PETRILLO AGAIN LOSES; WJJD-KSTP STRIKES ORDERED ENDED

No troops were called out though plenty were only a block away participating in the funeral of Secretary Knox, but the War Labor Board in Washington yesterday (Monday), ignoring the Petrillo contentions that a musicians' strike against a broadcasting station had nothing to do with the war, ordered James C. Petrillo, President of the Musicians Union to end the strikes at WJJD in Chicago and KSTP in Minneapolis-St. Paul.

The War Labor Board unanimously ordered the Chicago and Minneapolis-St. Paul locals to direct their members to return to work immediately. Each case was referred to respective regional War Labor Boards in Chicago and Minneapolis-St. Paul for disposal.

Instructions in the Chicago case were that the date of the retroactivity of any wage adjustment ordered by the Board be the date of the expiration of the old contract, such retroactivity to be calculated by whatever method the regional board determined.

The instructions to Minneapolis-St. Paul were the same except in regard to restoring conditions of employment before stoppage and conditions as to broadcasting remote control programs before final disposition of the dispute.

Although Mr. Petrillo was directed to appear at the Washington hearing by the War Labor Board, along with the officials of the local unions involved, he was conspicuous by his absence. When this writer inquired at the WLB last Friday if the AFM president had acknowledged the summons, it was said that he had not. Asked if that wasn't unusual, the reply was: "No when we summon anybody we take it for granted he will be there."

If that is true, there must have been some disappointment because "Little Caesar" didn't show up. When this was reported at the press table, one of the newspaper correspondents exclaimed, "Call the soldiers!"

Joseph A. Padway, high powered general counsel of the American Federation of Labor, who is also the Musicians' Union attorney, appeared in Mr. Petrillo's behalf and assured the Board that by Mr. Petrillo's absence, no effort was made to "flout" its authority since Mr. Petrillo's assistant was present with full power to act.

In both disputes, Mr. Petrillo asked the stations to employ more musicians full time - in Chicago he asked that the number of full-time musicians be increased from 10 to 20, unless the station agreed to grant other requested concessions; in Minneapolis, he asked that the station agree to employ at least eight musicians for 22 hours a week at \$52.50 a week each. Spokesmen for the Minneapolis station explained that they now employed 19 musicians an average of six or seven hours a week and paid them \$32.50 each, the minimum for a 13-hour week.

5/2/44

Mr. Padway acknowledged that the Chicago stoppage was "a good old-fashioned strike", but denied that the union was on strike in Minneapolis since the union was working for the same radio station at its St. Paul studios, although it was unwilling to work in the other twin city.

Mr. Padway appeared to be trying to walk in two directions at once when his suggestion that the musicians' union was not bound by the no-strike pledge was attacked by one of the Board's labor members and by a representative of the Chicago radio station.

Arthur F. Harre, Sales Manager of the Chicago station, read the Board a telegram Ralph Atlass, President of WJJD, had received from President William Green of the AFL, advising him that he regarded the Chicago strike as a violation of the Federation's no-strike pledge.

Van A. Bittner, labor member of WLP representing the CIO, chided Mr. Padway for his stand on the no-strike pledge. Mr. Padway then acknowledged that he would have taken a different stand "as an individual". In view of Mr. Green's stand, it was also apparent that Mr. Padway would have taken a different stand as General Counsel of the AFL.

The union objected to WJJD "piping" its programs to another station owned by Mr. Atlass, WIND, in Gary, Ind. Neither Mr. Atlass or Stanley Hubbard, head of KSTP, were present at the Capital hearing, evidently preferring, like Petrillo, to keep their powder dry for the big regional hearings.

An idea of the attention the cases are attracting in the East is that despite the fact that Petrillo himself was absent, the story of Monday's hearing was carried on the front page of the New York Times, which a few days before had had an editorial on it, and on the front page of all the Washington morning papers today (Tuesday) right along with the big Montgomery Ward stories.

Furthermore, the Washington Evening Star last Saturday (April 29) had a front page cartoon by Berryman, creator of the "Teddy Bear" and 1944 Pulitzer Prize winner. It was a copy of the now famous photograph of President Avery being carried out of Montgomery Ward. Standing there seriously watching the ejection was John L. Lewis (drawn as a very big man) and Petrillo (drawn as a very little man). Lewis is saying: "There, but for the grace of the United Mineworkers of America, the CIO, and the American Federation of Labor, goes John L. Lewis."

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WPB CONCESSIONS TO ELECTRONIC EXPERIMENTERS

A person who gets materials with the priorities assistance given by Preference Rating Order P-43 may use the materials to make experimental electronic equipment for his own use, the War Production Board said last Friday. This ruling is contained in Interpretation 2 to Limitation Order L-265, governing electronic equipment.

The interpretation states that the restrictions of paragraph (b) (1) of Order L-265 on manufacture apply to persons only to the extent that they are "engaged in the manufacture of electronic equipment for transfer or commercial use".

A person who gets materials with the priorities assistance given by Order P-43 may use the materials to make experimental electronic equipment for his own use without regard to the restrictions of paragraph (b) (1) of Order L-265, the interpretation says. If he makes experimental electronic equipment for transfer or for commercial use, he must do so within the limits of paragraphs (b)(1) of the order. In all cases where he gets and uses materials with the priorities assistance of Order P-43, he must comply with all the provisions of that preference rating order, the interpretation adds.

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DEEMS TAYLOR AGAIN NAMED PRESIDENT OF ASCAP

Deems Taylor, composer, conductor and music commentator, was reelected President of the American Society of Composers, Authors and Publishers last Thursday in New York.

Other officers elected by the ASCAP Board of Directors were: Gustave Schirmer and Oscar Hammerstein II, Vice-Presidents; George W. Meyer, Secretary; Max Dreyfus, Treasurer; J. J. Bregman, Assistant Secretary and Irving Caesar, Assistant Treasurer.

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Foreseeing FM and television dominating the cities, Drew Pearson writes:

"Of 109 applications for new broadcasting stations filed with the Federal Communications Commission this year, 66 were for frequency modulation stations, 25 for commercial television stations, and only 18 for new standard broadcasting stations. The industry has no doubt but that the broadcasting stations which most of us hear today will be a comparatively unimportant factor in postwar broadcasting. Their function will be mainly to service rural listeners, with the city dwellers tuning in frequency modulation and television broadcasts.

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D. OF C. GROUP REPORTED SEEKING TO BUY RADIO STATION

Senator D. Worth Clark (D), of Idaho, was one member of a firm applying to the Federal Communications Commission yesterday (Monday) for permission to assume control of Radio Station KJBS, San Francisco, from Joseph Brunton & Sons Co.

FCC officials reported the consideration involved was \$200,000 for the stock, plus \$50,000.

Commission records showed that those seeking to acquire control of KJBS and the amounts involved include:

Senator Clark, 10 percent, \$20,000, and the following from Washington (D.C.): Mrs. Betty Bingham, wife of Attorney Herbert Bingham, 20 percent, \$40,000; William B. Dolph, Manager, Station WOL, 15 percent, \$30,000; Mrs. Dolph, 10 percent, \$30,000; Mrs. Helen S. Mark, President, WOL, 5 percent, \$10,000, and Mrs. Alice H. Lewis, wife of Commentator Fulton H. Lewis, Jr., 5 percent, \$10,000.

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BOB HOPE LEADS 1943 PEABODY WINNERS

Bob Hope led the list of 1943 winners of the George Foster Peabody radio awards. Others were:

Outstanding reporting of the news - Edward R. Murrow, head of the Columbia Broadcasting System European news bureau.

Outstanding entertainment in drama - "Lux Radio Theatre", presented over the Columbia network by Cecil B. DeMille, and "An Open Letter to the American People", a single program about the Detroit race riots, broadcast last Summer by Columbia.

Outstanding entertainment in music - The Salt Lake Tabernacle Choir, broadcast from Station KSL over the CBS network.

Outstanding educational program - "America's Town Meeting of the Air", the forum presented by the Blue network.

Outstanding children's program - "Let's Prend", broadcast by Columbia.

For outstanding community service by a local station, the committee cited KYA, San Francisco, for its program "Calling Long-shoremen", and for service by a regional station, KNX, Columbia's Los Angeles outlet, for "These Are Americans", a series dealing with the American-Mexican race situation in that city.

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::: _____ :::
 ::: TRADE NOTES :::
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Conserving manpower and critical materials, WABC as of yesterday, May 1st, deleted the hours between 2:00 and 5:00 A.M., Mondays through Saturdays, from its 24-hour broadcasting schedule; and the hours from 2:00 to 8:00 AM Sundays.

The Associated Broadcasters, Inc., of San Francisco, Cal. have filed an application with the FCC for permission to erect a commercial television in San Francisco for assignment on Channel No. 6

A reduction in the cost of sending full rate press messages to Australia from New York and San Francisco was announced by Admiral Luke McNamee, President of Mackay Radio and Telegraph Co., who said:

"Effective May 1, the press rate to Australia has been reduced to nine (9) cents per word from New York, full rate, and to five (5) cents per word from San Francisco, full rate. The deferred rate from New York remains as before at seven and one-half (7½) cents per word."

Marking the first time the series of hour-long broadcasts of operettas and operas has left Chicago to originate a program, the Chicago Theater of the Air will be presented from the Municipal Auditorium of New Orleans on Saturday, May 6th. Because Victor Herbert's operetta "Naught Marietta" is set in the New Orleans of about 1750, it has been chosen by director Weber for presentation before the New Orleans public. Col. Robert R. McCormick, editor and publisher of the Chicago Tribune as usual will speak on the broadcast.

Harry Freeman Coulter, 57 years old, Controller of the Radio Marine Corporation of New York, subsidiary of the Radio Corporation of America, died Saturday at Orange Memorial Hospital, at Millburn, N. J. Mr. Coulter had been with the Radio Marine Corporation for twenty years.

A series of weekly quarter-hour talks on British television is being broadcast Saturdays at 5:30 P.M. (EWT) by BBC on its short-wave stations GVX, GSC and GRX. The programs may be heard at 11:53mc, 9:58 mc and 9:69 mc.

Two million match booklets, telling the story of KRNT's complete local news service, have just been released in the Des Moines and Middle Iowa territory served by the Cowles CBS station. Matches tie-in with other current news promotion on billboards, air-spots, and movie trailers.

More than 1000 editors and reporters of High School publications in New York City's five boroughs were the guests of NBC Press Department last Saturday to see an actual demonstration of news pickups by short-wave from key cities in war zones, and to view a film on Television produced for the Radio Corporation of America. The meeting was arranged by John McKay, Manager of the NBC Press Dept.

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No. 1625

May 5, 1944.

FLY BUTTS INTO TELEVISION ROW; REBUKES COMMISSIONER JETT

The boys are still fighting all over the lot about the Columbia Broadcasting System's declaration of its television policy. James L. Fly, Chairman of the Federal Communications Commission, defending CBS, attempted to belittle an editorial which appeared in the New York Times last Monday (see Page 2 in our May 2 issue). Furthermore, Mr. Fly took a crack at his new fellow-Commissioner E. K. Jett because of the latter's conflicting views on television.

Immediately following that, Paul W. Kesten, CBS Executive Vice-President, also taking issue with the Times editorial, wrote a column-length letter to the editor and the next day (Thursday), the Times banged back with another editorial. Shortly thereafter, Mr. Fly again went to the bat for CBS and announced that in the near future he would make a comprehensive statement of his individual views on the future of television standards.

Chairman Fly was quoted by Jack Gould in the New York Times as saying that he was "flabbergasted" by the Monday Times editorial.

"Mr. Fly declared that it was 'silly' for the editorial writer to invade a highly technical engineering field and 'go chasing ghosts' when the advantages of different frequency bands had not yet been thoroughly explored", Mr. Gould wrote.

"In noting that The Times editorial has 'helped perhaps to muddy the waters' regarding an understanding of the television controversy, Mr. Fly said that the same might also be said of E. K. Jett, newest member of the FCC and its former Chief Engineer. Mr. Jett had suggested that immediately after the war there might be two television systems - one under present standards and one under what he called 'vastly improved standards'."

Mr. Kesten's letter to the Editor of the Times read, in part:

"You were quite right in saying that 'translated into ordinary language' Columbia's proposal 'means better television images than we have ever had.' But from there on, please note these errors and the facts which correct them:

"Error - 'Radio engineers as a whole think otherwise' than CBS.

"Fact - More than 1,000 engineers are now working on advanced developments in wartime electronics. Most of these engineers have not expressed their opinions - are not, in fact, free to do so.

"Error - Your editorial compares new and higher standards for television broadcasting to the gradual improvement in sound recording, and states: 'The phonograph industry did not wait for better methods of recording and reproducing sound when Edison's first crude cylinder records appeared.'

"Fact - This parallel is no parallel. When music moved from the cylinder to the disk you could still play the cylinders on the old machine * * * But, if television standards are lifted to new frequencies in order to produce far finer pictures, no set made for the old standards will receive them.

"Error - Your editorial speaks of the Radio Technical Planning Board, composed of industry and Government members, as though it had repudiated the CBS television proposal.

"Fact - The board has not reported. As your April 30 issue pointed out, any recommendation of the television panel will be subject to approval by other panels and by the Board itself.

"Error - Your editorial implies that Columbia urges the abandoning of set manufacture and set sales while the new standards are tested.

"Fact - Far from this, CBS urges that broadcasting (which sells sets) continue on the old standards until the new standards are tested and proved.

"Error - 'When the higher frequencies are used, more troubles than advantages are encountered.'

"Fact - This is an extraordinary judgment - expressed without qualification. CBS is not so bold. The essence of our position is not to prejudge but to find out - as quickly as it can humanly be done. We say a year of concentrated work by radio engineers will prove or disprove the soundness of the new standards."

Enough progress has been made in electronics during the war to make the "good enough" pictures of prewar vintage seem not good enough at all in terms of postwar possibilities", CBS asserted, according to an FCC statement. "If new television standards are inevitable (CBS believes they are) then the quicker they come, the better for the manufacturer", CBS declared.

Chairman Fly said Wednesday: "It has been my view that the highest developments which our television technicians are capable of producing should be made available to the public as soon as may be feasible, consistent with the over-all economic picture.

"At the same time it would be foolhardy to lock down future television service to the pre-war levels. Wartime research has been very productive.

"The public interest is paramount. American families should be given the benefit of the many technological improvements created in the laboratories in the stress of war. There should be

no bottling up of such improvements by artificial restrictions for the sake of temporary profits. And there should be no locking of doors against current research and development. Time should be taken now in doing this job rather than in debating what the engineering standards would be if the Commission were to fix them today.

"The Commission is concerned with the orderly introduction of any new standards which may be deemed desirable. This it will do in ample time to clear the way for production when production is possible."

"I assume that the FCC will not take any official action changing television standards until the Radio Technical Planning Board completes its present researches and submits its recommendations. Engineers of the Commission have been working closely with the Board and with other interested agencies.

"I have every reason to believe that the broadcasting industry, the manufacturers and the public will maintain an attitude of cooperation, patience and understanding while these problems are being thrashed out.

"It should be remembered that public discussion of television developments in war laboratories is handicapped by the lack of specific information which is, of course, a closely-guarded military secret."

Strongly backing Commissioner Jett, who was formerly Chief Engineer of the FCC and heretofore highly praised by Mr. Fly for his technical knowledge, the most recent New York Times editorial said:

"The proposal of the Columbia Broadcasting System to clamp down in effect on the production of television sets after the war until the higher-frequency channels are explored, and means for making the most of them have been invented, has stirred up a controversy that ought to be settled now because of the economic and technical issues raised. James L. Fly, Chairman of the Federal Communications Commission, approves the proposal and rebukes his colleague, E. K. Jett, for advocating the orderly introduction of new sets and the Television Broadcasters' Association for wanting to 'freeze' television.

"Actually it seems to us that the Columbia System and Mr. Fly are the advocates of freezing. The television industry has never suggested anything but the production of acceptable television apparatus and has never opposed progress. Neither has this newspaper. The issue is simple. Is it better to wait possibly five and even ten years after the war for the finer images that some day will be transmitted and received in the higher-frequency channels or to produce in accordance with existing standards sets which will show some improvement over those now in use?

"What television needs is precisely the kind of orderly progress that Mr. Jett has suggested. In other words, it should

produce sets as at present, carry out its research program, and introduce new sets as rapidly as they receive approval. There will of necessity be a transition period in which dual standards will be in effect, with a single standard prevailing in the end. Radio is already faced with a similar problem in amplitude and frequency modulation, two principles that have given us broadcasting stations and receiving sets which are not interchangeable and which call for a decision on the part of the purchasing public. Strangely enough, no one has taken the trouble to sound that public on the question of waiting for better television or taking something which will be good for at least five years."

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FCC, NEEDLED BY SENATOR WHEELER, GETS BUSY ON TRAIN RADIO

The Federal Communications Commission has ordered an investigation and public hearings to inquire into the feasibility of using radio as a safety measure and for other purposes in railroad operations. The Commission invited the Interstate Commerce Commission to cooperate in the investigation and suggested a committee of ICC Commissioners be named with a committee of FCC Commissioners to preside over the hearings. Date for the hearings has not yet been set.

This investigation is the outgrowth of widespread interest in radio for railroads as the result of recent accidents, notably the wreck of the Congressional Limited last September and of the Tamiami Champion in December.

Senator Burton K. Wheeler, Chairman of the Senate Committee on Interstate Commerce, suggested in a letter February 19, 1944, to Chairman James Lawrence Fly that the FCC in cooperation with the Bureau of Safety of the ICC investigate the feasibility of using radio in railroads. Mr. Fly's reply, dated March 9, 1944, outlined certain possibilities warranting investigation - a radio-operated "block system" for certain railroad lines; the use of radio in "flagging" operations; and end-to-end radio for communication between engines and rear-end cars.

Senator Harley M. Kilgore, Chairman of the Senate Subcommittee on War Mobilization, has also expressed interest in and heard testimony on the subject during recent months.

So far as is known, there is no radio system in regular use on any commercial railway line in the United States. Since March 21, 1944, the Commission has received applications for 22 experimental radio stations for use in railroad operations. The applications involve five large railway systems and three prominent radio manufacturing corporations. They are: Baltimore & Ohio and Atlantic Coast Line; Chicago, Burlington & Quincy Railroad Co.; Atchison, Topeka & Santa Fe Railroad Co.; Chicago, Rock Island and Pacific Railway Co.; the Reading Co.; Bendix Radio Division of the

Bendix Aviation Corp.; Westinghouse Radio Stations, Inc.; and the Jefferson-Travis Radio Manufacturing Corporation. Experimentation has also begun on the Denver & Rio-Grande Western and perhaps other railroads.

The Commission has authorized construction permits for nine experimental radio stations to be used on the B & O Railroad between Baltimore and Pittsburgh and on the Burlington Railroad between Chicago, Denver and into Montana.

The applications now pending before the FCC cover two-way radio communications between the dispatcher and trains in motion, between trains, and between the head-end and rear-end of each train. Also contemplated is the use of "walkie-talkies" for flagmen and brakemen.

All of the above types of service involve two-way radio communications as distinguished from carrier-current systems which use low frequencies conducted through the rails or other metallic circuits adjacent to the right-of-way. Many tests using the latter method of communication, including those recently made by the Pennsylvania Railroad in New Jersey, have been sometimes erroneously reported as "radio" experiments.

Both the Radio Act of 1927 and the Communications Act of 1934 contemplated a development of railroad radio. The Communications Act specifically authorizes the FCC in its discretion to exclude from requirements of its regulations in whole or part any radio station upon railroad rolling stock.

The FCC points out that in planning now for the allocation of radio frequencies in the post-war period it must be informed as to the feasibility and desirability of using radio frequencies in railroad operations and to the probable future needs of the service. The greatly-expanded aviation industry and other services will be competing for frequencies in the post-war era.

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NEW 50 KW TRANSMITTER TO EUROPE AND LATIN-AMERICA

WCBN, ultra-modern 50-kilowatt short wave transmitter on the East Coast went into operation on May 1st. The new transmitter, operated by the Columbia Broadcasting System for the Office of War Information and the Coordinator of Inter-American Affairs, will provide greatly increased strength and coverage for programs beamed toward Europe and Latin America.

Operating on a 20-hour daily schedule, CBS programs aimed at enemy-occupied territories and liberated areas will be broadcast in English, French, German, Italian, Serbo-Croatian, Polish, Czech and Dutch. For Latin America, WCBN will carry programs in Spanish, beamed for a thorough coverage of Mexico and Central American Republics.

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TIGHTENING UP ON NON-MILITARY CRITICAL RADIO PARTS USE

Because it has been brought to the attention of the Radio and Radar Division of the War Production Board that critical electronic component items have, in some instances, found their way into non-military channels without WPB authorization, the division has sent a letter to all electronic prime contractors and test equipment manufacturers outlining restrictions covering the sale of electronic components.

Signed by John S. Timmons, Deputy Director of the Radio and Radar Division, the letter follows:

"It has been brought to the attention of this division that critical component items restricted under Priorities Regulation No. 13 have in some instances found their way into non-military channels without the authorization of the Radio and Radar Division. It is imperative that all idle and excess List B items be guarded and conserved with extreme vigilance in order to meet the heavy end-equipment war production requirements that lie ahead. To insure the proper flow of components, it is requested that all persons in your organization who are concerned with the handling of sales of idle and excess or surplus stocks be apprised of the information set forth below:

"The following electronic equipment and parts appear on List B of Priorities Regulation 13, with the restriction that they cannot be sold to jobbers or distributors by persons not ordinarily engaged in the business of selling them, without special written permission of the WPB:

"Electronic equipment; capacitors (variable); capacitors (fixed); insulators (ceramic, mica, plastic); loudspeakers; microphones; relays, other than motor control as used in radio communication equipment; coaxial cable; crystal assemblies; instruments, electrical indicating, combat type (except fire control equipment and navigation instruments); resistors (radio and radar); sockets, tube (radio and radar); test equipment (new and used). (All items cleared as recognized B-1 items, (standard) electronic, transformers and reactors (radio and radar including coils and chokes other than R. F. and I. F.); tubes (radio and radar); vibrator (A device containing a mechanically oscillating element which interrupts direct electrical current in Electronic Equipment).

"Numerous instances of disregard of this restriction have appeared. It should be brought to the attention of all equipment manufacturers and all wholesalers, jobbers and distributors of electronic parts. If any parts lists are offered to any of the distributing trade it should be clearly stated that no transfer can be completed without special approval by the War Production Board.

"This restriction applies to excess and idle stocks held by the Army or Navy, as well as to such stocks held by private interests not ordinarily in the business of selling the items in question.

It applies particularly to stocks in the hands of manufacturers following contract cancellations or terminations.

"Permission to make special sales of excess or idle stocks of these products to jobbers, wholesalers or distributors may be requested on Form WPB 1161. Copies of this form can be obtained from any district or regional office of the War Production Board. When filled out it should be filed with the nearest district or regional office. The application will then be investigated and considered by Radio and Radar specialists in the region, and it will be sent with the regional office recommendation to the War Production Board (Attention: Radio and Radar Division) in Washington for grant or denial. The application cannot be approved or denied in the regional office. It must come to Washington for final action where it involves these List B items. The purpose of this close and double review is to insure so far as possible that there is no need for the products involved to sustain military production lines. Only if no such need appears will they be released to distribution channels.

"The fact that a distributor-buyer represents that he intends to resell the items involved to a manufacturer engaged in war production does not in any way relieve the distributor-buyer and his seller of the necessity of having their transaction receive this special approval by the War Production Board. Such an intention will, however, be accorded consideration in passing on the application for approval."

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FURTHER U.S. PRESS RATE CUT TO AUSTRALIA HOPED FOR

Commenting on the reductions in American press rates, effective May 1, between the United States and Australia over the R.C.A. Communications, Inc., and the Mackay Radio & Telegraph Co. radiotelegraph circuits, Chairman James L. Fly said:

"I am gratified at the success of this country's negotiations with the Amalgamated Wireless Co., Ltd. of Australia and the concurrence of the British Cable & Wireless, which makes possible a reduction in the press rate between New York and Australia from 14½¢ a word to 9 cents and between San Francisco and Australia from 12 to 5 cents a word.

"I want to emphasize that the new press rates approach but do not yet meet the British Empire rate for press service between Australia and Canada of one pence - or approximately 1-1/3 cents at the present rate of exchange. While American carriers can reduce their rates to and from Australia only to the extent British interests permit, it is my hope further reductions in press rates will be forthcoming.

"The high press rate, heretofore in effect between Australia and the United States, was a formidable barrier to the full news coverage of events in the Pacific Theatre of War and to adequate

coverage of American news of interest to our soldiers stationed in Australia and to the Australians themselves.

"In recognition of this, the Australian government as an emergency measure offered to subsidize press messages of accredited American newspapermen sent from Australia to the United States to an amount necessary to equalize the rates with those on press messages from Australia to Canada. It is my own feeling that while a government subsidy of news is tolerable as a temporary war expedient, a free press cannot countenance such a subsidy over the long run.

"The rate differentials on the Australian-United States circuits as opposed to the British Empire rates further emphasize the need for an international merger of American communications facilities."

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SYLVANIA SEEKS TO BUY COLONIAL RADIO CORP.

Negotiations were underway this week for purchase of the capital stock of Colonial Radio Corp. of Buffalo by Sylvania Electric Products, Inc., one of the nation's largest manufacturers of radio tubes.

The United Press reports that in a joint statement, A. H. Gardner, President of Colonial, and Walter E. Poor, President of Sylvania, said:

"When and if these negotiations are completed, Colonial as a wholly owned subsidiary of Sylvania Electric Products, Inc., will continue its operations in Buffalo substantially as heretofore with no executive or administrative personnel changes contemplated."

Since 1931, Colonial Radio has manufactured radio receivers principally for Sears Roebuck Co. and leading automobile manufacturers. It was expected the company would continue to operate in these markets.

Colonial's 1943 volume, made up entirely of radio equipment for the armed services, was \$56,000,000, compared with a 1942 volume of \$14,000,000.

Sylvania at the present time is manufacturing over 85 per cent direct and indirect war products. Its 1943 volume was over \$60,000,000 compared with a 1942 volume of \$32,000,000.

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Deems Taylor, composer, radio commentator and President of the American Society of Composers, Authors and Publishers (ASCAP) received an honorary degree of Doctor of Music at the 74th Annual Commencement of Syracuse University last Tuesday.

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NEWSPAPER AND RADIO CODE WINS PULITZER CITATION

Byron Price, Director of the Office of Censorship and executive news editor of the Associated Press on leave, received a special citation from the Pulitzer Foundation "for the creation and administration of the newspaper and radio code".

To this all radio, as well as newspaper, men will say "Amen" regretting only that the citation did not include J. Harold Ryan, former Assistant Director of Censorship, who was responsible for the creation and successful administration of the radio code. From the beginning Mr. Price and Mr. Ryan proved a successful team. Criticism has been heaped on the Office of War Information but very little complaint has been heard about Censorship. In fact, on at least one occasion the critics made it so hot for Elmer Davis that it was suggested that Byron Price, having done such a fine job on Censorship, take over the OWI.

There couldn't be higher praise than this and, of course, in connection with the newspaper and radio code, what is said for Mr. Price also goes for Mr. Ryan, who rightly should have been included in the Pulitzer citation.

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PRESS RATES FIRST IN INTERNATIONAL COMMUNICATIONS PROBE

Senator Wheeler (D), of Montana, Chairman of the Senate Interstate Commerce Committee Thursday gave the go-ahead signal to the international wire and radio communications study recently authorized by the Senate in Resolution #187 and appointed the following sub-committee to undertake it:

Minority Leader Wallace H. White, Jr. (R), of Maine, Senator Hill (D), of Alabama, Senator McFarland (D), of Arizona, and Senator Austin (R), of Vermont.

Senator Wheeler, who will act as Chairman of the subcommittee, said that the first thing to be taken up would be an investigation into the discrimination against American newspapers in international communications system rates.

The Senator said he was in complete accord with the recent statements of Kent Cooper, Executive Director of The Associated Press, that freedom of world communications would go a long way toward eliminating misunderstanding and perhaps help prevent wars.

"There is ample evidence, both before the war and during it and wholly apart from the controls of censorship, that vital information has been suppressed or 'buried' in foreign communication centers", he asserted, "and that our news men have been unable to get their stories to their papers in this country."

"I do not look with equanimity on the situation in which the American press has found itself, having to pay several times the rate per word for foreign correspondence charged to foreign press associations and newspapers. A temporary correction has been worked out recently in the case of press to and from Australia, but even here a difference still exists in favor of Empire press.

"Such a system does not lead to a free interchange of news and opinions.

"Another factor which interests the committee is the degree of foreign interest and ownership in some American communication companies and concurrent American company interest in foreign enterprises, most of which are owned or dominated by foreign countries unfriendly to this nation."

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MAIL CENSORSHIP PROBE APPROVED; AIMED AT PEARSON

Apparently aimed at Drew Pearson, Blue Network commentator, the Senate Post Offices Committee approved a resolution introduced by Senator Clyde M. Reed (R), of Kansas, calling for an inquiry into wartime censorship of letters.

The resolution was introduced after parts of letters written by Miss Vivien Kellems, Connecticut war manufacturer, to Count Frederick Karl von Zedlitz, Argentine agent of the Nazi steel trust, were revealed over the air by Mr. Pearson, and placed in the Congressional Record by Representative John M. Coffee (D), Washington.

Committee members would not disclose whether or not Coffee would be "invited" to testify if the investigation is authorized but it seemed generally understood that Pearson would be summoned.

First witness who will probably be heard will be Byron Price, Director of Censorship. The excerpts, Mr. Price told the Committee earlier, appeared to be taken from "intercepts" of the Kellems-Zedlitz correspondence and sent by censorship to official Government agencies.

Both Senators Reed and Kenneth McKellar (D), of Tennessee, who probably will be Chairman of the Investigating Subcommittee, have absolved the Censorship Office of blame for the leak.

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Charles P. Manship, Sr., Louisiana newspaper publisher, and owner of the Baton Rouge Broadcasting Company, which operates Stations WJBO and WBRL, has been appointed London Director of the Office of Censorship.

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::: _____ :::
 ::: TRADE NOTES :::
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Harry Sadenwater, one of the pioneers in radio has been appointed Broadcast Equipment Sales Manager for RCA in the Eastern region. He will headquarter at the RCA sales offices at 411 Fifth Avenue, New York City and will be responsible for the sale of broadcast transmitters and associated equipment to eastern radio stations. Prior to his present appointment, he was Manager of Services for RCA Laboratories at Princeton, N. J.

Effective May 1, KSUN, Bisbee (Lowell) Arizona, becomes an affiliated station of the Columbia Broadcasting System, joining the network as a part of the KOY, Phoenix and KTUC, Tucson, Arizona group.

Edgar Kobak, Executive Vice-President of the Blue, has been elected to the Board of Trustees of the United Seaman's Service, Inc., for the term expiring 1947.

CBS Wednesday declared a cash dividend of 40¢ per share on the present Class A and Class B stock of \$2.50 par value.

James Cassidy, who has been Director of Special Events for WLW since May, 1941, has also been named Director of International Broadcasts for the Nation's station, it was announced this week by Roger Baker, Director of Public Relations.

Station KGHF, Curtis P. Ritchie, Pueblo, Colo., has been granted petition by the FCC to reinstate and granted application for construction permit to increase day power from 500 watts to 1 kilowatt, and make changes in transmitter, subject to Commission's policy of January 26th.

James L. Fly, Chairman of the Federal Communications Commission, and Dr. Alfred N. Goldsmith have been invited to address the opening of the Television Seminar by the Radio Executives Club on May 18th.

Fourteen new members have been approved by FM Broadcasters, Inc. Membership in the Association now totals 123. The latest are: Indianapolis Broadcasting Co., Indianapolis; Great Trails Broadcasting Co., Dayton, Ohio; KLZ Broadcasting Co., Denver, Colo.; Pennsylvania Broadcasting Co., Philadelphia, Pa.; Transcript Publishing Co., North Adams, Mass.; WGAR Broadcasting Co., Cleveland, O.; WKY Radio-telephone Co., Oklahoma City, Okla.; Sun Company of San Bernardino, Cal.; South Bend Tribune, South Bend, Ind.; Louis Wasmer, Inc., Spokane, Wash.; WEBR, Inc., Buffalo, N.Y.; Chicago Board of Education, FM Development Foundation, Washington, and Rock Island Broadcasting Co., Rock Island, Ill.

The Blue Network Co., Chicago, Ill. has asked the FCC for a construction permit for a new High Frequency (FM) Broadcast station to be operated on 48,700 kilocycles with 11,000 sq. mi. coverage

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HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.

RECEIVED
MAY 11 1944
FRANK E. MULLEN

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GAREY SAYS "RADIO HAS POWERFUL VOICE BUT WEAK HEART"

Summing up what virtually amounts to his report on the Federal Communications Commission investigation, Eugene L. Garey, former counsel for the House Committee declared:

"The result of this Commission's nefarious activities is that radio has a weak heart, for all its powerful voice in America. It has no independence, no freedom, and lives in constant fear for its life. It does a thousand deaths every presidential campaign in expectation of the revenge of some politician or some political group.

"Because of radio's fear for its life, the politicians kick it around in a fashion beyond belief. FCC not only keeps radio terrified but punishes it for not being sufficiently terrified of other bureaucrats.

"Chairman Fly will tolerate no public investigation of his stewardship. He resents the very idea of any accountability to Congress, whose creature he is; he will permit no criticism of his conduct and administration; no inquiry to ascertain whether the law under which he is acting should be amended in the public interest. He asserts immunity from all the legitimate processes of Government."

Mr. Garey made this declaration to the Economic Council in New York recently. The full text of his address has only now become available through having been inserted in the Congressional Record (May 5th) by Representative E. E. Cox (D), former Chairman of the FCC Investigating Committee.

"In my investigation of the Commission", Mr. Garey continued, "I found that, under the domination of Fly, whom a Washington writer has termed 'a dangerous guy':

"1. From the legitimate allocation and policing of wave-lengths, FCC has become the sponsor of novel and illegal theories of governmental control and regulation and has illegally assumed enforcement of the Sherman anti-trust law in respect of alleged monopolistic practices in the communications industry subject to its jurisdiction, as witness the Commission's chain broadcasting policies and its handling of R.C.A. and Postal Telegraph matters.

"These FCC policies, and others of like nature relating to other criminal statutes with the enforcement of which Mr. Fly had nothing to do, were not lawfully enforced through the courts - no charges were formulated or tried, but they were enforced without hearing by devious illegal means such as unlawful threats of refusal to

issue licenses, and by compelling station operators to submit their proposed contracts for broadcasts to the Commission for prior approval.

"2. The Commission was arbitrary and dictatorial in the enforcement of its illegal policy of prohibiting newspaper ownership of radio stations, a policy which it has now, after 2 years of enforcement, apparently abandoned. This policy was pursued notwithstanding that the Supreme Court had held that 'Congress did not authorize the Commission to choose among applicants upon the basis of their political, economic or social views, or upon any other capricious basis.'

"3. Himmler could well envy the Gestapo which Fly created under the respectable name of the War Problems Division, which the House Appropriations Committee asked him to discontinue because it served no proper useful purpose. No lawful authority whatsoever existed for the creation or activities of this unit - not even that modern day misfit called the Presidential Directive. Fired by nothing but zeal, this outfit proceeded for over a year to make a shambles of constitutional rights and privileges, and without warrant in law and without a hearing, threw people off the air against whom not even the faintest justification for such action can even now be advanced."

"Among the many other unlawful activities of the Commission I found:

"(a) That, again without legal authority and against the express wishes of the Army and Navy, FCC was operating monitoring stations manned by men sorely needed in the military services and using equipment vitally needed by the armed services. Its action was confusing and impeding the war effort.

In a joint letter to the President, dated February 8, 1943, Secretaries Stimson and Knox stated that 5 months earlier the Secretary of the Navy had requested the Joint Chiefs of Staff to study the radio intelligence situation. As the result of this 'thorough and comprehensive study', the letter recommended that 'participation by the Federal Communications Commission in radio intelligence should be discontinued.'"

"The normal run of patriotic Americans might consider this sufficient reason to surrender their judgment to that of the Secretaries of War and Navy and the Joint Chiefs of Staff. Mr. Fly, however, launched a stubborn counter-attack during the next 7 months - and won. On September 7, 1943, the President wrote a letter permitting FCC to retain its radio intelligence activities and suggested that disputes between the Army and Navy and FCC in the future shall be submitted for adjustment to the Board of War Communications of which Mr. Fly is self-constituted chairman.

"In other words, the President said: Whenever you can't get along with Fly as chairman of the FCC talk to him as chairman of the Board of War Communications.

"The Congress, however, decided otherwise, and, within the last month, on the record of the House Select Committee, cut approximately \$2,200,000 out of the FCC appropriation. The taxpayers and the war effort thus have both profited as a result.

"(b) The FCC had required all radio operators and communications company employees to file their fingerprints with the Commission. In September of 1941, J. Edgar Hoover, FBI chief, requested that these prints be turned over to the custody of the Bureau for checking and processing, as this agency had been designated by the President as the clearing house for all 'investigative information pertaining to the national defense'. For months repeated requests from Mr. Hoover and Francis Biddle, Attorney General of the United States, failed to induce Mr. Fly to surrender the fingerprints.* * *

"Some 7 months after Pearl Harbor during which period the Nation's very life was in danger, Fly, even then under protest, began to transfer these records to the FBI and it took nearly a year thereafter before they were all finally delivered. Three or four thousand of the persons whose prints were delivered had criminal records. Some 50,000 of the 250,000 prints, incidentally, were returned to FCC as having been taken so improperly that they were useless.

"(c) That there was an unlawful conspiracy between FCC and the Office of War Information, OWI, to compel radio stations to use OWI canned material or else. * * * FCC unlawfully placed stations questioning this policy on 30-day licenses until they 'saw the light', although the Communications Act contains no provision whatsoever for such a period of license in such circumstances."

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CONGRESS TO CONSIDER BILL TO ABOLISH DAYLIGHT WAR TIME

Responding to an urgent demand from Representative Clarence E. Cannon (D), of Missouri, the House Interstate and Foreign Commerce Committee has granted a hearing Thursday, May 11th, on Mr. Cannon's bill to abolish daylight war time.

Representative Cannon has been hammering away on this for a long time. He declared last week that he had been receiving hundreds of letters of protest from farmers and others and to prove it had about 200 of them printed in the Congressional Record (May 2) covering almost 8 pages.

It is expected that the National Association of Broadcasters will be represented at the hearing. The broadcasting industry has expressed itself on previous occasions as being opposed to the twice-a-year time shifts. As for daylight war time itself, it is believed that most station operators outside of some of the larger cities are well satisfied with it. It has eliminated the twice-a-year shift in programs in areas which remained on standard time, caused by New York, Chicago, and a few other cities, going on daylight saving time. The

twice-a-year shifts cost station operators considerable money as well as caused a change of listening habits in their communities.

Senator Capper (R), of Kansas, has also been active in urging that standard time be restored. Introducing a resolution to that effect from several Kansas granges, Senator Capper said:

"The farmers of the country never have believed in the change to war time; it interferes seriously with many farming operations and with farm life and living. And for myself I fail to see the advantages that were claimed would result from this dislocation.

Not long ago the Iowa Poll indicated that the agricultural areas will never want to go on daylight time again even as a Summer proposition.

Representative Cannon introducing his resolution to abolish daylight wartime said that it has "Deprived millions of a needed hour of sleep on sultry nights; saved no electric power or light; wasted manpower and farm products; added confusion and distress to the already tense war situation and contributed directly to juvenile delinquency and assaults upon women on their way to employment in the premature darkness of the morning."

Chairman Boren (D), of Oklahoma, Chairman of the Subcommittee which will consider the Cannon resolution, said at least two Federal agencies are expected to demand retention of war time. The War Production Board and the Office of Defense Transportation have asked to testify, he said. Both agencies are sponsors of the "fast time" as a means of conserving critically-needed electric power.

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BALLANTINE "THROAT MICROPHONE" INVENTOR DEAD

Stuart Ballantine, 46 years old, inventor of the "throat microphone" for aviators, died at Morristown, N. Y. last Sunday after being ill only a short time.

Born in Germantown, Pa., Mr. Ballantine studied mathematical-physics at Drexel Institute and attended the Harvard Graduate School from 1920 to 1921. He began his professional career in 1913 as a radio operator with the Marconi Company. He organized the Ballantine Laboratories, Inc., in 1934.

From 1917 to 1920 he had been a radio aide in the Navy and had charge of the Radio Compass Laboratory at the Philadelphia Navy Yard, where the Navy coil-type compass was developed. During this period, he invented a device which eliminated the "antenna effect". From 1920 to 1922 Mr. Ballantine devised methods for neutralizing radio frequency amplifiers.

In 1923 he formulated the theory of vertical antenna operated above its fundamental frequency in which he showed that effect-power could be doubled by operating at about 2.5 times the fundamental frequency.

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COMMISSIONER DURR AND SEN. WHEELER WHACK COMMERCIALS

Commissioner C. J. Durr, of the Federal Communications Commission, and Senator Burton K. Wheeler paid their respects to commercial programs at the opening of the Columbus meeting of the Institute for Education by Radio.

"You need only turn on your radio to be aware of the trend toward the almost complete commercialization of radio programs", Commissioner Durr declared. "The gog sustaining programs are becoming fewer and fewer and during the evening hours, have just about disappeared from the air. It was one thing for broadcasters to be generous with their time when it couldn't be sold. It is now quite another matter when there is an advertiser ready to pay a good price for it. I do not say this in criticism of those who are running our broadcasting system. Except for the thirty-odd non-profit stations, broadcasters are in business to make money and they make money by selling time. It is unfair to a business man to expect his self-restraint to be stronger than his business motives. Moreover, the most effective salesmanship of time doesn't lie in offending the few who can afford to buy it."

Senator Wheeler was unable to be present but asserted in a prepared statement "the dollar has been the radio's master". He charged advertisers with dictating the content of their programs.

"I do not want radio broadcasting in the United States owned or operated by the Government", said Senator Wheeler. "But I shudder to think of what the present broadcasters might do with 99-year licenses in view of their operations for three-year periods."

He condemned broadcasting for selling news broadcasts and suggested the industry follow the example laid down by newspapers "presenting unhampered, factual news".

"About 600 of the 900 standard broadcast stations are affiliated with one or more of the four national networks. These affiliated stations together utilize about 95 per cent of the night-time broadcasting power of the entire country and over half of their total broadcasting time is devoted to national network programs. They receive about 40 per cent of their entire revenue from the national networks - and this means far more than 40 per cent of their profits, for the network programs are handed over ready-made and there is little offsetting expense. A network contract is the biggest economic asset a station can have. Many of them could not survive without network affiliation and few of them could prosper without it. If, therefore, 'He who controls the pocketbook controls the man', then four network corporations have a pretty effective control over our broadcasting system.

"But what about the networks themselves? An analysis of the situation shows that they, too, are subject to 'pocketbook control'. Of the hundreds of thousands of business concerns in this

country, only a select few reach the national networks. In 1943, over 97 percent of the national networks' advertising business came from 144 advertisers.

"One-eighth of NBC's entire advertising business came from one advertiser and two advertisers provided almost one-fourth. Ten accounted for nearly 60 per cent of its business. One-seventh of Blue's advertising business came from one advertiser and two provided approximately one-fourth. Over 60 per cent of its business came from ten concerns. The same situation prevails in the case of CBS and Mutual, although to a slightly less degree."

"It is not unreasonable to assume that business concerns engaged in the same line of business have similar economic interests. Their disagreements in points of view are not likely to go very much beyond disagreements as to the merits of their respective products. It is still more disturbing, therefore, when we look at the figures by industries and find that in 1943 over 74 per cent of the estimated total billings of all four national networks was concentrated in four industry groups:

1. Food, beverages, and confections . . .	26.5%
2. Drugs.	20.5%
3. Soaps, cleansers, etc.	14.6%
4. Tobacco.	12.5%

"Thus, we have moved from diversification to concentration. We start out with 900 supposedly independent stations; about 600 of these, together using 95 percent of the nighttime broadcasting power of the entire country, bind themselves by contract to four national networks; the four national networks receive 74 percent of their revenue from four national industries. Maybe this is the road to a free radio, but I doubt it."

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AMERICAN TELEVISION HEAD SAYS FLY DOES JETT INJUSTICE

The battle over television continued with Norman D. Waters, President of the American Television, taking up the cudgel for Federal Communications Commissioner E. K. Jett, who was accused by FCC Chairman J. L. Fly of "muddying the waters". In fact, it was a letter which Mr. Jett wrote to Mr. Waters in which the latter expressed his personal opinion of the situation that aroused the ire of Fly who not only rebuked his colleague Jett but the New York Times for a "silly" editorial. Following this the Times came out with another editorial strongly backing Jett.

The latest development is a letter from Mr. Waters to the editor of the New York Times this (Tuesday) morning which reads:

"I would like to take this opportunity of applauding the courage of The New York Times for its position concerning the tele-

vision situation. This whole matter has been too long a question of industry argument, and you are performing a great public service in putting this matter before the readers of your publication.

"Chairman James L. Fly of the Federal Communications Commission does a great injustice to his fellow-Commissioner, E. K. Jett, in criticizing his expression of personal opinion, as revealed in his recent letter to me, as President of the American Television Society, which was released to the press with the approval of Mr. Jett.

"I am not one of Mr. Fly's opponents, as it has been my opinion that he is a highly competent individual, who has the required courage to fight when necessary to protect what he considers the public's best interests.

"On the other hand, like many other competent men, Mr. Fly is not always right. In this case he has assisted in the creation of the Radio Technical Planning Board, but indicates that he is not willing to accept the considered opinion of these experts.

"Furthermore, Mr. Fly seems to feel that any airing of the problems, in which the public has such a huge stake, would serve to 'muddy the waters'. On the contrary, healthy and open discussion appears to be the most effective way of hastening final decisions that are necessary in order to place the television industry in a position to progress rapidly in the post-war era.

"Mr. Fly, himself, has often hailed television for its great possibilities in taking up the employment slack after the war. The industry can never accomplish this unless certain vital decisions are made at this time that will enable it to look ahead."

According to Jack Gould in the Times today, the Radio Technical Planning Board's sub-committee on proposed new television standards has recommended post-war assignment of ultra-high frequencies for experiments in transmitting more detailed images and pictures in color.

The text of the RTPB recommendation follows:

"This committee looks forward to the eventual establishment of a television service of exceptional quality. It appreciates that considerably wider channels will be required for such service. Standards for such service can be set up only after experimentation on channels higher than those assigned for six-megacycle operation.

"Accordingly, the Committee recommends that a number of channels at least twenty megacycles in width and in as continuous groups as possible be allocated for experimentation above the six-megacycle channels and that no standards be prescribed for such operation until the experimental program indicates the necessity for such standards. It should be understood that at least thirty channels, the exact width of which will be determined by experimentation, would be required for a national allocation of television broadcast service in this region."

"An explanatory note accompanying the report of the Committee's action said: 'It was felt that ample provision should be made at such frequencies for experimentation with color television and high definition monochrome television. It was the firm belief of the Committee that it would be premature to consider standards for television operation in wide channels at ultra-high carrier frequencies since laboratory and field experience with television systems operating at these frequencies is wholly lacking.'"

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IOWA BROADCASTING COMPANY SELLS KSO FOR \$275,000

Purchase of Radio Station KSO, Des Moines Blue and Mutual Network outlet by Kingsley H. Murphy of Minneapolis, is announced by the Iowa Broadcasting Company. Mr. Murphy, one of the owners of WTCN, Twin Cities Blue Station, paid \$275,000 for the Des Moines station.

Iowa Broadcasting Company officials indicated the sale was made in compliance with the Federal Communication Commission's Duopoly Order, forbidding ownership of more than one station in the same market area.

Actual transfer of KSO to Mr. Murphy, subject to FCC approval, is expected to take place about July 1, with new studios and offices for KSO, which has previously shared quarters with KRNT. It is also announced that the two stations will continue to use the same transmitter site and antenna, until such time as essential materials are released.

No changes are slated for KRNT, with 24-hour Associated Press and United Press news services, special news staff, and basic Columbia Network service for Central Iowa retained.

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CANADIAN WAR COMMUNICATIONS EXPANDS TO \$136,000,000

The production of instruments and communications equipment in Canada continues to be an expanding program. The value of Canadian production in communications has been as follows:

1940	\$ 1,000,000
1942	60,000,000
1943	136,000,000

The Canadian radio and communications industry is now operating at a level some 18 times greater than in 1939. There are orders on hand to the value of \$40,000,000, and peak production is not expected until the second quarter of 1944. There are approximately 4,500 different items in current production by some 50 prime contractors and several hundred sub-contractors.

Some 20 major types of radar equipment have been developed for a variety of applications.

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OFFER \$ 25,000 FOR LaGUARDIA'S WNYC BROADCASTS

Following either a peevish outburst on the part of hizzoner last Sunday or a very skillful way of breaking the news to his listeners, an offer of \$25,000 has been made to Mayor LaGuardia by Coty, Inc., perfume makers, for the exclusive rights to his Sunday afternoon broadcasts over Municipal Station WNYC. This would be at the rate of \$1,000 a broadcast for 25 weeks.

Mayor LaGuardia said last Sunday that he was "sick and tired" of hearing complaints that he was using the station to carry his views, opinions and messages to the public. Furthermore, the Mayor said he "had had" many, many offers to go on a commercial station and if there is anything more said about it, maybe I will."

Not long ago there was opposition to an appropriation of \$110,000 for WNYC's expenses for the fiscal year and James J. Lyons, President of the Bronx, charged that LaGuardia was using the station for political purposes.

The bid for Mayor LaGuardia's commercial services was made to the New York City Board of Estimate by Grover Whalen, head of the Coty concern.

Mr. Whalen said: "We estimate that the Mayor has between 1,500,000 and 1,600,000 listeners every Sunday."

The Mayor received the highest rating for any Sunday program at 1 P.M., a recent survey indicating that 125,000 radios tuned in regularly to hear him.

The \$25,000 under the present offer would go to the city and Mayor LaGuardia would receive no part of it. The question was raised as to whether or not his broadcasts, which are frequently of a controversial nature, would be accepted by any of the major networks

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B & O PRAISED FOR JOINING IN TRAIN RADIO EXPERIMENTS

The Baltimore & Ohio Railroad has undertaken, along with other railroads, a study that may herald a new era in rail safety, in experimenting with radio communication between trains, stations and trains and in yard operations, the Washington Star observes:

"The tests were undertaken with the Bendix Aviation Corporation in connection with a Federal Communications Commission investigation into the use of radio on railroads that grew out of recent accidents, and while no drastic changes are expected at present, railroad officials look forward to applying the knowledge gained now, after the war.

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"The railroad accident rate in the past few years of heavy traffic demonstrates clearly the need for additional safeguards and anything offering the possibility of improvement is to be desired. Time after time collisions have occurred because stalled trains received tardy or inadequate flagging protection, and it is here that radio communication could play an important part, if a train halted unexpectedly for any reason was able to broadcast a warning immediately, and not be forced to depend entirely on a flagman getting out quick enough to avert disaster.

"While many factors contribute to accidents, speed always is an important consideration - and train speed is steadily on the upgrade. That fact will make it necessary for railroads to intensify the safety work they have carried out through the years, and the radio experiments consequently will be watched with interest."

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RADIO TO TAKE BASEBALL TO TROOPS THROUGHOUT WORLD

Overseas troops will hear broadcasts and re-creations via shortwave of major league baseball games this season by the Armed Forces Radio Service of Army Service Forces. Details are synchronized so that a play-by-play account will be heard by all troops at convenient listening hours.

Seasonally, the Armed Forces Radio Service shortwaves prize fights, football games, horse races and other leading sporting events to overseas soldiers, as well as 42 hours of news, entertainment, and musical features weekly.

Each Sunday during baseball season the last hour of a major league baseball game will be shortwaved over an East Coast station from 3:30 to 4:30 P.M., EWT, to England and North Africa. The last 45 minutes of a major league game also will be shortwaved five days weekly, Tuesday to Saturday, from 3:30 to 4:15 P.M., EWT, over the same station and into the same theaters.

From two West Coast stations the last hour of a Pacific Coast League game will be shortwaved to South and Central America, the Antilles, Caribbean, Alaska and Aleutian areas. The broadcasts will be from 2:30 to 3:30 P.M., PWT. A half-hour re-creation of a major league game will be beamed by five West Coast stations to the same locations five days a week and also to the South Pacific, Southwest Pacific, and the China-Burma-India theaters.

Present plans are subject to such revisions as may be necessary to insure good reception by overseas units.

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::: TRADE NOTES :::
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Chicago's role as a hub of television activity was envisioned by J. C. McKeever, President of the Illinois Manufacturers' Association recently. He said, according to Television Broadcast Association, 100 plants, large and small, were planning expansion of radio and television manufacturing facilities, and he also forecast widespread use of television by theatres in the Chicago area.

Thirty-two films were advertised on WOR during the 12 months of last year - twice as many as were represented during 1942. In equaling the 1943 figure in the first quarter of this year, WOR has quadrupled the former high. Every major motion picture company has used WOR during the record-breaking first quarter.

National Union Radio Corporation - for 1943: Net profit, \$520,906, or 24 cents each on 1,347,286 common shares, after deducting the 37 percent to which the preferred stock would be entitled if these earnings were distributed as dividends. Net profit for 1942 was \$64,478, or 3 cents a common share. Company is controlled by Philco Corporation.

To meet increased circulation demands when the news of the invasion comes through and to provide thorough news coverage despite rationing of newsprint, two New York metropolitan newspapers are planning to drop much of their advertising from all or some of their editions.

Says the Editor & Publisher: If the reasoning that Montgomery Ward is a war plant can be sustained in this case - is it too absurd to speculate that no newspaper plant or radio station is safe from such government interference when involved in a labor dispute?

T. M. Douglas, Manager of the Radio Division of the Federal Telephone and Radio Corporation said that full-scale production of a new, small-type marine direction finder designed for Mackay Radio & Telegraph Company, was necessary in order to keep pace with stepped-up shipyard construction.

Mr. Douglas declared the new unit contained all the features of the largest sets and could be installed over a chartroom table, thus necessitating no floor space. He said it represented a considerable saving of time and materials, as well as cargo space. As further proof of its portability, he pointed out that urgently needed models were shipped from the Newark plant to distant shipyards by air express.

Station WKMO, Kokomo, Indiana joins the Columbia network as a special supplementary station on May 10th.

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HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.

RECEIVED

MAY 13 1944

FRANK E. MULLEN

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TO PROBE CHARGE FLY TRIED TO BLUFF "READER'S DIGEST"

Subpoenas have been issued for De Witt Wallace, Editor of Reader's Digest, and Greta Palmer, a writer for that publication, to appear in Washington next Tuesday, May 16th, in connection with a charge made by Representative Miller (R), of Missouri, that Chairman James L. Fly of the Federal Communications Commission endeavored to throw a scare into the Reader's Digest to prevent it from printing an article "roasting" the FCC. Mr. Miller, who is making hay while the sun shines as Acting Chairman of the House Committee investigating the Communications Commission while his Democratic colleague, Representative Lea (D), of California is absent, declared last Tuesday that Chairman Fly "in one of the most brazen attempts to censor the press" had threatened and attempted to intimidate the Digest.

It was said that the publication had planned an account "damaging" to the FCC based upon records of the House Committee inquiring into the charges that the Commission has struck fear into the radio world by its dictatorial tactics. Representative Miller had made a personal inquiry, he revealed, which uncovered the attempt at censorship of material which, in the opinion of Mr. Fly, would be damaging to his agency.

"It is my understanding", Representative Miller said, "that the article was to receive national circulation and wrote Wallace that use of material from the records of the investigation would not protect the Digest from liability for prosecution.

"I have also heard that threats of other legal action by the Government were made by Mr. Fly, one involving the Department of Justice."

"This is a bold attempt to impose arbitrary censorship upon the press", said Mr. Miller. "If the inquiry shows that the Reader's Digest article offers a comprehensive and fair treatment of FCC activities, as uncovered by the Committee, I personally will put it into the Congressional Record and it may then be reprinted everywhere without fear of Administration reprisals."

It was reported that the Department of Justice has hinted at a possible anti-trust suit against Reader's Digest as a means of bringing pressure to bear.

The subpoenas for Editor Wallace and his staff writer are said to include a copy of the manuscript of the proposed article and a three-page letter from Chairman Fly to Mr. Wallace allegedly threatening the editor with prosecution if the article appeared in print.

It was a coincidence that on the same day that Representative Miller made the charge against Mr. Fly, Representative Celler(D) of New York, speaking on an entirely different matter told of the tremendous circulation the Reader's Digest had acquired. Representative Celler said:

"The circulation of the Reader's Digest in England is 262,000. It is the largest monthly publication in England. It has several foreign additions, to wit, Spanish, with a circulation of 753,000, which circulates in South America and other Spanish-speaking countries. Its Portuguese edition is placed at 313,000, the Arabic edition at 125,000, and the Swedish edition at 248,000. The domestic circulation, including the armed forces, is over 7,000,000. Thus, all told, this unusual magazine sells over 8,701,000 copies per annum and is probably read by three times that number in family groups."

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WHEELER-FDR VISIT REVIVES VICE-PRESIDENTIAL RUMORS

Although other reasons were given for the call of Senator Burton K. Wheeler, (D), of Montana, on President Roosevelt last Wednesday, the first time the latter has visited the White House in six years, it revived rumors that Senator Wheeler was again being considered for Mr. Roosevelt's running mate in the forthcoming election. Mr. Wheeler ran as the Progressive Party candidate for Vice-President with Senator Robert M. LaFollette in 1924.

The object of the visit this week to the White House was said to have been that Senator Wheeler in his capacity as Chairman of the Senate Interstate Commerce Committee had gone to the White House to invite the President to attend a joint celebration by Congress of the 100th Anniversary of telegraphy. Very few swallowed this story.

Senator Wheeler after his 45-minute session with Mr. Roosevelt - which was quite a time to spend with the President busy as he probably was after his long absence with everybody trying to get at him and he undoubtedly endeavoring to conserve strength after his illness - Senator Wheeler said one of the things talked about was the international communications situation which his Committee is just now taking up. The impression given was that Mr. Roosevelt was satisfied with the way Senator Wheeler was handling this matter.

In view of the bawling out the President gave the radio as well as the newspaper people the day before the Senator's visit for not covering the Montgomery Ward story the way the President thought it should have been covered, it is not improbable that Mr. Wheeler may have expressed his own well known views on commentators. This may very readily have led to some discussion of the Wheeler-White Radio Bill now under consideration and the proposals of Senator Wheeler and other members of Congress that a clause be inserted to give anyone unjustly attacked on the air an opportunity to answer in

the commentator's own time. The President may have indicated whether or not he wanted a new radio law enacted before the election.

Also Senator Wheeler, being the #1 radio and communications authority on the Hill, the President may have asked him what he thought of the progress of the House FCC investigation and "where do we go from here?" on that.

Senator Wheeler, who has been off the reservation for years and one of the President's severest critics, has been a "very good boy" of late. One example was the way he went to the rescue of the FCC appropriations bill in the Senate recently and praised Chairman James L. Fly to the skies. This didn't prevent the Senate from ripping a half a million dollars out of the appropriations in addition to the million the House had socked it. Nevertheless, it was another indication of a more friendly attitude of Senator Wheeler towards the Administration.

If Senator Wheeler discussed the subject of radio commentators with the President, he may have told him about the message he sent to the Ohio State Institute for Education by Radio last week, which read in part as follows:

"There is not one respectable newspaper that would sell its lead story day after day to an advertiser, nor is there a newspaper owner who would allow an advertiser to sponsor a daily column of comment about news of the day But the dollar has been radio's master and I am often impelled to wonder just how much of what I hear has been dictated by the advertiser.

"I am certain that the average big-money sponsor in hiring a news commentator (unless possibly he had large Government contracts) would be more likely to employ a commentator with the views of the National Association of Manufacturers than one with possibly the views of any liberal administration in power. In the future, radio broadcasters, I believe, will find they can greatly strengthen themselves with the people by following the example of the Fourth Estate, of presenting unhampered factual news.

"You who are educators have an opportunity, the privilege and duty to use your knowledge and ingenuity to raise the standards of American radio. You have failed in your efforts in the past. Let us hope and work for a brighter future."

If there is any truth in the rumor that Senator Wheeler is again flirting with the vice-presidential idea, he is indeed treading a slippery path and would do well to read Charley Michelson's new book "The Ghost Talks", who speaks of Mr. Roosevelt's "genial trait of sending people away with the idea that he is quite in accord with them. Samples: Farley's faith in the idea that he had the President's word that he would not run for a third term, and the faith of various candidates for the vice-presidential nomination in 1940, each one thinking that he had the green light, despite the actuality that Roosevelt had determined on Henry Wallace for the second place on the ticket and would take nobody else."

\$500,000 FCC CUT UP TO CONFEREES; JETT FIGHTS FOR RID

Within a short time conferees of the House and Senate will meet to decide whether the \$509,000 trimmed by the Senate from the Federal Communications Commission appropriations shall be restored. The House last March had reduced the FCC appropriations by \$1,654,857. The Senate approved this slash and added another \$509,000 of its own.

Hardest hit by these cuts was the Radio Intelligence Division of the FCC and Commissioner E. J. Jett, George E. Sterling, RID Chief, and others testifying this week before the House Committee investigating the FCC, made an eleventh hour effort to impress members of Congress with the importance of the radio intelligence work and the necessity of the \$509,000 being restored.

According to Commissioner Jett, the Radio Intelligence Division today has 12 monitoring stations, 59 secondary monitoring stations, 88 mobile units, three intelligence centers, with a total personnel of 635.

"Former counsel of the House investigating committee has claimed that our expansion, modest as it was to meet the war-time emergency, was unwise; that money appropriated for RID has been wasted", Commissioner Jett said. "What we have done with this small unit is the best answer to all these. * * * *

"I want to clear up one point on which there has been studied confusion. It has been charged that 'radio intelligence' is a misnomer as applied to our activities; that RID is not equipped to do radio intelligence work; and that RID is not equipped to do anything but local monitoring. And with an abandon which does not require consistency, it is charged both that RID has penetrated into the field of 'military intelligence', and at the same time that RID is not performing 'military radio intelligence'. It is also said that RID is not equipped to perform 'military radio intelligence'.

"These conflicting charges result from a complete lack of understanding of fundamentals as to what radio intelligence as performed by the FCC actually is and as to what constitutes military radio intelligence. Radio intelligence simply means obtaining information or knowledge by means of radio. The information or knowledge obtained may have legal significance, diplomatic significance, commercial or economic significance or it may have military significance.

"Military Radio Intelligence is primarily concerned with monitoring enemy transmitters to determine the disposition of military or naval forces and other information of a military significance. Military radio intelligence also includes policing one's own radio service to insure security of operations and adherence to authorized military procedures; and the transmission of communications designed to mislead the enemy or to jam its radio services. The Radio Intelligence Division of the FCC is not designed to perform military radio intelligence. It is designed to perform an

an entirely different kind of operation. However, the facilities necessary to enable RID to discharge its primary responsibilities also can be used to perform special services which are of great value to the Armed Services. A marked misapprehension originating with certain officials in the Armed Services and fostered before this Committee has been engendered about the Commission's activities of this kind."

Speaker Rayburn this week appointed the following as House conferees on the Independent Offices Bill which contains the FCC appropriations: Representatives Woodrum (D), of Virginia; Fitzpatrick (D), of New York; Starnes (D), of Alabama; Hendricks (D), of Florida; Wigglesworth (R), of Massachusetts; Dirksen (R), of Illinois; and Case (R), of South Dakota.

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COLLEGE PROGRAM TO TRAIN GIRLS FOR RCA VICTOR

The first college program to train girl high school graduates as engineering drafting aides has been established at Purdue University, it was announced this week by the RCA Victor Division of the Radio Corporation of America. The program calls for the training of some 70 high school graduates and recent graduates at the Lafayette, Ind. University in a 23-week intensive course starting July 7th. Interest in radio, mathematics and drafting will prove helpful to applicants.

While in school the girls will live on the campus and will receive a nominal salary as "employees in training", in addition to room, board, tuition and books, and they will enjoy all undergraduate privileges.

In cooperation with the United States Employment Service, representatives of RCA Victor Personnel Department, will visit high schools in eastern Pennsylvania and southern New Jersey to interview candidates for the training course.

Upon completion of their training, the girls will be assigned to one of the RCA Victor plants as engineering drafting detailers. Working with experienced draftsmen, they will make drawings to show the size, shape and details of assemblies, sub-assemblies or parts.

Girls who completed training in the first electronic program several weeks ago at Purdue are now actively engaged in vital war work in RCA Victor plants, located at Camden and Harrison, N.J.; Lancaster, Pa.; Indianapolis and Bloomington, Ind.; and Hollywood, Calif.

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\$3,250,000 MENTIONED IN SYLVANIA-COLONIAL RADIO SALE

Sylvania Electric Products, Inc., has virtually completed negotiations for the purchase of all the common stock of the Colonial Radio Corporation for about \$3,250,000, payable 60 per cent in cash and the balance in its own common stock, it became known Wednesday, according to the New York Times, when a special meeting of stockholders was called for May 18 to approve an increase in authorized common stock from 905,000 to 1,200,000 shares.

It was explained that none of the additional authorized common shares will be required for the Colonial acquisition, but that if the stockholders approve, the company will file with the Securities and Exchange Commission a registration statement covering the proposed sale, for cash, of part of the newly authorized shares in an amount yet to be determined.

The management of Sylvania declared that no sale of stock is essential at this time for any present need and that whether any is sold in the near future will depend upon the future decision of directors with respect to the market price of stock. As the company's lighting, radio and electronics business is expected to be substantially larger after the war, substantial amounts of additional working capital will be required, it was stated.

The reported terms for the purchase of Colonial Radio call for payment of about \$1,950,000 in cash and the issuance of common stock of Sylvania Electric Products for the remaining 40 per cent of the purchase price, taken at \$1.50 a share less than the market value shortly prior to consummation of the sale. As the company has 854,474 shares outstanding, the present unissued common shares totaling 50,526 will be adequate to effect the purchase.

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IMPROVED ANTENNAS TO ELIMINATE TELEVISION "GHOSTS"

"'Ghosts' are now haunting television engineers and driving them almost to distraction as they try to plan television reception for crowded cities", explained Dr. Orestes H. Caldwell, editor of Electronic Industries, and former Federal Radio Commissioner, speaking before a group of 200 radio engineers at Newark, N.J. last Wednesday.

"A particular ghost which haunted us most persistently, while we were looking in recently, came to us directly from the Waldorf Astoria Hotel", continued Dr. Caldwell. "The Waldorf, I know, doesn't ordinarily harbor ghosts, - yet its great flat south wall presents an ideal reflecting surface for television waves coming from the transmitters on the Empire State and Chrysler towers.

"When these Waldorf-reflected waves are thrown back three or four city blocks, and strike our antenna on top of the Grand Central Palace, they produce a second fainter television picture, overlying the main picture received by direct wave.

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"On some evenings we get a whole galaxy of these ghosts. In addition to the Waldorf ghost, other ghosts arrive from the Hotel Shelton, the Hotel Lexington, and other nearby structures. But all our ghostly visitors perform their ghostly gyrations with perfect precision, moving together like highly trained spooky Rockettes in a ghostly ballet.

"Improved antennas will eliminate these reflected images", Dr. Caldwell predicted, "and the postwar era will see television blossoming forth as a billion-dollar business, far surpassing any achievement to date by its kindred radio and electronic arts."

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CBS CONTINUES TELEVISION SCRAP; GOLDSMITH GETS INTO IT

Paul W. Kesten, CBS Executive Vice-President, who began the television controversy which has been raging within the industry for the past two weeks, added new life to the scrap this week by asserting (a) that engineers of 15 radio companies all voted for, not against, improved television pictures and (b) that in a survey just made, independent broadcasters affiliated with Columbia "overwhelmingly" supported the CBS demand for better television pictures.

At about the same time Dr. Alfred N. Goldsmith, former Vice-President and General Engineer of RCA, in a lengthy and detailed argument, disputed Columbia's contentions.

In a statement issued by Mr. Kesten the network endeavored to refute the idea that its recent proposal for higher television standards lacked support from industry engineers.

"On the contrary", Mr. Kesten said, "one of the few motions passed unanimously by Television Committee 3 of the Radio Technical Planning Board contained recommendations almost identical with Columbia's recent proposals."

"The companies represented in this unanimous vote included such manufacturers as Radio Corporation of America, Philco, General Electric, Du Mont, Zenith, Farnsworth, Stromberg Carlson as well as such television broadcasters as NBC, Howard Hughes Productions, and CBS", the statement continued.

"Note the similarity between the Committee's recommendations as reported to the Television Panel on March 14 of this year, and Columbia's proposals made public on April 28:

"CBS recommendation: vastly improved television pictures as soon as possible after the war. RTPB recommendation: "This committee looks forward to the eventual establishment of a television service of exceptional quality."

"CBS recommendation: wider channels to permit more detailed pictures, channels at least 14 or 16 megacycles wide. RTPB recommendation: ' ..considerably wider channels will be required for such service, at least 20 megacycles wide.'

"CBS recommendation: move television 'upstairs', in frequencies above 200 megacycles. RTPB recommendation: 'the Committee recommends that a number of channels be allocated above the 6 megacycles channels (this means above 290 megacycles).'

"CBS recommendation: double the present number of channels from 18 to 36, to increase competition and provide better service. RTPB recommendation: 'It should be understood that at least 30 channels . . . would be required for national allocation ...'

"The RTPB committee added: 'It was felt that ample provision should be made at such frequencies for experimentation with color television and high definition monochrome (black and white) television.' CBS similarly recommended that the proposed new standards should be used for full color television as well as vastly improved black and white pictures.

"This parallel between the industry's engineering recommendation and Columbia's own proposals is the more striking in view of recent statements alleging that CBS was taking a unique position, not shared by other technical experts of the industry."

Ninety-one independent radio stations in 38 States have been heard from to date, CBS reported, in response to a questionnaire sent by the network to its affiliated stations on the subject of improved television pictures.

"Voting overwhelmingly for the radical improvement in television standards which CBS recently proposed to the FCC, to the manufacturers of equipment and to the broadcasting industry, broadcasters' opinions were divided on questions of 'eyestrain', on the extent of consumer set-purchase after the war, and on the importance of full-color television as compared with black-and-white", CBS stated.

Dr. Goldsmith in a letter to the Editor of the New York Times wrote, in part:

"A leading broadcasting network asserts that purchasers should be told not buy the present type of television receiver and to wait until pictures richer in detail can be received at higher frequencies, the possibilities of which should be explored for at least a year by a dozen radio laboratories.

"Speaking as a radio engineer for myself alone, I venture to point out that a dozen laboratories and their skilled personnel, together with the added engineers and equipment necessary for field tests, cannot and should not be diverted from the war effort. When

peace comes, television research and field tests may be in order, but only if they are still in the public interest and if they are conducted on a reasonably economic basis - conditions not likely to prevail for several years after the war.

"We have enjoyed the highest television broadcasting standards in the world, with successful transmission of thirty complete pictures per second of the 525-line variety. We operate approximately in the 50-to-200-megacycle band; the English with twenty-five complete pictures per second, each having 405 lines, on frequencies of only about 40 megacycles. Yet prior to the war British standards stimulated rapid commercial growth in television. The British, not prone to invest in useless articles, bought and used television receivers * * *

"It is proper to offer any product at any time when it is acceptable. Progress can usually be financed out of profits. It would not be objectionable if television receivers of 1947, for example, became obsolescent in 1952 or 1953. As long as a good product can be sold at a reasonable price and enjoyed for a goodly number of years - and there is no reason to doubt that present-day television can supply just that - it is certainly a right and perhaps a duty to offer it.

"Your editorials on the subject are scientifically accurate, relevant and analytically temperate in tone. In my opinion they indicate the future of television and help to guard the rights of the public."

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NAB AUGUST MEET IN CHICAGO IF WAR DOESN'T INTERFERE

The Board of Directors of the National Association of Broadcasters, meeting in Washington this week, reaffirmed its view that an executive war conference of broadcasters should be held in Chicago the latter part of August. President J. Harold Ryan said:

"The vital role which radio broadcasting has played and in an increasing measure will play in the war effort, has given rise to many problems. It is imperative that these problems be met effectively and after full consultation with military and other Government leaders.

"A conference such as we contemplate holding in Chicago in late August affords the only opportunity for that necessary contact. In recognition of the paramount needs of the armed forces for the transportation facilities we are urging that only the executive and key personnel of NAB active and associate members attend.

"The program will be strictly confined to a discussion of the relation of broadcasting to the war effort and to such routine matters as will enable the industry's trade association to function

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more effectively in the national interest. In event of any emergency which may arise at the time set for the meeting, I am authorized by the Board to indefinitely postpone the session. Events will be carefully watched and if it is felt that our meeting will in any way impair larger national interest, we will, of course, abandon our plans."

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NAB RESISTS PETRILLO DEMANDS; ENGINEERS, AFM CLASH NEAR

The Board of Directors of the National Association of Broadcasters in Washington voted to oppose the latest pressure exerted by James C. Petrillo that the broadcasters employ union musicians as platter turners.

The NAB membership was urged to resist any demands of the American Federation of Musicians to force the employment of union members to play records and transcriptions used for station broadcasts.

Action came as a result of a statement issued by Petrillo in "International Musician", official A. F. of M. publication, calling on all local unions to secure "platter turner" contracts from radio stations, expecting to gain the employment of at least 2,000 musicians by the radio industry for such services.

The NAB also sent to its membership a transcript of testimony of Mr. Petrillo in the Senate last year where he admitted to Senator Tobey that his effort to force broadcasters to use musicians as "pancake turners" was not "sound" and is "a mistake" and that he only did it in certain stations because "he could get away with it".

Alto to be-devil the broadcasters as June 1st approaches is the jurisdictional row between Mr. Petrillo of the A.F.M. and the National Association of Broadcast Engineers and Technicians, which are not affiliated with any national union. For several years they have been turning the platters in the stations but because of Petrillo demands that the musicians take this over there is expected to be a clash between the two groups on June 1st when the new contracts become effective. NBC, the Blue Network and WOR have already signed the contracts which would transfer the platter turning jobs over to Petrillo.

The resolution passed by the NAB Board follows:

"WHEREAS, James C. Petrillo, President, American Federation of Musicians, has in the April issue of the official journal of his union commended to the locals of his union a plan to force upon the broadcasting industry and in particular upon the smaller units thereof, the employment of more than 2,000 additional unneeded members of the Musicians Union, and

"WHEREAS, the sole duties of these unneeded union members will be that characterized by Mr. Petrillo as pancake turning, namely, to place records and transcriptions on turntables, a minor and incidental part of the work of others now employed by all broadcasting stations, and

"WHEREAS, Mr. Petrillo in the City of Chicago has succeeded in imposing this made work upon some broadcasting stations at a salary scale of \$90.00 a week for a 25 hour work week, and

"WHEREAS, Mr. Petrillo in sworn testimony before a Committee of the United States Senate has stated that to force broadcasters to utilize members of the American Federation of Musicians as pancake turners is 'not sound' and 'is a mistake'.

"NOW, THEREFORE, the NAB is determined in its opposition to this unjustified and needless employment, and urges its membership of broadcasters to resist any demands of the American Federation of Musicians to employ such pancake turners, and

"FURTHER, that the NAB pledges its support and aid to all broadcasting stations which resist these demands as contrary to the best interests of labor, industry and our nation."

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N.Y. CITY TURNS DOWN \$25,000 LA GUARDIA BROADCAST OFFER

As had been expected, the New York City Board of Estimate made short work of the offer by Coty, Inc., of which Grover Whalen is President, cosmetic manufacturers, for \$25,000 to sponsor the Sunday afternoon broadcasts Mayor LaGuardia is now making over the Municipal Station WNYC. The offer was for a series of 25 talks and was to have been given over one of New York City's commercial stations.

In discussing the offer, the proposition was turned into a political football by the Board of Estimate and a grand time was had by all.

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With its production of radar and radio equipment reaching record high levels in each succeeding month, net income of Philco Corporation in the first quarter of 1944 totaled \$946,326 or 69 cents per share, after estimated Federal and State income and excess profits taxes and after provision for adjustment and renegotiation of war contracts.

In the first quarter of 1943, adjusted earnings amounted to \$708,702 or 51 cents per share of common stock.

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HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.



RECEIVED
MAY 17 1944
FRANK E. MULLEN

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"WHY DIG UP DEAD PRE-WAR TELEVISION?" GENE MC DONALD ASKS

The latest to engage in the television scrap, E. F. McDonald, Jr., President of the Zenith Radio Corporation, backs the Columbia Broadcasting System and Chairman Fly with:

"I, for one, say in regard to television after the war, 'Why did up the bones of dead pre-war television for reincarnation, when there is a new baby on the way?' Glowing promises have been made to the public of the feast to be spread before it. Let's not warm over last night's dinner to regale the hungry and expectant guest."

"The question asked by Paul W. Kesten, CBS Executive Vice-President, 'Will pre-war television be good enough after the war?' almost answers itself. Of course it will not be good enough.

"The Columbia Broadcasting System suggests also that it is the duty of prospective television makers, and broadcasters, too, to explain to the public that better television than the pre-war system can provide is now made possible by recent radionic developments not incorporated in the old system, and what is more, to back up explanation with action.

"I agree with Columbia, or rather I should say they agree with me, for I have always pointed out to the public that until standards are fixed for a television that is worthy of public support, money paid out for a television receiver is money thrown out of the window.

"I agree, too, with Chairman James Lawrence Fly of the Federal Communications Commission, when he is reported saying that he is 'opposed to any move to freeze television standards at the present level.' This statement is reported to have been accompanied by a criticism levelled at those who hope to sell post war receivers that would not give the best possible service. From the words of its Chairman, I know that the Federal Communications Commission will protect the public.

"Television has cried 'Wolf! Wolf!' many times in the past fourteen years. The public has been fed with fables, plied with promises, enticed with the 'Thousand and One Night Tales' of the miracles to be wrought. The bright stories so gaily scattered to the press on the least provocation, one after another become the legends of a phantom - television.

"We have chased the troublesome mirage of television through a good many alleys for a good many years! We have devoted innumerable dollars and many men to the study of its elusive character. We should

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like to harness it; make it work as present day radio is working for the public.

"Yet, each time it appears television is ready, each time it is about to be launched to the public, troublesome questions arise, piling new problems upon those of the past.

"We don't know for the moment whether the Radio Technical Planning Board will recommend television standards which the FCC adopted for pre-war television, or whether it will take due cognizance of the Columbia Broadcasting System's proposal. There is reason to believe it may not. The statement issued by the Television Broadcasters' Association says that 'Columbia's suggestions are contrary to the carefully considered recommendations of engineers of the industry comprising the television panel of the Radio Technical Planning Board.'

"Should the Board do nothing about these important proposals, then the most important decision to be made by industry and the government is 'What kind of television system are we going to have after the war stops?'

"The public may get pre-war automobiles, pre-war refrigerators, pre-war washing machines. You can turn these in for a fair trade-in value and they will still run and give service. Not so with television sets. When standards are radically changed as they again must be changed, if we are not going to throw out all that we have learned in the past few years, television is to become junk, just so much wood and wire inoperative unless rebuilt at great expense. The past has proved that.

"I speak on the basis of experience. Zenith has operated television station W9XZV (now WTZR) since March 30, 1939. In point of continuous service and operation, it is one of the oldest in existence. We have gained much valuable experience and background on what constitutes adequate and acceptable television.

"I cannot entertain the thought of supporting two systems of television broadcasting and reception, which have been advocated, one - the pre-war system, the other - the improved system. Such dual operation would be most illogical, confusing, and would certainly be impractical on a nationwide basis when chaining operations are envisioned. * * *

"Someone may point out that receivers could be built to receive both systems. My answer to that one is, 'It's going to be a big enough problem to build a moderate priced receiver to operate on the better system. Dual operation receivers would be costly and wasteful of the public's money. It certainly wouldn't make sense to the railroads, let's say, deliberately to build two systems with two different gauge tracks, with cars of one unable to run on the tracks of the other. Adaptation would be a most expensive matter.

"The television problem is now again before industry, government and public. We are on the eve of writing a prescription that should serve for a long time to come. The stake in television of my own organization is great. It has been in business for over a quarter of a century on only one basis, that of being fair with the public. I want television as eagerly and as soon as anyone wants it. I have everything to gain from its coming into public use quickly. But if we are not coming out with improved television after the war, the public and the dealers should be told now.

"I am sure neither our stockholders nor I want quick profits from television receivers foreknowingly built to die in their first few years. When it comes to a choice of stepping backward in television, carrying water on both shoulders, or striding forward with strong confident step, despite some additional problems to be met, including the economic problem, there can be but one decision."

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SPECIFIC PRICES ANNOUNCED ON CIVILIAN RADIO TUBES

Specific dollars-and-cents wholesale and retail ceiling prices for new standard radio replacement tubes for civilian radios and phonographs were announced Monday by the Office of Price Administration.

These specific prices effective May 20, 1944, reflect those prevailing in the industry during March 1942. Wholesalers and retailers may charge less than the ceiling prices listed.

OPA said that a drastically reduced supply of radio receiver tubes for civilian replacement purposes has been reaching a market in which demand has greatly increased. Since early 1942, tube manufacturers have increasingly concentrated on military production. The supply of tubes available for civilian replacements is only a fraction of what it was formerly, while larger numbers of tubes are now required because of the increase in the average age of radio sets in use. Certain popular types of these tubes have almost vanished from the market, OPA said. Although manufacturers are now being allocated additional materials for civilian tube production, the contemplated increase will alleviate only part of the current scarcity.

These circumstances have brought about widespread black market activities, OPA said. Numerous instances brought to OPA's attention showed that consumers were charged three or four times the proper price for tubes, the price agency added. Jobber discounts and terms have frequently been shortened with a resulting increase in the net price to dealer. Consequently many dealers have discontinued 'over the counter' sales, reserving tubes for sales only in connection with repair services, or adopting various examination, testing and inspection charges. The prices and other provisions of Monday's amendment were arrived at after extensive consultation with representative radio tube manufacturers, jobbers and retailers throughout the country.

OPA's action Monday also specified maximum service charges for testing radio receiver tubes when brought to a shop. No charge may be made by a dealer or repairman for testing tubes when they are brought to his shop by a customer, because no charge was customarily made for this service. However, when a customer brings a portable or table model radio or phonograph to a dealer's or repairman's shop for tubes to be tested or replaced, the dealer or repairman may charge a maximum of \$.50 for testing all of the tubes in the set.

If the radio or phonograph mechanism has to be removed in order to test and replace the tube, the dealer or repairman may charge a maximum of \$1.00 for testing all of the tubes.

Monday's provision reaffirms the customary 90-day guarantee given by the industry against defects in material or workmanship. In addition it calls for posting of ceiling price lists in the dealer's or repairman's place of business.

The amendment requires those retailers who in March 1942 purchased radio receiver tubes from a manufacturer, to sell at no more than their highest March 1942 prices for the particular "private brand" or "national brand tube", provided that the prices do not exceed the specific prices set Monday for that tube.

Dollars-and-cents prices which retailers will pay as set in Monday's action are computed on the basis of discounts off the retail price list and are graduated according to the quantity sold. This system was found to be most generally prevalent in the trade, and therefore was adopted by the Office of Price Administration. This means that a retailer buying a large quantity of tubes from a wholesaler would pay less per tube than another retailer buying a smaller quantity.

In selling to retailers, it is provided that wholesalers must make out sales slips, receipts, invoices or some other evidence of sale showing the name and address of the seller, the purchaser, the date of sale and the quantity, type and price of the tubes purchased. Purchasers are required to keep these receipts and sellers to keep copies of them.

(Amendment No. 134 to Revised Supplementary Regulation No. 14 to the General Maximum Price Regulation effective May 20, 1944).

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Mayor LaGuardia reported receiving 1,800 letters to keep on with his Sunday broadcasts over the city-owned WNYC. Of these he said only 14 were derogatory. In Hizzoner's fan mail came this one on a postcard from Mgr. John L. Bedford of the Roman Catholic Church of the Nativity in Brooklyn:

"Please give the radio and us a rest. You have convinced me, at least, that you are vain, conceited and abusive. Why waste time proving what you have proven a thousand times? You might give us a farewell speech when your era of persecution is over. But make it short, please."

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McINTOSH TO LEAVE WPB FOR PRIVATE PRACTICE

That he might engage in private practice as consulting radio engineer, Frank H. McIntosh, Assistant to the War Production Board's Radio and Radar Division in charge of civilian requirements, has submitted his resignation and will soon leave the Government service. Mr. McIntosh, former Technical Supervisor of the Fort Industry Co. of Toledo, will advise clients with regard to studio design and acoustics, as well as in allocations and induction heating. His office will be in Washington.

Mr. McIntosh joined WPB in 1942 as Chief of the Radio Section of the Communications Branch. Before going with the Fort Industry Company, he was with the Graybar Electric as Pacific Coast Communications Sales Engineer and prior to that was a member of the technical staff of the Bell Telephone Laboratory in New York. Mr. McIntosh was the author of a plan adopted by the Government in 1942 for the operation of radio stations by which the stations were able to obtain maximum use of component parts without impairing service to the listener.

Mr. McIntosh was one of three high officials of the Fort Industry Company who have contributed their services to the war effort in important capacities. The others are George B. Storer, President of the Company, a Lieutenant Commander in the Naval Reserve on active duty in Chicago, and J. H. Ryan, Vice-President, who served as Assistant Director of Censorship and is now President of the National Association of Broadcasters.

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RADIO TO JOIN IN TELEGRAPH CENTENNIAL CELEBRATION

Although radio had not even been thought of when Samuel B. Morse tapped out the telegraph message for the first time, nevertheless radio communications companies, which likewise use the Morse code, will join with Congress and the Western Union in celebrating the telegraph centennial in Washington next Wednesday, May 24th. They are the American Telephone and Telegraph Company, R. C. A. Communications, Inc., International Telephone and Telegraph Corp, Press Wireless and Tropical Radio Telegraph.

The exercises, in charge of a joint Congressional Committee headed by Senator Burton K. Wheeler (D), of Montana, will begin in the rotunda of the Capitol, and wind up with the six members of Congress telegraphing their own messages over a direct wire to Baltimore. In the interim the scene at which Morse demonstrated the practicability of his invention will be reenacted and the Army Signal Corps will relay "What hath God wrought!" around the world. The plaque will be unveiled by Morse's grand-daughter, Miss Leila Livingston Morse.

The six former telegraph operators in Congress who will demonstrate their skill and technique with the key and still remember that the letter P is five dots are Senator Edwin C. Johnson (D), of Colorado, and Representatives Joseph J. Mansfield (D), of Texas; Compton I. White (D), of Idaho; Karl Stefan (R), of Nebraska; Michael J. Bradley (D), of Pennsylvania, and William C. Cole (R), of Missouri.

Chairman James L. Fly of the FCC will speak. A ship, the "Samuel B. Morse" will be launched in Baltimore and there will be a banquet Wednesday night in Washington.

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U.S. MULLS PLATTER ROW; CHICAGO PETRILLO HEARINGS BEGIN

James Fitzpatrick, U. S. Commissioner of Conciliation, has been appointed by the Labor Department to mediate the latest "platter turner" dispute between the musicians, radio engineers and NBC, Blue Network and WOR over contracts which these companies signed James F. Petrillo, President of the American Federation of Musicians. This threatens to terminate in a strike June 1st.

The first of the regional hearings in connection with the WJJD strike over hiring additional musicians will be held in Chicago tomorrow (Wednesday) morning. Following the WLB's directive orders, musicians at WJJD returned to work pending a threshing out of the situation by the regional panel.

According to Allan Powley, President of the independent National Association of Broadcasting Engineers and Technicians, which is not affiliated with any national union, the Petrillo contracts provide that musicians take over the work of handling records and transcriptions - a duty which heretofore has been taken care of by the engineers.

"If there isn't any settlement by June 1", Mr. Powley said, "we'll either walk out or we'll keep Petrillo from coming in."

Mr. Powley said further the contract is in violation of an existing contract now in effect between NABET and NBC, Blue and WOR and would force its members "to release part of their jobs to the musicians union and this they are absolutely opposed to."

Confusion was added to the situation by protests from the International Brotherhood of Electrical Workers whose engineers serve many stations, including WTOP, CBS key station in Washington. As was the case with NABET, IBEW members in Washington and elsewhere oppose giving up any of their duties to the musicians. It was the impression of one observer that Petrillo had made some kind of a deal with IBEW, which like the AFM is affiliated with the A. F. of L., but if so, all of the members had not been let in on it. There was a loud protest from West Coast IBEW members over Petrillo trying to butt in on their jobs in the radio stations and it is expected others will follow.

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ADMIRAL TELLS OF CLASHES WITH FCC OVER WAVELENGTHS

The Federal Communications Commission was taken to task last week because of the alleged unsatisfactory manner of assigning wavelengths to the armed services. It is a controversy which has been going on for years and this time was brought up in connection with a hearing of the Special House Committee on Postwar Military Policy on the unification of the armed forces.

Rear Admiral Joseph R. Redman, Director of Naval Communications, opposed merging the communications of the Army and Navy.

Naval communications, Admiral Redman said, are an integral function of naval operations, and cannot be handled as part of the Services of Supply.

The Navy communications chief added, however, there could be some physical and operational consolidation, "particularly with respect to administrative communication circuits."

There could be a common domestic administrative land line system, Admiral Redman said.

Admiral Redman, who is one of the Admiral Chairman Fly was accused of "trying to get", said that there had been long standing differences of opinion between military authorities and the Federal Communications Commission over the latter's jurisdiction in the assigning of radio frequencies.

The FCC, he said in answer to questions by Committee members considers that it is empowered to direct which wave lengths the armed forces may use - a point of view to which the Navy dissents.

"Hasn't the FCC always given you what you asked for? You've got everything that you want now, haven't you?" the Admiral was asked.

"No", replied Admiral Redman, "because there aren't enough wave lengths to go around."

The functions of the FCC, Admiral Redman testified, relate to commercial radio, but it never has been authorized, he contended, to decide which frequencies shall be allotted to the military forces, "although the FCC thinks it has."

No serious disputes about wave lengths had come up during the war, the Admiral said, in reply to a question from Melvin J. Maas (R), of Minnesota.

"What would happen if a serious case came up?" Mr. Maas asked.

Admiral Redman explained that it would be referred to the President for decision under his war powers.

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"But that's wartime arrangement", Mr. Maas replied. "Now what's going to happen about such things when peace comes and the war powers disappear?"

"I couldn't tell you that", Admiral Redman said. "I don't know the answer."

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PRODUCTION OF RESISTORS INCREASES 20%

Production of fixed and variable resistors for electronic equipment increased more than 20 per cent in April over the average production in February and March, War Production Board representatives told a recent meeting of the Fixed and Variable Resistor Industry Advisory Committee.

Backlogs of unfilled orders for resistors have continued approximately level for the past three months, WPB representatives said. However, the industry will have the capacity to meet expected increased requirements that may be placed on it by the projected program for electronic and equipment in 1944, they indicated, since expanded resistor production facilities are expected to be in operation by July 1.

The purposes of the electronic component recovery program as a means of disposing of surplus components to contractors and the armed services were described to the committee by a representative of the Component Recovery Section of the Radio and Radar Division, WPB.

A representative of the Army-Navy Electronic Standardization Agency outlined progress of the agency on standard specifications and test procedures for resistors in line with manufacturing practices. An interim procedure to be followed in adopting standardized specifications will be communicated to manufacturers concerned. Committee members requested that the ANESA representative attend future meetings of the Committee in order to keep the industry informed on standardization actions.

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With 54 out of 56 national advertisers planning to continue through the Summer and eight new clients scheduled to launch their campaigns during the "hot months", present indications are that 1944 will establish a new high for Summer advertising on the Blue Network. The entire lineup of 18 accounts on the Pacific Coast network of the Blue is also slated to remain on the air.

One unusual aspect of the situation is the number of new accounts signed up to begin their campaigns in June or July, instead of waiting for the Fall season.

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TAM CRAVEN RESIGNS; GOES TO COWLES STATIONS, DES MOINES

Commissioner T. A. M. Craven, whose term as a member of the Federal Communications Commission expires on June 30, 1944, announced today (Tuesday) that on April 26, 1944, he requested the President not to reappoint him for another term.

Commissioner Craven would have completed 30 years in Government service in August of this year. Except for a period of five years between 1930 and 1936, this service has been continuous. He has been with the Federal Communications Commission nearly nine years, including two years as its Chief Engineer.

Commissioner Craven stated that he plans to become associated in a technical capacity with the Cowles interests. The Cowles are publishers of newspapers in Des Moines and Minneapolis and LOOK magazine, as well as licensees of radio broadcasting stations.

President Roosevelt accepted Commander Craven's resignation in the following letter:

"Dear Commissioner Craven:

"I have received your letter of April twenty-sixth in which you tell me that it is not your intention to seek reappointment to the Federal Communications Commission when your present term expires on June thirtieth and that you want to be free on that day to return to private business.

"The reasons you cite leave me no alternative. I shall, therefore, comply with the request you make and I sincerely hope that your re-entry in the field of private business will bring to you rewards that will more than recompense for the years of sacrifice and labor you have given your Government.

"My best wishes to you.

"Very sincerely yours,

/s/ Franklin D. Roosevelt"

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WPB RADIO DIVISION DEFINES QUESTIONABLE ITEMS

Because some persons who are entitled to use the priorities assistance given by Preference Rating Order P-133 for electronic equipment maintenance, repair and operating supplies (MRO) have been applying the ratings for items which are capitalized repairs, capital equipment or capital replacements, the War Production Board last Friday issued a list of some products which are not MRO items under the order.

The list is not all-inclusive, but comprises only items about which questions have been raised, the Radio and Radar Division of WPB said. These items, which are not MRO items under Order P-133, are:

Recording or reproducing turntables; amplifiers, micro-phones; speech input consoles; transmitters; relay racks or cabinets; jack panels; frequency monitors; antenna towers.

Ratings assigned by Order P-133 must not be applied for the purchase of the products listed above, and any P-133 ratings which have been applied to purchase orders for those items have been improperly applied and should be cancelled at once, the Radio and Radar Division said. This does not mean, however, that necessary parts to maintain and repair those products may not be purchased with P-133 ratings.

Action was taken by WPB through issuance of Interpretation 1 to Preference Rating Order P-133. The interpretation also tells how to distinguish the business of radio communication or radio broadcasting from the operation of and maintenance of public address, intercommunication, plant sound or other similar electronic systems for the controlled distribution of musical programs.

Persons engaged in the business of operating and maintaining electronic systems for the distribution of sound which are not radio communication or radio broadcasting systems are entitled only to use the AA-5 rating assigned by paragraph (a)(4) of Order P-133. The question has been asked as to how to distinguish between these businesses, the interpretation adds, and states:

"No person is engaged in the business of radio communication or radio broadcasting who has not been licensed by the Federal Communications Commission to operate a radio transmitter. No person who has not been licensed to operate a radio transmitter may use the AA-1 rating assigned by paragraphs (a)(1) and (a)(2) of Order P-133 for the businesses of radio communication or radio broadcasting.

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CENSOR CAUTIONS PRESS AND RADIO

Byron Price, Director of Censorship, issued the following statement to press and radio:

"I have been asked how Americans generally - all Americans - can help protect military security at this decisive stage of the war. I offer five suggestions.

"1. Express your opinions, but keep military information to yourself.

"2. If you write a letter or send a message or speak carelessly, remember that the enemy may see or hear your words eventually.

"3. Don't expect newspapers, magazines or radio to aid the enemy by forecasting when or where our forces will strike.

"4. Don't forget that Congress has prescribed heavy penalties for carrying or sending a letter or message into or out of the country without submitting it to censorship.

"5. Having always in mind what is at stake, be patient of delays and other serious dislocations which are sure to afflict all international communications in these critical times."

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: : :
 : : : TRADE NOTES : : :
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The House Rules Committee has pigeon-holed a bill to provide \$12,500,000 for Government purchase of war bond advertising space in all weekly, semi-weekly, tri-weekly papers and in dailies serving communities up to 25,000 population.

WELO, Tupelo, Mississippi, a 250 watt station, began operation this week simultaneously with its affiliation with the Mutual network as a full-time outlet.

WOMI, Owensboro, Kentucky, will start service on Monday, June 5.

The Stromberg-Carlson Company, manufacturer of telephone and radio equipment, reported for 1943 a net income of \$726,815, equal, after all deductions, to \$2.53 a share of common stock outstanding. This compares with \$534,053 and \$1.80 for 1942. Shipments, the company said, established a record, totaling \$40,946,618, compared to \$18,629,606 in 1942.

Don F. Holshaouser was granted a patent No. 2,348,216, assigned to the Radio Corporation of America, on an electron discharge device mount spacer, which consists of a resilient envelope spacer which surrounds the transverse member of an electron discharge mechanism. The spacer has points of contact with the outer envelope of the discharge device itself.

Fred A. Moore, since 1928 head of RCA's subsidiary company in Chile, Corporacion de Radio de Chile, has been appointed Regional Director for Latin America.

Other appointments announced are: Carlos Touche as President of RCA Victor Argentina, Buenos Aires; L. A. Humphries as General Manager of Corporacion de Radio de Chile, Santiago; Harold R. Maag as General Manager of RCA Victor Mexicana, Mexico City.

Crosley Corporation reports net profit of \$1,423,365 after all charges and taxes for first quarter of 1944, against \$1,125,230 for comparable portion of 1943.

Norah K. Donovan has been appointed Manager of the Literary Rights Division of the Blue Network. At the same time, the Division has been placed under the jurisdiction of Dorothy Kemble, Continuity Acceptance Manager, who now heads three departments - Continuity Acceptance, Script Routing and Literary Rights.

Raymond F. Guy, radio facilities engineer of the NBC Engineering Department, will speak on "Television and FM" before the Indianapolis section of the Institute of Radio Engineers Friday, May 23

With first quarter renewals setting an all-time high mark at WOR, the station went eight per cent ahead in total sales over the first three months of 1943, the best business year in the history of WOR.

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No. 1629

May 19, 1944

RMA TO DEBUNK PUBLIC RE POSTWAR RADIOS AND WHEN TO BUY

A national publicity campaign is soon to be initiated by the Radio Manufacturers' Association, a major objective of which will be to correct erroneous impressions that new developments will be available on "V" day and thereby encourage the immediate purchase of radios that will be available when production is resumed.

Wartime accomplishments of the radio manufacturing industry will be told to the American people in a project developed by the RMA Advertising Committee, headed by John S. Garceau, of the Farnsworth Television and Radio Corporation of Fort Wayne, Indiana.

Other objectives of the publicity drive are to:

"Present the wartime accomplishments of the radio industry to the American public, including the industry's scientific contribution to the successful conclusion of the war.

"Attract manpower to the industry and help retain essential workers by discouraging raiding of technical personnel.

"Inform wholesale and retail radio distributing agencies, for a better concept of current and postwar plans of the industry.

"Make the public more conscious of the benefits from radio and thereby stimulate development of possibilities in new fields.

"Encourage the use of radio as an educational necessity in schools - a radio in every classroom in the nation."

To direct the project, Theodore R. Sills & Co., a Chicago public relations agency, has been engaged. General policies and administration of the project will be under an Advisory Committee, headed by Chairman Garceau.

A major objective will be to more adequately inform the public through RMA of the vital part played by the radio-electronics industry of the industry's achievements in and contributions to the war program, within the limits of official "security" and other regulations. RMA member companies will be asked to cooperate in the industry project, by individual company contributions of information.

The Radio Manufacturers' Association is also now making an industry survey on postwar employment, planned by the special Employment and Personnel Committee, of which A. H. Gardner of the

Colonial Radio Corporation of Buffalo is Chairman. Important data on probable postwar employment and also statistics on current employment will be developed. RMA questionnaires have been distributed and it is hoped to complete the survey in time for the annual RMA industry meetings in Chicago next month.

In addition to all RMA members, nearly 200 non-member companies, comprising the larger companies in the industry having substantial numbers of employees, also will receive the RMA questionnaires. The 400 companies included in the survey substantially represent the entire industry.

The questionnaire calls for figures on 1940 employment, for comparative purposes, and also will secure data on present employment and the number of former employees now in the armed services. Information regarding employees expected, after the war, to return to their former jobs or homes, in or outside of the community, and housewives, students and others who probably will relinquish their jobs after the war also will be included, together with data on the probable employment one year after the war ends.

The results of the RMA survey will be made available to Government and also other agencies interested in postwar employment and reemployment of war veterans. One of the purposes of the survey is to compile authentic information and data, respecting employment and personnel, which can be relied on by the Government as well as individual radio manufacturers.

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NO SET RULE GRANTING MORE THAN ONE TELEVISION LICENSE

The Federal Communications Commission on May 16th amended Section 4.226, Multiple Ownership of television stations, so as to substitute "five" for "three" in the last proviso with respect to the number of stations constituting a concentration of control of television broadcasting facilities in a manner inconsistent with public interest, convenience, or necessity. (Commissioner Durr dissented.)

The Commission concluded to issue the following statement:

"In making grants of more than one television station license to one concern, the Commission will give consideration to the development of a nationwide television service, the geographic relation of the various proposed locations, and the public need for the proposed service at such locations."

Section 4.226 as amended reads as follows:

"Section 4.226 Multiple ownership. No person (including all persons under common control) (the word "control", as used herein, is not limited to majority stock ownership, but includes actual working control in whatever manner exercised) shall, directly or indir-

ectly, own, operate, or control more than one television broadcast station, except upon a showing (1) that such ownership, operation, or control would foster competition among television broadcast stations or provide a television broadcast service distinct and separate from existing services; and (2) that such ownership, operation or control would not result in the concentration of control of television broadcasting facilities in a manner inconsistent with public interest, convenience, or necessity: Provided, However, That no person (including all persons under common control), shall directly or indirectly own, operate, or control more than one television broadcast station that would serve substantially the same service area: And Provided, Further, That the Commission will regard the ownership, operation, or control of more than five television broadcast stations as constituting a concentration of control of television broadcasting facilities in a manner inconsistent with public interest, convenience, or necessity."

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HOWARD HUGHES BACKS CBS POSTWAR TELEVISION STAND

An exchange of telegrams between Paul W. Kesten, Executive Vice President of the Columbia Broadcasting System, and Howard Hughes, aviator and business executive, has revealed that neither Mr. Hughes nor anyone connected with his firm authorized inclusion of Hughes Productions among those companies which, as members of the Television Broadcasters' Association, opposed the CBS stand for improved postwar television.

On April 29, two days following announcement of Columbia's television policy, the TBA went on record as opposing it, and listed Hughes Productions among those represented in the opposition.

Noting that Hughes Productions, television representative of Howard Hughes, was the only company among those named which was neither a direct competitor nor a set manufacturer, Mr. Kesten sent the following telegram to Mr. Hughes:

"Hope you have received and read CBS report and proposal for vastly improved postwar television standards. You and we as broadcasters will be the transport companies in sending television programs through the air to American homes. We are in effect asking simply for the counterpart in television of your Constellation in aviation instead of outmoded prewar planes. In your absence Howard Hughes and Hughes Productions were represented together with General Electric, National Broadcasting Company, etc. in New York Times April 29 news story as being opposed to improvements CBS proposes. Cannot believe you were consulted or that you would feel this way after reading report itself. Would appreciate telegram from you stating whether you sanctioned use of your name in this connection and if possible stating your opinion on Columbia proposals."

Mr. Hughes' reply, denying opposition to the CBS proposal, follows:

"With reference to your telegram of May 2 and the quotation contained therein, neither I nor anyone connected with my company made or authorized this statement. In reply to your request for a definite expression of attitude approving or disapproving Columbia's proposal, I submit the following: My company does not feel qualified to pass judgment on Columbia's proposed set of television standards in detail and explicitly as set forth. However, in principle, my company feels most strongly that no standards should be adopted and that the public should not be permitted to increase substantially its investment in television receiving equipment until the result of all related research and development carried out during this war is made available and thoroughly analysed. It is my company's belief that, after such analysis, standards should be set which will produce the very best television picture obtainable within practical limitations and without any regard whatsoever for pre-war standards. It appears obviously unsound to allow a several hundred million dollar investment of the public's money in equipment other than that based upon the latest design information and development in existence."

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FCC WOULD TIGHTEN UP ON RECORDED PROGRAM ANNOUNCEMENTS

In order that there might be no mistake on the part of the public with regard to recorded programs, the Federal Communications Commission has proposed adding the following amendment to its rules and regulations:

"Sec. 3.407 Mechanical Records. - (a) No recorded program consisting of a speech, news events, news commentator, forum, panel discussion, special event, or any other recorded program, in which the element of time is of special significance and a presentation of which would create, whether intentionally or otherwise, the impression or belief on the part of the radio audience that the event or program being broadcast is in fact occurring simultaneously with the broadcast, shall be broadcast without an appropriate announcement being made at the beginning and conclusion of the broadcast that it is a recorded program. The identifying announcement shall accurately describe the type of mechanical record used.

"(b) Any other program consisting of a mechanical record or series of mechanical records need not be announced as provided in subsection (a), but the licensee shall not attempt affirmatively to create the impression that the program being so broadcast consists of live talent. At least once each hour the licensee shall announce which of the programs other than those specified in subsection (a), presented during the previous hour, were broadcast by means of mechanical records."

Anyone desiring to do so may file statements or briefs before June 16 as to why the amendment should not be adopted or why it should not be adopted in the proposed form.

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5/19/44

BOTH FLY AND MAGAZINE WRITER PULL BONERS; WILLKIE DUCKS

It was the opinion in informal circles that Chairman James L. Fly of the Federal Communications Commission, who has never been noted for his tactful or intelligent handling of the press, and Miss Greta Palmer, a free-lance writer who wrote the Reader's Digest article which so incensed Mr. Fly, both pulled colossal boners.

Chairman Fly pulled the first boner in jumping the gun and warning DeWitt Wallace, editor of the Digest, laid himself open to the charge of attempting by intimidation to suppress publication in a magazine having one of the largest circulations in the world of material critical to Fly and the Federal Communications Commission. Mr. Fly charged the article was based upon attacks on the FCC in the House investigation and warned that any such story would be composed of grave libels.

This brought a countercharge from Miss Palmer, writer of the article, that Mr. Fly was peeved that the Digest had turned down an article he had submitted and to give her an interview.

Miss Palmer herself pulled quite a boner in giving the source of her article. Miss Palmer declared the article was first suggested to her by Wendell Willkie who sent her to William S. Paley. Whereupon she proceeded to drag in several more names of persons she said she had talked with, including Niles Trammell, President of NBC, Lewis A. Weiss of the Don Lee System, Louis Caldwell of Mutual Broadcasting System, FCC Commissioner T.A.M. Craven, and others. All of which was unnecessary, in the opinion of the writer, and strictly unethical. It is a well-known fact that newspaper people do not have to divulge the source of their information and many have gone to jail rather than do it.

"I wish it were possible to get the broadcasters to open up", Miss Palmer wrote in a memo to her editor, "but they are a timid lot and tell me they fear reprisals if they talk. Some of my sources think Fly's strategy is one of delay aimed at preventing our ever printing anything about the FCC.

"Some broadcasters insist to me that a license to operate a radio is the Washington equivalent of a local politician's Thanksgiving turkey - that it is given out to reward the politically faithful and withheld from any businessman who has fought the Administration.

"The great unsolved puzzle is how Mr. Fly has won to a position in which he can win arguments in the military field against Knox and Stimson (the memo was written in January before Secretary Knox's death) and can even refuse to give out fingerprints to the FBI on request."

Wendell Willkie said that "I did not suggest" and knew nothing about the article criticizing the FCC prepared by Greta Palmer for Reader's Digest.

Mr. Willkie said several radio companies had come to him for advise and he had advised them not to fight the Commission's rules against chain broadcasting. He regarded the Radio Act of 1927 so broad in its implications that he believed the FCC would be sustained.

Mr. Willkie said that his advice to the companies was that a fight against the rules would "slow up rather than accelerate their campaign for "a new definitive law" governing radio and that, if they went ahead, it might lead to "plenary powers" for the FCC.

"As to the radio industry and its regulation, I suggested to Mrs. Palmer that she see the executives of the industry, William Paley, David Sarnoff and Niles Trammell", Mr. Willkie said. "My sole interest was as a courtesy to one writing articles - a courtesy often requested of me in public and quasi-public life."

Chairman Fly wrote to Editor Wallace of the Reader's Digest in part as follows:

"I have been more than shocked recently to receive word that one of your writers, Miss Greta Palmer, has been assigned the task of 'doing a job' on me. She has made it clear to me and to others that the writing which she is doing will be based upon 'information' and documents collected by the Cox Committee. * * * I am reluctant to believe that by treating with this one-sided subject matter you would have the Reader's Digest brought down to this lowest of levels.

"I want to advise you that although this disreputable effort to 'get' me has been going on for a number of months, neither I nor the Commission have ever been permitted to put a witness on the stand. * * * While the title of this Committee is the Select Committee to Investigate the Federal Communications Commission, the record is replete with examples which conclusively prove that it is I and I alone that this Committee and its counsel set out to destroy.

"The procedures of the Cox organization and of its unscrupulous counsel have been condemned on a wider scale than in the case of any other Congressional Committee within my knowledge. Despite all of this the present counsel (although not the new Chairman) is determined to do a destructive job upon me by any and all devices regardless of the low character these devices might ultimately assume. One of the effective ways of accomplishing this is to use a respectable publication of the widest circulation like the Reader's Digest to give the charges repeated currency and through countless repetitions a seeming validity. * * *

"It is true that Miss Palmer offered to talk to me. However, you, she and the Reader's Digest must bear in mind that it is quite impossible for me in the course of a few hours or even days to lay out before her the oral testimony, the voluminous documents, and the great bulk of evidence which eventually will be submitted by me and the Commission to utterly disprove every one of the serious and unfair assertions. This proof, I can assure you, will be overwhelming. * * *

5/19/44

"In fairness to myself and in fairness to you and the Reader's Digest, I am obliged to warn you of the complete falsity of these charges and of my confidence in affirmatively disproving each and every one of them. It cannot be sufficient for your purposes under these circumstances that you rely upon the word of this lawyer or that you rely upon the rumors or hearsay statements put into the record or that you rely upon any single document or seeming authority written or spoken by some disgruntled individual. Wherever there is a written or spoken word seeming to give any basis for the scandalous charges of this lawyer, they can be traced back either to irresponsible rumor or hearsay. The best the Committee's counsel has had to offer to date has been one super-disgruntled individual who for that very reason was an irresponsible person and witness. (Editor's Note - This is said to refer to Admiral Hooper whose retirement was alleged to have been forced by Mr. Fly.) * * *

"I am indeed reluctant to assume that you have known anything about this project. I am even more reluctant to assume that you would knowingly become a party to any such undertaking. I am certainly not conscious of the fact that the Reader's Digest has ever, with full knowledge of the facts, set out to spread a series of grave libels against any person. I think, too, that you will readily appreciate the fallacious legal foundation for your promotion of such libels. Even the 'record' thus far, so obviously incomplete and one-sided and publicly recognized as unfair, cannot be used as a screen to hide behind by anyone as a privilege in destroying me."

Mr. Wallace replied:

"Mrs. Palmer, a successful free-lance writer, has had a recent assignment from us to scout for article ideas. Your letter is the first intimation I have had that she plans to suggest an article about you. Roughly, I should say that we consider a hundred proposed subjects for each one that is finally developed for use in the Digest. Hence I hasten to assure you that you need not be unduly concerned.

"The Reader's Digest is not a 'smear' sheet; I doubt whether any leading magazine has so consistently refrained from presenting individuals in an unfavorable light. As it happens, I'm not familiar with the report of the Cox Committee. If, by any chance, we should make an investigation into the subject, you may be certain that it will be exhaustive and fair."

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"America's Town Meeting Of The Air", a Blue Network public service program, will be sponsored by the "Reader's Digest", for a period of thirty-nine weeks starting September 7th. The remainder of the season's broadcasts will continue on a sustaining basis.

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FLY DESCRIBED AS MOST MILITANT OF NEW DEALERS

Publicity which Arthur Krock gave to Chairman James L. Fly of the Federal Communications Commission in the New York Times today (April 19) is one which seldom comes to a man in public life and of such a nature as to either make or break a man. Mr. Krock wrote, in part, as follows:

"The official activities of James Lawrence Fly, Chairman of the Federal Communications Commission, have long been a source of suspicion and perplexity to those in public life who believe that no other administration has played power politics as ruthlessly as Mr. Roosevelt's and that Mr. Fly is one of the most effective players.

"The suspicion is based on the fact that, though the FCC Chairman is on a secondary administrative level, his influence at the White House seems to be greater than any member of the Cabinet, and a political community is prone to attribute such a phenomenon to exceptional political services. The perplexity arises from the fact that there is no satisfactory proof of this.

"A regime which has in various ways sought to discredit legitimate press criticism by aspersing the character of the press, and has preached social reforms while retaining office by alliances with the most unsavory political machines in the nation, invites the suspicion that it seeks to make the radio a vehicle of its electoral interest. In the place he sits Mr. Fly is indispensable to such an enterprise. Unlike the press, the radio is under government license; the government passes on the allocations of wave lengths, the identity of the purchasers of broadcasting chains and stations, and the policies by which time is allotted for discussion of controversial subjects.

"This puts great political power in the hands of the FCC Chairman, particularly when he dominates his fellow-commissioners, as Mr. Fly does, and the law under which he operates is cloudy enough to permit him to make and alter major policy virtually at will. The Chairman, moreover, likes power, does not hesitate to use it and never runs away from a battle.

"The combination of power to influence public opinion, aggressiveness in controversy and fanatic devotion to the political interests of Mr. Roosevelt makes a natural appeal to the President. It would seem to provide sufficient answer to what a House committee was told yesterday was 'the great unsolved puzzle: how Mr. Fly has won to a position in which he can win arguments in the military field, against Knox and Stimson, and can even refuse to give out fingerprints to the FBI on request.'

"In addition to his personal equipment for political battle and his fealty to the President, the FCC Chairman has other qualities that commend him to an administration which, from judicial appointments to the use of relief funds, has always been both 'practical' and cynical in conducting the democratic process. Mr. Fly is a shrewd judge of combat conditions, in the courts, on Capitol Hill and in administrative conference.

"An example of his legal and tactical abilities was once afforded to this correspondent by Mr. Fly. When he was counsel for TVA the Wilson Dam case came before the courts. The government briefs and arguments in the lower tribunals were riskily broad for a test in the then Supreme Court, even though that group was showing signs of a more liberal and Federal viewpoint on public power issues than its precedents revealed.

"But when the government brief was filed with the Supreme Court it was noted that the risk had been craftily eliminated and the issue narrowed to an area in which justices anxious to go along as far as they conscientiously could with the New Deal, could find footing for approval. This correspondent was informed that the feat of legal statesmanship was the work of an eminent private attorney who had been retained by the government in the case, and he so reported.

"A few days later came a visit from a modest and most engaging young man who introduced himself as the counsel for TVA. He said he had no request to make; he sought merely to state the facts about the change in the government argument. He proved indisputably that the act of legal statesmanship was his own, and said he could well use credit to which he was justly entitled. When the record was set straight, which was immediately, he wrote a letter in which he said the correction had been 'far too generous' and unbelievably prompt. Newspaper writers, even when their error is made in patent good faith, are not used to public officials who proceed in such fashion; and they are not surprised when they find them ascending to the pinnacle of power Mr. Fly has attained. * * *

"But bureaucracy is a stimulant, and great official authority derived from and protected by a President is strong drink. To these influences perhaps can be ascribed a notable change in Mr. Fly from the modest young lawyer who did not see deliberate unfairness in an honest error. He seems in high office to have developed toward all criticism - constructive and sincere as well as personal and partisan - a persecution complex. Who differs or disputes with him is a sinister enemy, intent on his destruction. His motives are beyond question; the motive of any critic is unworthy. His side is the side of the angels, however far down it may reach for weapons; the other side is commanded by Lucifer.

"The FCC Chairman also has become dictatorial in his behavior toward those having business with the Commission, toward his war administrative associates and members of Congress, even asserting inaccessibility to question as among his rights. Add all this to the type of politics he is suspected of playing, and the roots of his troubles are in plain view."

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Contracts for syndicated programs signed during the first four months of 1944 were three times greater in number and for longer series than in the same period of 1943, Claude Barrere in charge of Syndicated Sales for the NBC Radio-Recording Division, has reported.

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ANTICIPATES DEMAND FOR 25,000,000 SETS BY END OF 1944

A pent-up demand for between 20,000,000 and 25,000,000 radio receiving sets will exist by the end of 1944, as compared with the industry's all-time high production of 13,000,000 units in 1941, it was estimated today by Larry E. Gubb, Chairman of the Board of Directors of Philco Corporation, in an address on "Electronics and Television in the Post-War World" before the Bond Club of Philadelphia.

"Today the radio-electronics industry is turning out specialized types of war equipment at the rate of approximately \$3.2 billions a year - a greater volume of output than that of the entire automobile industry in 1939", Mr. Gubb said.

"The present war has caused a great acceleration of research and development work in radio and the ultrahigh frequencies - so much so that our technicians tell us that ten or fifteen years of research work have been compressed into the thirty months since Pearl Harbor.

"It is still too early to foretell what revolutionary peacetime applications may result from these scientific advances. Much of the work is still surrounded by wartime secrecy in the interests of national security. But it is not too much to hope and believe that electronics will make for greater safety in sea and air navigation and, in many respects, profoundly change our ways of life."

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CREUTZ TO SUCCEED MC INTOSH AT WPB

John Creutz, who has been assistant to Frank H. McIntosh for the last 18 months, has been appointed to succeed Mr. McIntosh as Chief of the Domestic and Foreign Branch. Before he joined the War Production Board, Mr. Creutz served as a radio engineer and consultant to the radio industry. A native of Beaver Dam, Wis., he is a graduate of the University of Wisconsin.

Mr. McIntosh, who went to WPB two years ago from the Fort Industry Company of Toledo, resigned last week, effective June 1st, to return to private industry as a radio electronic consulting engineer, Ray C. Ellis, Director of the Radio and Radar Division, has announced.

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The Army Service Forces of the War Department will hold an exhibit on the Polo grounds in Washington from May 22 to May 28, inclusive to demonstrate the difference in equipment used by the United States Army and that available to Germany and Japan. Radio and electronic equipment will be a leading feature of the exhibit.

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: : :
: : : TRADE NOTES : : :
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There will be three broadcasts in connection with the 100th Anniversary of the sending of the first telegram in the U.S. May 23 (CBS 10:45-11 P.M. EWT) James L. Fly; May 24 (NBC) 8:45 A.M. EST, Col. David Sarnoff transmitting the first telegraph message "What hath God wrought" and May 24 (CBS) 11:15 A.M. from Capitol Rotunda. Senator Wheeler, Chairman of the Senate Interstate Commerce Committee and Representative Bulwinkle, Acting Chairman of the House Interstate Commerce Committee.

In a technical change in the pricing order setting manufacturers' ceiling prices for new radios and phonographs, the Office of Price Administration provided Thursday that wholesale and retail prices may be set under the same orders which establish the manufacturers' prices. Prior to Thursday's action wholesale and retail prices were determined only under the General Maximum Price Regulation at highest March, 1942, levels.

Stations KFI and KECA, Earle C. Anthony, Inc., Los Angeles, Calif. were denied petition by the FCC for extension of licenses under Order 84-B to October 1, 1945; designated renewal of license applications of KFI and KECA for hearing, and authorized extensions of licenses pending determination of applications for renewal.

In order to obtain information for the purpose of considering the practical effects of Chain Broadcasting Regulations (Sections 3.101-3.108) which have been in effect approximately one year, the FCC authorized a request to all standard broadcast licensees for information which will permit a comparison of the distribution of network and non-network programs for a given week in April 1943 with a given week in April, 1944.

The Board of Directors of Philco Corporation last Monday declared a dividend of twenty cents (20¢) per share of common stock, payable June 12, 1944, to stockholders of record May 27, 1944. The previous dividend was also 20 cents per share paid on March 13, 1944.

A conference of the RMA Contract Terminations Committee is scheduled in Washington today (Friday) with officers of the Army Service Forces and the Signal Corps, for discussion of formal recommendations on contract termination problems which have been developed by the RMA Committee. John Ballantyne, of Philadelphia, is Chairman, and Ray F. Sparrow, Indianapolis, Vice Chairman. Other members include L. W. Adkins of Cincinnati, Robert C. Sprague, North Adams, Mass., J. P. Rogers, Fort Wayne, Ind., and Max F. Balcom of Emporium, Penna. The RMA Committee favors a pending plan for horizontal, overall contract settlements, and it is understood that the Army will try out this plan with a few companies.

WTAR, The Norfolk (Va.) Ledger, the Buffalo Courier-Express, WEBR, and the Dallas News, WFAA, are named in applications for frequency modulation (FM) broadcast permits filed with the FCC within the week.

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HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.

RECEIVED
MAY 25 1944
FRANK A. MULLER

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No. 1630

May 23, 1944

CLAIMS NEWSPAPER ADS PULL FIVE TIMES RADIO AUDIENCE

That the median radio audience for New York retail advertising programs is only about one-fifth the size of the median audience for retail newspaper advertising is demonstrated by statistics from three leading independent research organizations in an analysis of retail store advertising released recently by the New York Newspaper Promotion Managers' Association.

The median audience for radio retail advertising is 29,000, for newspaper advertising 151,500, the analysis, which is the most important project yet undertaken cooperatively by all New York dailies, reveals. The project was sponsored by the New York Newspaper Advertising Managers' Association and executed by the promotion group.

The research program was carried out by Crossley, Inc., Fact Finders Associates and Clark Syndicated Newspaper Service (now Grant Research Associates). In presentation and booklet form the survey is available to newspapers throughout the country.

A strong majority of both men and women expressed a preference for advertising in newspapers and for omission of advertising over the radio.

Of 7,830 women questioned only 13.6% wished newspapers without advertising, 86.4% with; of the 2,806 men queried 19.4% wished newspapers without advertising.

The conclusion of the presentation that radio commercials bother most people and create inattention is supported by the Crossley, Inc. survey measuring the audiences commanded by the 21 local retailers' programs occupying 15 minutes or more on the air, frequently in competition with top rank national network programs.

The same coincidental telephone technique by which national Crossley ratings are determined was used to measure the size of the audience and the proportion identifying the sponsor.

Audiences for the programs varied from a low of no homes found listening to the Jerry Lawrence program for National Shoes over WMCA to a top of 178,000 of the 3,060,000 radio homes in the New York market tuned in to George Palmer Putnam for Bond Clothes over WEA. Of these one-half knew the sponsor.

For 13 of the 21 programs surveyed no home checked could identify the sponsor.

The best percentage of sponsor identification belongs to Horn & Hardart's Children's Hour, 10:30 to 11:30 Sunday mornings over WEAF. The chart, with percentages representing proportion of the 3,060,000 radio homes in the New York market, shows:

Not listening to radio	2,543,000	--	83.1%
Not listening to WEAF	354,000	--	11.6%
Listening to H. & H.	163,000	--	5.3%
Did not know sponsor	35,200	--	1.1%
Knew sponsor	127,800	--	4.2%

Only the Bond and Horn and Hardart programs were identifiable by more than 50,000 homes, and only these and Abraham & Straus' Missus Goes a-Shopping over WABC numbered over 100,000 listeners.

Misidentifications included Griffin Shoe Polish, Abraham & Straus, Vicks, Pillsbury Flour, Musterole, and Bond Bread.

In conclusion the presentation stated that "almost half the radio programs sponsored by New York retailers attract fewer than 1% of the sets" in the area.

By contrast with the median radio audience of 29,000 for New York retailer programs (not with the much lower identifying audience), the median audience for 94 retail women's apparel advertisements in newspapers, ranging from 300 to 1,000 lines, was shown to be 151,500 women.

The women's apparel advertisements were selected as most common from the findings of 19 reader traffic studies made of six New York newspapers between 1939 and 1943 by the Clark service. Papers surveyed were the Herald-Tribune, Mirror News, Sun, World-Telegram, and Times.

Of the 94 advertisements 81 were read by more than 100,000 women in the metropolitan area, 93 by more than 75,000.

A comparison of the audiences for each medium in the presentation reveals that the lowest-rated newspaper advertisement had an audience of 58,000 women, or twice the median audience for retail radio advertising programs. Of the latter 62% had audiences smaller than that of the lowest-rated newspaper advertisement.

While 86% of the women's apparel advertisements reached a metropolitan audience of 100,000 women or more, only 14% of the retail-sponsored radio programs reached a comparable audience.

A comparison of the cost of the radio programs studied by Crossley and the newspaper advertisements surveyed by Clark, using total, not sponsor-identifying, audiences for radio and omitting the cost of talent of programs, shows radio from two to six times as expensive.

For radio the highest cost per thousand members of the audience exclusive of talent, was \$21.93, for newspaper space \$3.77;

the median for radio was \$4.57; for newspaper retail ads \$1.16, and the lowest for radio \$1.03, for newspapers \$.52.

Copies of the New York Newspaper Promotion Managers' Association survey may be secured by writing to Vernon Brooks, Advertising Manager, New York World-Telegram, New York City.

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SEN. BUTLER SUSPICIOUS OF MYSTERIOUS U.S. "PRENCINRADIO"

Senator Butler (R), of Nebraska, who made sensational charges about the way our Government corporations and lending agencies were throwing money around in Latin-America, called the Senate's attention last week to a secret U. S. Government corporation which has been operating in Latin-America, in connection with the "good neighbor" policy, for the past two years known as Prencinradio, Inc., in which he expressed considerable distrust.

Senator Butler said when a charter was quietly filed in Delaware, no mention was made that Prencinradio, Inc. was a government agency and that he had heard of numerous complaints both from here and from Latin-America about its competition with private capital.

"Incidentally, the Prencinradio Corporation enjoys freedom of control by the Budget Bureau and Congress over its administrative expenses, and it is not audited by the General Accounting Office", the Senator declared. "There is a footnote to the effect that the Coordinator has agreed to submit accounts to the General Accounting Office, but as of December, 1943, he has not done so. No wonder it appears impossible to get an accurate statement as to how much is being spent in Latin America or elsewhere. These organizations are not responsible to anyone, not even to Congress itself."

Senator Butler referred to an article which appeared in the Wall Street Journal May 18th headed:

"United States mystery agency; Government-owned Prencinradio, Inc., Works in Latin-American field; activities a well-kept secret for 2 years - has radio and movie interests."

Portions of the article relating to radio follow:

"The Federal firm has most sweeping powers, especially to make, produce, edit, publish, exhibit, broadcast, or distribute motion pictures, radio script, transcriptions, and recordings, and/or programs, news, articles, books, magazines. * * *

"It is impossible now to make a comprehensive analysis of how many of Prencinradio's powers have been translated into action. (Officials do say the bond-issuing power has not yet been used.) Here are certain facts, pieced together from numerous sources:

"Case 1: Strategically located in Montevideo, Uruguay, is a broadcasting firm entitled 'Prencinradio, Sociedad de Responsabilidad Limitada (limited-risk company).' Though ostensibly a private concern, and nothing more, it has close financial connection with Prencinradio, Inc., of Delaware. Just what these arrangements are officials of the United States corporation will not say for publication; the Office of the Coordinator of Inter-American Affairs declines to make public any information about this operation.

"Officials of the Federal Communications Commission, however, say their records show the Uruguayan Prencinradio is operating two long-wave stations in Montevideo, CX-16 and CX-24. These communications experts are not in on the secret that the United States Government is the financing sponsor of the stations. 'I don't see how they would be tied in at all with the Government; we don't have anything to indicate that', said one of them.

"So far as the FCC knows, control of Prencinradio in Montevideo is vested in two individuals, Roberto Fontaina and Dardo Regules. The Uruguayan Embassy here says that two gentlemen of these names are members of the Government of Uruguay. Senor Regules is a member of the house of representatives of that nation and Senor Fontaina is an official of the Uruguayan Office of Information, with offices in Rockefeller Center in New York City.

"The Montevideo radio transmitters are about 150 miles from Buenos Aires, and a good portion of Argentina is within their service area.

"The Bureau of the International Telecommunication Union, in its most recent list of broadcasting stations, tenth edition, 1942, shows Station CX-16 operating on 850 kilocycles with 10 kilowatts power; Station CX-24 on 1010 kilocycles with 2.5 kilowatts. (The stations were then owned by Radioelectricas del Plata.) Without 'beaming', the more powerful of these stations would have a service area of about 200 miles in daytime, 500 miles at night, and directional antennas would multiply this range by five. The smaller station would have about 200 miles' effectiveness with beaming.

"Besides Nelson Rockefeller, the principal officers of the corporation are: President, Don Francisco, Assistant Coordinator of Inter-American Affairs for Radio; Vice Presidents, Francis A. Jamieson, Assistant Coordinator of Inter-American Affairs for Press; Francis Alstock, Director of the O.C.I.A.A. Motion Picture Division, and John W. Ogilvie, Associate Director of the O.C.I.A.A. Radio Division."

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The Liberty Ship RAYMOND CLAPPER was launched at the St. Johns River Shipbuilding Company yard, Jacksonville, Fla., on May 22nd at 12:45 P.M., it has been announced. Mrs. Raymond Clapper, who is soon to make her debut as a commentator, sponsored the ship. The launching took place less than four months after the death of the columnist and commentator, which occurred February 2nd.

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GEORGE HENRY PAYNE IS NEW FINCH TELECOMMUNICATIONS V-P

George Henry Payne, the mystery of whose reappointment to the Federal Communications Commission still remains unexplained, has been named Vice-President and Director of the Finch Telecommunications Company of New York. The Finch Company, headed by Commander William G. H. Finch, U.S.N.R., has pioneered in both the television and facsimile fields and is a rapidly growing concern. Its factories are in New Jersey.

Mr. Payne, a Progressive Republican, political advisor to former President Theodore Roosevelt, was a "stormy petrel" on the FCC and because of his independence gave a lot of trouble to Chairman James L. Fly and the New Deal politicians. At that he was reappointed for a second term and his name sent to the Senate by President Roosevelt for a third term but later recalled by the President who, after many months' delay, finally appointed E. K. Jett, former Chief Engineer of the Commission, to fill the place. As Commissioner, Mr. Payne advocated numerous reforms and campaigned primarily for a reform in children's radio programs on the theory that "while the eye may discard, the ear may receive", and his contention is that children have not attained the power of distinction between good and bad so far as radio is concerned.

Mr. Payne, before becoming Federal Communications Commissioner, was Tax Commissioner of the City of New York, and previous to that he was adviser to the late Otto Kahn, financier and patron of the arts; manager of the campaign of Gen. Leonard Wood for the presidential nomination, and the editor of The Forum Magazine. For several years he was president of the Bronx National Bank of New York City.

Mr. Payne is the author of "The Child in Human Progress"; "A History of Journalism in the United States"; "England and Her Treatment of America"; "The Progressive Party", and numerous essays and articles.

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CINCINNATI ENQUIRER MAY PURCHASE WSAI

Broadcast Division of the Crosley Corporation, operators of WLW and WSAI, Cincinnati, are reported to be negotiating for the sale of WSAI in order to comply with the FCC ruling governing dual ownership.

The Enquirer is the only daily in the city without a broadcasting outlet, and has been mentioned as the purchaser although it is reported that Wall Street interests also are negotiating too.

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FCC APPROVAL SEEN FOR COWLES ENTRY INTO NEW YORK

Although the transfer has not yet come before the Federal Communications Commission, it seemed to be a foregone conclusion that the sale of Station WHOM, Jersey City, covering the New York City metropolitan area, to the Iowa Broadcasting Company, headed by Gardner Cowles, Jr. and his brother John Cowles, would be approved. The overall price of WHOM was slightly more than \$400,000 and the station was bought from Joseph Lang and Paul F. Herron.

It is expected that supervising WHOM will be one of the first jobs assigned to Commissioner T.A.M. Craven when he leaves the Commission June 1st. Commander Craven years ago when he was in private practice as a consulting engineer, owned an interest in WHOM but sold it when he went into the FCC.

Mr. Lang, General Manager of WHOM, was quoted as saying that it was his understanding that WHOM would continue to carry foreign language programs under the new ownership because of their importance in the war effort. It is presumed also that the staff, except for the new management, will remain intact. Messrs. Herron and Lang are also part owners of WIBG in Philadelphia.

Mr. Cowles announced that both television and FM stations would be sought in New York to be operated with WHOM.

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WPB DENIES CIVILIAN SET PRODUCTION WILL BE RESUMED

Contrary to published reports, the War Production Board has not authorized the production of any new radio receiving sets for civilians and there is no prospect of such authorization this year, the Radio and Radar Division of WPB said last Friday.

Production of radio receiving sets for civilians has been prohibited by WPB since April, 1942. The military electronics equipment program for 1944 is approximately 50 per cent above 1943 production, the Radio and Radar Division pointed out, so the prospect of resumption of civilian radio set production is remote.

Assembly of a limited number of radio receiving sets by manufacturers for military users for morale purposes, such as overseas recreation centers and hospitals, has been authorized, the Division said, which may have given rise to reports of resumption of civilian production.

No steps in the direction of authorized production of civilian radio sets would be taken without first consulting the radio industry through the WPB Industry Advisory Committees, the Radio and Radar Division pointed out.

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NOW TELEVISION BROADCASTERS' PRES. PATS MR. FLY ON BACK

What looked like an about-face on the part of the Television Broadcasters' Association, Inc. was a statement issued by Allen B. Du Mont, its President, that he was "wholeheartedly in agreement" with Chairman James L. Fly of the Federal Communications Commission in the television row. Originally the Television Broadcasters went on record as opposing the views of Paul W. Kesten, Executive Vice-President of the Columbia Broadcasting System, and Mr. Kesten was vigorously backed by Chairman Fly.

Mr. DuMont, apparently by way of buttering up Chairman Fly, said:

"The remarks of Mr. Fly delivered at the first session of the Television Seminar, conducted by the Radio Executives Club of New York, indicate that the Federal Communications Commission is showing excellent foresight in its attitude toward television.

"I agree wholeheartedly with the F.C.C. Chairman that when the war ends the television industry should be ready to provide the best practical television picture and I am confident this will be the case.

"Mr. Fly's forthrightness is to be commended. Progressiveness and not stagnation is and will always be the aim of the nation's television broadcasters. When hostilities cease and the doors to a national television service are swung open, television images of excellent pictorial quality and adequate size will, I feel certain, be ready for a nation anxious to see and accept this new and wonderful medium."

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TAKE IT FROM GEN. HARBORD, INVASION WHALE OF A JOB

When the great invasions of Europe get under way, Americans can be confident of the ultimate results, Lieut. Gen. J. G. Harbord, Chairman of the Board of the Radio Corporation of America, told members of the Historical Society of Pennsylvania in Philadelphia last week, but he warned that "we will do our fighting men an injustice if we overlook the tremendous difficulties involved and expect an overnight miracle."

General Harbord, who served as Chief of Staff of the American Expeditionary Forces in France in the last war, cited what he described as a "hypothetical invasion" by an army of 250,000 men to bring out the multiple problems of establishing a foothold on enemy-held soil. He said that for a force of that size more than 1,750,000 tons of equipment would have to be landed with the invaders, and at least 250,000 additional tons of supplies would have to be landed each month, to say nothing of replacements in men and materiel.

"Suppose the leader of the invasion encountered no special problem because of enemy air attacks or enemy submarine attacks", General Harbord declared, "he would still have enough regular and routine problems. When supplies come ashore, warehouse space and storage space must be found for them. He would need 2,000,000 square feet of open storage space and some 1,750,000 square feet of covered storage space. He would need to arrange for the arrival of more than 30 cargo ships a month and their unloading.

"If the invasion leader intended to push the enemy back - and make the invasion more than a mere landing -- he would have to discover what rail facilities were available for taking his supplies forward, what their capacity was, the state of the rolling stock and the roadbed, what the census of the motor truck pool was, how many trained men would be available to keep the railroads functioning and the trucks running."

"Theories, as well as men, perish by the sword", the General declared. "What is important is to make certain that we are armed against the chances and changes and accidents of war. The commander who brings 250,000 men to solid footing on a hostile shore is at the end of one chain of chances, changes and accidents. We must remember that he is only at the beginning of another chain of chances, changes, and possible accidents."

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SUGGESTS KEEPING AN EYE ON MR. FLY

Another prominent newswriter, Frank C. Waldrop of the Washington Times-Herald this week took a wallop at Chairman Fly, saying:

"One of the most important men in Washington is James Lawrence Fly, Chairman of the Federal Communications Commission. Mr. Fly is smart, tough, and he knows what he wants. You can judge what he wants by what he does.

"And what he does is to bully people who come within his reach.

"Mr. Fly's latest bullying hasn't worked out altogether according to plan, however, and deserves a little thoughtful attention both for what it shows about him and about ways of dealing with him.

"To begin with, some background about Mr. Fly himself.

"This gentleman came to the Federal Communications Commission from the Tennessee Valley Authority, where he had worked himself up to be general counsel.

"Before joining TVA, he was just another obscure, small-size governmental lawyer, but with that outfit he had made himself

a considerable reputation as a legal sharpshooter in the cause of the Government as against private power companies.

"Now, on the other hand, consider the Federal Communications Commission. It was created in 1934 for the purpose of regulating radio, telephone and telegraph 'in the public interest, necessity and convenience.'

"Noble-reading words, indeed, but, as you can easily see, wide and vague enough in meaning to accommodate just about any kind of interpretation.

"The FCC, from its very first days, was a flop. It had enormous powers, but no idea how to use them.

"Result: Chairman and members fell by the wayside in a steady stream. Congress complained and the people doing business with the FCC were baffled. By 1939 the demand for a really able Chairman was universal.

"And through the influence of Thomas Gardiner Corcoran, the all-over-the-place handy man of the New Deal in his day, up to Washington came Mr. Fly, September 1, 1939.

"On the whole, people were glad to see him. He was young, as men of his rank go, vigorous and positive. Radio and the telephone and telegraph business hoped he would knock the Commission into business-like condition.

"He did. But what kind of business?

"Mr. Fly knows only one kind of business - the Government harassing the business man. He knows that all too well.

"So he began to put on pressure. He lectured the radio companies as to the kind of programs they should use. For instance, he hates 'soap operas', the universally popular radio serial dramas that run night and day because the public likes them, and has told the radio industry to cut that kind of thing down if it hopes to hold its place in the 'public interest, necessity and convenience'.

"So, what with one thing and another, the House of Representatives finally decided Mr. Fly's administration of the FCC needed investigation. It appointed a select committee to do the job.

"Incredible as it may seem, Mr. Fly licked that committee to a standstill by sheer generalship. He is smart.

"But he didn't like its collection of testimony, not quite.

"And that is where the business of beating Mr. Fly comes in. A publication called Reader's Digest sent a reporter down here to get the Committee's evidence and Fly's rebuttal, put the two together and see what would come out in the way of a balanced analysis of Fly's career.

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"The Reader's Digest story hasn't yet been printed in Reader's Digest, but last week it got considerable publicity.

"For it was disclosed before the House committee aforementioned that Fly has been nailed in an attempt to kill the story.

"You may have read about all that, but, in brief, it was disclosed by the Digest reporter that she got one set of facts from the Committee files, tried to check them with Fly, and that he refused to see her.

"Then having refused the reporter that chance to present him with the charges, he threatened dire consequences to Reader's Digest if it should print the story he himself admits he had never read.

"That, friends, is bullying in high fashion.

"The way to combat it is to keep pulling Mr. Fly out into the open and onto the record. Let his actions speak for themselves.

"But don't go to sleep at the job. Keep your eye on Mr. Fly. He believes in governmental control of radio - which means, when it goes through to its final stages, the end of free speech in America."

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FM STATION APPLICATIONS NOW 157; ABOUT HALF NEWSPAPERS

Newspapers continue to dominate the applicants for Frequency Modulation (FM) broadcast stations. To date 157 applications are on file, 65 of which are newspapers or newspaper-affiliated companies.

The New Orleans Times-Picayune, the Cleveland Plain Dealer and News, the Ashland (O.) Times-Gazette, and the Galion (O.) Inquirer are named in applications received recently.

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Edward W. Wood, Jr., General Sales Manager of the Mutual Broadcasting System addressing the members of the Advertising Club of New Orleans last week, said:

"It will require about another five or eight years for the radio industry to install the new frequency modulated sets in the 30,000,000 American homes now possessing radios, and in the meantime further research and development will be made with television", the executive stated.

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::: TRADE NOTES :::
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"Free Radio, An American Institution", an address by Frank E. Mullen, Vice President and General Manager of the National Broadcasting Company, before the 53rd Continental Congress of the National Society of the Daughters of the American Revolution in New York, recently, has now been reprinted as a booklet.

 The Spring meeting of Columbia Broadcasting System's Affiliates Advisory Board will be held at network headquarters in New York City on May 24 and 25. This session is the Board's sixth since its inception in March, 1943. The agenda includes discussions of television and FM.

 Western Union has developed, "for eventual public use", a telegraph office no bigger than a mail box, it was disclosed by A. N. Williams, President of the company. "You merely press a button, drop your message in a slot and a facsimile is whisked over the wires to its destination", Mr. Williams said at the dedication of Morse Study Hall at New York University. "We are working on a coin box to combine with this Telefax, so that you can pay for your telegram the moment you send it."

Variety, trade paper of the entertainment field, has added a weekly television page to its radio section.

 Ben Gross, radio editor of the New York News, who has been assigned to do "color stuff" for the NBC at the forthcoming political conventions, will be one of the first radio editors to cover a national convention.

 Much greater speed in the sorting and inspection of tiny contact assemblies produced at General Electric's Schenectady Works has been made possible through the development of an electronic sorting table which routes the assemblies into three different channels depending on whether they are too high, too low, or within the tolerances.

 Utah Radio Products, Inc. and Subsidiary - For 1943: Net profit, after \$1,144,900 taxes, was \$405,724 or \$1.38 a share, against \$138,057 or 47 cents a share after \$202,000 taxes, for 1942.

 Lyman Bryson, Director of Education for the Columbia Broadcasting System and Professor of Education at Teachers College, Columbia University, has been elected President of the American Association for Adult Education.

 Said to be one of the first commercially sponsored television shows ever given to a midwest public was broadcast by Marshall Field & Co. recently from Station WKBK, in Chicago.

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HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.

RECEIVED

MAY 29 1944

FRANK E. MULLEN

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BELIEVED NEW RADIO BILL HASN'T A CHINAMAN'S CHANCE

The inside dope on Capitol Hill was that the Wheeler-White Radio Bill, a revision of the 1934 Communications Act, just presented to the Senate Commerce Committee will be attacked from all sides and will get exactly nowhere. The most optimistic official talked with said if Senator Burton K. Wheeler (D), of Montana, co-author of the bill, was behind it as strong as he appeared to be at the moment, that he might be powerful enough to run the bill through the Senate this session, the national convention and the campaign permitting. However, the gravest doubts were expressed as to the bill's getting through the House. And finally, if by any miracle the House passed it, it was argued there would not be the remotest chance of the President signing it.

There will be an executive session of the Senate Commerce Committee today (Friday) at which the non-controversial features of the bill will probably be discussed. This will be followed by another meeting of the Committee next Wednesday, May 31st, at which portions of the bill will be taken up in which members find themselves in disagreement.

J. H. Ryan, President of the National Association of Broadcasters, had no comment to make but said that the NAB Legislative Committee would meet in Washington Monday to consider the new bill.

There was a prospect of the bill reaching the Senate fairly soon if the present intention of holding no public hearings is carried out. "Why hold public hearings", one legislator exclaimed. "We've done nothing for the past three or four years but hold hearings or conduct investigations on one phase or another of radio and if we really intend to do anything about it now is the time to get down to business."

Speaking of the bill generally, Senator Burton K. Wheeler, apparently anticipating criticism, said: "I am not pleased with some parts, while Senator White doesn't like others."

It was believed the fight the industry and the powerful group of news commentators will make on the provision to prevent commercial sponsorship of news broadcasts, will be sufficient to dump over the appplecart so far as that part of the measure is concerned. A section of the new Act states: "No news items, or news analyses or news commentories" shall be included in any sponsored broadcasts. This restriction was believed to have been inspired by Senator Wheeler and other members of Congress who have had their axes out for Walter Winchell, Drew Pearson and others and the supposition was advanced that it might have been one of the topics

Senator Wheeler discussed when he was at the White House recently. It would not be surprising if Mr. Wheeler hadn't gone over the whole bill with the President.

"There is no more reason for news broadcasts to be commercially sponsored than there would be for newspapers to print at the top of each article or column a statement that the following information came through the courtesy of a certain commercial advertiser", Senator Wheeler said. "Newspapers offer news and analysis as a public service, made possible by advertising which appears elsewhere in the paper. The radio should do the same thing."

He said that he was "not so much concerned" about straight newscasts as about commentators and analysts, but that his bill covered the entire radio news fields.

The clear channel people are up in arms and surely will be heard from on the provision that no broadcast station operating on frequencies ranging from 550 to 1600 kc. shall be granted a license to operate with power in excess of 50 KW except for experimental purposes.

The Administration can be counted on to put up a fight on the proposal for a reorganization of the Federal Communications Commission which would reduce the membership from seven to five Commissions, with a rotating chairmanship, and create two divisions each under its own Chairman, one to deal specifically with public communications, wire and radio, received by the public directly (broadcasting), and the other with private communications, wire and radio by a common carrier or carriers, or intended to be received by a designated addressee or addressees.

Over the assignment of bands of frequencies to the various radio services, and all matters of general interest and concern, jurisdiction is to be exercised by the whole Commission, of which the Chairman shall serve as executive officer.

In the selection of its Chairman and the designation of members to serve on a division, provision is made that rotation in office shall be such that no member may occupy the office of Chairman of the Commission more than one year, or be authorized to serve on a particular division more than two years out of any five-year period.

Not more than three members of the Commission, and not more than two of either division, shall be members of the same political party.

There will be no enthusiasm on the part of Mr. Fly or the White House on the idea of a rotating Chairman as the former has served the Administration too well for them to desire his replacement.

On the other hand, it is very doubtful if either Mr. Fly or the White House will oppose the provision which forbids the FCC from discriminating against newspapers or other applicants on

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account of their business. It was said to have been Mr. Roosevelt's own idea to make it hot for the newspapers because the papers didn't support him in the last campaign. It was reported then that 60% of the newspapers were against him. Charley Michelson in his book, "The Ghost Talks", says 90% are against him now. If so, the President and Mr. Fly will be lucky if the papers don't turn the tables and make it hot for them.

There will not be any enthusiasm on the part of the broadcasters for the clause that provides equal time for both parties (or individuals) involved in controversial radio discussions (to apply whether time is sold or donated). This could play havoc with broadcasting schedules and anybody who made a squawk would have to be given time whether or not his claim was unjust.

The thing the broadcasting industry will fight the hardest for is the provision which would nullify the Supreme Court ruling which has caused consternation in the industry. It forbids the FCC to regulate the business of broadcasters, or to control or affect the substance of material to be broadcast. This new Section 23, amending Section 326 of the present act, states:

"a. Nothing in this Act shall be understood or construed to give the Commission the power to regulate the business of the licensee of any radio station unless otherwise specifically authorized in this Act.

"b. The Commission shall have no power to censor, alter or in any manner affect or control the substance of any material to be broadcast by any radio station licensed pursuant to the Act, and no regulation or condition shall be promulgated or imposed by the Commission which shall interfere with the right and duty of the licensee of any such station to determine, subject to the limitations of the Act, the character of the material to be broadcast.

"Provided that nothing in this Act shall be construed to limit the authority of the Commission in its consideration of applications for renewal of license to determine whether or not the licensee has operated in the public interest."

Senator Wheeler added further:

"The method of granting licenses, the procedure in adversary proceedings and the whole process of court review has been spelled out more exactly. We also have provided for cease and desist orders or violation of rules and regulations so that a licensee is not in jeopardy of losing his license. Thereafter violation of a cease and desist order would be grounds for revocation, but only under court procedure on appeal."

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FCC SEEKS INFORMATION REGARDING NETWORKS' FM POLICIES

The Federal Communications Commission has approved the following letter to be sent to all national and regional networks:

"The Commission is informed that certain of the major networks have recently advised their affiliates of new policies concerning the availability of network programs for FM broadcasting. Certain provisions in the new affiliation contracts with standard broadcast stations relative to the network affiliation of FM stations owned or operated by the networks' affiliates have also been noted.

"The Commission's Report on Chain Broadcasting, dated May 2, 1941, states:

'Similarly, the appearance of network broadcasting in the frequency modulation (FM) field will merit careful study by the Commission.'

and the Commission's Regulation 3.261(c) provides:

'Sec. 3.261 Minimum operating schedule: service -- (c) in addition to the foregoing minimum requirements, the Commission will consider, in determining whether public interest, convenience, and necessity has been or will be served by the operation of the (FM) station, the extent to which the station has made or will make use of the facility, to develop a distinct and separate service from that otherwise available in the service area.'

"The Commission would appreciate receiving from you at this time a full statement of your present policies and methods of operation relative to FM broadcasting, together with an outline of your plans for the development of and future operations in this field. Any comments you may care to make indicating the extent to which your present and proposed policies and operations conform to the policy of the Commission's Chain Broadcasting Regulations and Regulation 3.261(c) will be welcome."

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SEDITION LAWYER SUES PEARSON FOR \$1,000,000

Drew Pearson, the Blue Network and its Washington, D.C. outlet, WMAL, were named defendants in a \$1,000,000 libel and slander suit filed earlier in the week by James J. Laughlin, one of the defense counsels in the sedition conspiracy trial, now being held in the Capital.

Suit is based on Mr. Pearson's Sunday night broadcast in which he predicted that Mr. Laughlin will be indicted in Maryland in connection with a case in which he successfully defended a man charged with bank robbery.

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WELLINGTON, BBC N.Y., UPSTAIRS TO LONDON; SALT SUCCESSOR

The British Broadcasting Corporation announces an important shift in its broadcasting "high command". Having served since September, 1941, as North American Director of the BBC, Lindsay Wellington is returning to London headquarters to assist in the central direction of British broadcasting which now employs (including wartime staff) more than 10,000 people. He is succeeded by John Salt, who since 1942 has served at B.B.C.'s headquarters in New York as Deputy Director.

During Mr. Wellington's direction of the New York office, B.B.C. branches have been opened in San Francisco, Chicago, Washington, and Toronto. Close contact has been maintained with Government radio branches and with the industry as a whole. Exchange visits of American and British program producers have increased mutual understanding of broadcasting techniques in the two countries. Rebroadcasting of B.B.C. programs with wartime objectives has notably increased and American listeners have become familiar with such programs as the weekly exchange feature "Transatlantic Call" on CBS; "Atlantic Spotlight", on NBC and "Transatlantic Quiz", produced by BBC in New York for the Blue Network. A parallel development has proceeded in British listening. BBC now furnishes "home" listeners with first-hand coverage of American events by both newsmen and British and American commentators. Full length features reflecting the American war effort are produced in the United States for listeners in Britain.

Mr. Wellington's final duties in New York included the setting up of arrangements for the handling of BBC invasion broadcasts to America. His successor, Mr. Salt, is already known to many American broadcasters. He was educated at Trinity College, Cambridge, and for some years held a commission in the Royal Engineers. He travelled extensively on survey work in Egypt, Transjordan, Southern Arabia and worked also in European countries. He joined the BBC in 1936 and for the three years before the outbreak of war was Program Director in Manchester. His extensive knowledge of European countries led to his appointment in 1940 to BBC, London, where he became Director of the European Service. He was appointed Deputy Director in New York in 1942.

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CBS ORDERS TELE TRANSMITTER; TO USE BOTH STANDARDS

Backing its belief in higher television standards for postwar broadcasting, the Columbia Broadcasting System disclosed that it placed an order with General Electric for an experimental television transmitter to be installed in the spire of the Chrysler Tower, where its present transmitter now broadcasts television pictures on prewar standards. The new transmitter will operate on radio frequencies nearly 10 times as high, above 400 megacycles, as the present CBS television station, WCBW.

In placing this order, the first of its kind in electronic development, CBS said: "We know that General Electric is technically far advanced in work on the higher frequencies, and hope that the transmitter can be completed in good time. The order is, of course, subject to our obtaining an experimental license from the FCC for operation on this frequency, and is also subject to mutual agreement on specifications and cost. Our primary concern is to make practical field tests, at the earliest possible moment, of a television broadcasting service on the higher frequencies."

In accepting the order, Dr. W.R.G. Baker, Vice President of the General Electric Company, said that General Electric's technical organization is presently "engaged 100% in war work" and that present restrictions on materials and manpower precluded immediate work on the transmitter.

The new transmitter, when installed or as soon thereafter as possible, is intended to broadcast "high fidelity television pictures" containing about twice as many tiny picture elements as the present standards prescribe, and should also make possible the transmission of high fidelity pictures in full color, said CBS. It will operate on a power of 1-kilowatt. This contrasts with 40-kilowatt power contemplated by CBS for broadcasting the lower standards on its present frequency of 56 megacycles, but it was pointed out that far less power is required on the very high frequencies for satisfactory reception. CBS, which has placed a tentative order, also with GE, for the 40-kilowatt transmitter, expressed a hope that both transmitters could be installed in the Chrysler Tower simultaneously. The General Electric Company does not believe this is possible, due to the developmental work and techniques involved.

Paul W. Kesten, Executive Vice President of CBS, pointed out that the company thus proposes for at least a brief interval after the war, to broadcast the present and the improved quality of television pictures simultaneously. "It is our hope", said he, "to demonstrate so clearly the advantages of finer television images that we will accelerate their general adoption in FCC standards and in set manufacture. We are willing to assume the expense of double transmission if we can thereby save broadcasters in general from the burden of the greatly increased cost of such double operation. More important still, we hope thereby to save the public from any large investment in sets which might become obsolete overnight."

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MACKAY RADIO OPENS FIRST COMMERCIAL CIRCUIT WITH URUGUAY

Admiral Luke McNamee, President of Mackay Radio and Telegraph Company, announced Thursday the opening of the first commercial radiotelegraph circuit between the company's New York terminal and the Uruguayan Government Station at Montevideo. The link provided for the first time unlimited international radio-telegraph service to the public.

"The New York-Montevideo circuit", Admiral McNamee stated, "constitutes the twenty-first foreign circuit established by Mackay Radio since the outbreak of the war, December 7, 1941.

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COMMUNICATIONS NOTABLES JOIN IN TELEGRAPH CELEBRATION

There was a great turnout of the high command of the communications and radio industries last Wednesday at the celebration of the 100th anniversary of the sending of the first telegraph message by Samuel F. B. Morse.

Senator Burton K. Wheeler (D), of Montana, presided at the unveiling of a tablet to Morse at the Capitol and at night there was a big dinner given by Western Union, American Telephone and Telegraph Company, International Telephone and Telegraph Corporation, R. C. A. Communications, Inc., Press Wireless and Tropical Radio.

Among those present at the dinner were Senator Wheeler, Senator Wallace White (R), of Maine; Secretary of Commerce Jesse H. Jones; Chairman James L. Fly of the Federal Communications Commission; Maj. Gen. Harry C. Ingles, Chief Signal Officer of the Army; Maj. Gen. William H. Harrison, U. S. Signal Corps; W. S. Gifford, President of the A. T. & T., W. A. Winterbottom, Vice-President, R. C. A. Communications; Frank C. Page, Vice-President, I. T. & T.; FCC Commissioner T. A. M. Craven, FCC Commissioner C. J. Durr; J. H. Ryan, President of National Association of Broadcasters.

Also Orrin E. Dunlap, Jr., Director of Advertising and Publicity, Radio Corporation of America; FCC Commissioner E. K. Jett; Edward F. McGrady, Vice-President, RCA; Otto S. Schairer, Vice-President, RCA; Rear Admiral Joseph R. Redman, Chief of Naval Communications; F. C. Guthrie, District Manager, R. C. A. Communications; Carleton D. Smith, General Manager, National Broadcasting Company, Washington; Col. Frank Wozencraft, Loyd A. Briggs, Vice-President, R. C. A. Communications; T. Berrier, Assistant Vice-President, A. T. & T.; Louis D. Botari, Commercial Manager, R. C. A. Communications; Joseph Pierson, President, Press Wireless; Lawrence G. Hills, Vice-President, RCA Communications, and Lewis J. Proctor, former Vice-President, I. T. & T.

Also Kenneth Stockton, Vice-President, I. T. & T.; John F. Gibbons, Assistant Attorney, R. C. A. Communications; Robert Howley, President of Tropical Radio; Ray Hutchens, Editor of Relay; Sol Taishoff, publisher of Broadcasting; Frank B. Warren, General Counsel, R. C. A. Communications; Roland Davies, Editor of Telecommunications; Louis Caldwell, WGN counsel, and Francis C. DeWolf, Chief of State Department Communications Division.

Senator Wheeler noted the development of the carrier system and multi-channel radio, the teletype and the telefax, and contrasted modern means of communications with the poles of a few years ago containing hundreds of wires. He described how fast press traffic moves 400 words a minute from Moscow by radio telegraph and how a metropolitan newspaper in this country using radiotelephone talked with Australia at a rate of 250 words a minute.

"Perhaps here we should take a glimpse into the future of this electronic fairyland", Senator Wheeler said: Mail sorted and

distributed by electric automatons; automobiles protected from accidents at dangerous crossings by electric eyes; railroad train crews always in full communication with each other and with the dispatcher; railroad trains protected by automatic stopping devices; airplanes, spanning the earth, flown by means of a master pilot, guided to landings automatically, and their passengers receiving or sending messages; automatic automobile driving on main cross-country highways by means of a master pilot; electric eyes which, unfortunately for some of us, tell police stations far ahead just how fast the driver is going; facsimile newspapers and television newsreel scenes, not only in the home, but even in the automobile as we drive along; the transmission of electric power, not by wire but by wireless; cooking and heating homes by radio; the processing of metals and plastics by heat induction through radio; even the production of electric power from the sun through use of vacuum tubes.

"All of these things are not only possible - many are already accomplished, practical, working facts. Only a few are still in the experimental stage. And all this, mind you, is only the beginning."

Speaking at the dinner Chairman Fly said:

"Today we see a Congress which likewise has been apprised of the problems in the field of international communications. There, American companies are at a constant disadvantage in competition with government owned or government boosted monopolies abroad. Legislation permitting or requiring merger of American communication facilities in the international field is badly needed in order to eliminate this disadvantage. It is needed still more, however, in order to place this country in a position to take the lead in enunciating and making effective a democratic program assuring the unfettered flow of intelligence to and from all points in the world.

"Last November, I outlined five things sorely needed in the field of international communications. They were and are (1) a uniform rate for all messages throughout the world in all directions (2) a low rate of a few cents per word to any communications gateway in the world (3) instantaneous radio communication between all important areas on the globe (4) uniform and low press rates throughout the world and finally (5) complete freedom for all peoples of the world to communicate directly with each other."

The full text of the addresses of both Senator Wheeler and Chairman Fly are printed in the Congressional Record of May 25th.

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Representative Clare E. Hoffman (R), of Michigan, has inserted in the Congressional Record of May 20th the article "Keep An Eye on Mr. Fly" by Frank Waldrop which appeared in the Washington Times-Herald.

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"FANTASTIC AND STUPID", WILSON BRANDS LISTENING DEVICE TALE

Charles E. Wilson, Executive Vice Chairman of the War Production Board, branded as "fantastic, silly and stupid" a report that he possessed a highly sensitive device which enabled him to tune in on a conversation taking place in the home of Navy Secretary James V. Forrestal, 3 miles away.

"In the first place", Mr. Wilson said, "there is, of course, no such device. Moreover, I regard it as an insult to suggest that, if there was a device like that, I would use it in the illegal manner claimed."

The reported device was first described by Drew Pearson, Washington Merry-Go-Round columnist, May 17th. Mr. Pearson stated Mr. Wilson had tuned in on a dinner conversation among Forrestal, Undersecretary of War Robert P. Patterson, and Bernard Baruch, Chairman of the World War I War Industries Board, and overheard them planning to "take over" the WPB.

The story continued that Mr. Wilson had made a recording of the conversation and with Donald Nelson had taken it to the White House and played it to President Roosevelt.

Mr. Pearson stated the device was based on the dictaphone principle, but did not require the "planting" of a dictaphone inside the room.

Mr. Wilson said Mr. Pearson's report appeared to be "so fantastic and stupid that I was at first going to disregard it."

"If there was such a machine, those in General Electric (which reportedly developed the device) and I (Wilson is a former GE president) would see to it that it was put to a better use than the one suggested", Mr. Wilson said. "I regard it as a reflection on me personally, and I bitterly resent it."

He said Mr. Pearson had made a partial retraction in a radio broadcast, "in a manner that was not at all effective."

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POSTWAR TELE AS QUICKLY AS TRANSMITTERS CAN BE BUILT

Once standards have been set by the Federal Communications Commission, every major city in the United States will have a television station just as quickly as transmitter deliveries can be made at the end of the war, it was predicted today by James H. Carmine, Vice-President in charge of merchandising for Philco Corporation, in an address on television to be delivered tonight before the Poor Richard Club at the Franklin Institute in Philadelphia.

It may be possible to produce and sell table model television receivers for as little as \$125 after the war, Mr. Carmine

said. Larger "projection-type" sets, giving a picture 24 inches by 18 inches may cost up to \$400, he indicated.

A New York to Philadelphia television relay transmitter link connecting the two cities for video broadcasts was officially dedicated during the meeting, with Eddie Cantor and Nora Martin putting on a special performance in New York, which the audience in Philadelphia saw via the link. This new link, installed at Mt. Rose, N.J., which supersedes previous experimental installations, marks the first regularly scheduled commercial television relay system in the country. It will be in operation every Monday night to make the New York programs of WNBT available to the viewing audience of Philco Station WPTZ in Philadelphia. "Similar links, constructed at a cost of about \$15,000 each and located approximately 50 miles apart, may well form the basis for a nation-wide television system in the post-war years", Mr. Carmine said.

"Television broadcasting facilities today are within reach of approximately 25,000,000 people, provided receivers were available. If, as we expect, at least 42 more television stations are added in key cities in the immediate post-war period to the nine now in operation, the coverage would expand to about 70,000,000 - or more than half the population of the United States. The next step will be for television to fan out from the key cities into smaller communities via relay links and network hook-ups. Later, through relays or coaxial cables the stations will probably be joined into national chains, which will allow the television audience all over the country to see as well as hear their favorite stars and political leaders, and to witness the great news events of the world passing before their eyes.

"Philco was one of the first major companies in the United States to undertake television research and development", Mr. Carmine pointed out. "It began work in this field in 1928, almost simultaneously with its entry into radio." Since 1928 Philco has spent several million dollars in television research and development, Mr. Carmine said. With many of the outstanding research and development engineers in the country on its staff, Philco has pioneered in a large number of the major developments in television. The Philco television station in Philadelphia went on the air in 1932 and telecasts to date have totaled more than 6,000 hours.

Among the major Philco developments demonstrated to the Poor Richard Club was the "Plane-O-Scope", a new kind of picture tube with a completely flat surface, which allows the television picture to be viewed from any angle, avoids the distortion characteristic of all older-type bulbous tubes, and eliminates light reflections.

Mr. Carmine also explained a Philco invention known as the "ion-trap" which removes the ion blemish from the screen of the picture tube. "The ion blemish is caused by the impact of heavy negative ions on the screen", he pointed out. "The television picture is built up on the screen by the impact of electrons generated in the electron gun. Unfortunately, the gun also sends out unwanted negative ions, which hit the center of the screen and make a dark brown spot. The ion-trap filters out these ions from the electron beam and contributes greatly to the bright clear television picture now available."

Seventeen television receivers placed throughout Franklin Hall enabled the audience to witness a demonstration of the latest Philco television and to see Eddie Cantor's program out on in New York, via television relay in Philadelphia.

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