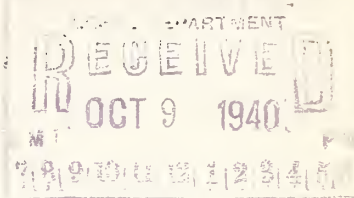


HEINL RADIO BUSINESS LETTER

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October 8, 1940

EDUCATORS SHY AT MONOPOLY REPORT

The National Committee on Education by Radio takes the FCC Monopoly Investigation for quite a ride.

"Early in June a special committee of the Federal Communications Commission completed its two-year investigation of radio broadcasting monopoly and made public a 1,300-page report of its findings", the Committee's Bulletin states. "Immediately the radio industry launched an attack on the report charging inaccuracy and unfairness. This was the beginning of a struggle between government and the industry which promises to be long and bitter.

"The report is most critical of the broadcasting networks. It charges: that the network organizations have the dominant positions at every turn in the field of radio broadcasting; that the heart of the abuses in chain broadcasting is the network contract with the local station outlets; that the interests of the local stations have been subordinated to the interests of stations owned and controlled by the networks; and that as a result of these practices nearly half of the profit made by the 660 broadcasting stations found its way into the hands of the two dominant chain systems. The report cites specific evidence from 10,000 pages of testimony taken at hearings which extended over a period of more than six months.

"What attitude should the public take? Its decision ultimately decides the conflict between industry and the government. If the public loses confidence in the Communications Commission and in the report its committee has prepared, the Commission cannot successfully press its claims against the radio companies. On the other hand if the people come to distrust the industry, it cannot hope to secure the support necessary to check the Commission in its drive toward more stringent regulation.

"Ordinarily the people assume that an official report of a governmental agency such as the Communications Commission is objective and impartial. Usually it represents a careful and accurate analysis of the most expert testimony available. In this case, however, one member of the special committee which prepared the monopoly report has admitted in a recent appearance before the Senate Interstate Commerce Committee that certain parts of the report are in error. His admission casts a shadow over the rest of the report.

"Ordinarily people are ready to apply a heavy discount to the defense of any industry against charges made in official reports. This is particularly true in radio where the broadcasters exist only by grace of governmental license and where the sworn

testimony of one national chain organization charges another chain with monopolistic practices. In spite of this evidence, however, the industry insists that it is trying to maintain traditional American economic freedom against the restraint of government and is making a bold and direct appeal to the public for support against the recommendations of the FCC committee.

"Certainly there is no clear indication of what the public attitude should be. People generally cannot be expected to read the 10,000 pages of complicated and technical testimony. Few will be able to examine the 1,300 page report of the special committee of the Commission. Most citizens will be dependent on what they read in the papers or hear over the air.

"There seems to be no adequate means of putting before the people all the facts they may need before passing on such an issue as the conflict between the industry and the Commission. Obviously the governmental process of reporting is not designed for public use. It is a legal process which provides evidence only on the points at issue. It leads to a series of conclusions or recommendations which suggest the decision to be made by the officials charged with responsibility for action. It is not intended to give the lay public any clear picture of the pros and cons of the different alternatives presented by the issue."

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PHILIPS REPORTS ADEQUATE RADIOS ON HAND IN INDIA

In a recent Commerce Department Bulletin is a reference to the Philips Radio concern from the American Consulate General at Calcutta which reads:

"Following the change in the political conditions in the Netherlands, apprehensions were felt in the local market regarding the availability of stocks of the Dutch Philips receiving sets manufactured by that company in the Netherlands. The India branch of the Dutch firm has made the following announcement through the press in this connection recently:

"Notice - the recent developments in the European conflict may give rise to unfounded rumors regarding lack of supplies of Philips products in the country. We take this opportunity of assuring all our customers and trade relations that adequate stocks of Philips radio sets, Philips lamps, valves, radio parts, etc., are in India, and that arrangements for regular future supplies have been made."

"Despite the above statement, it is understood that supplies of Philips products to the trade are greatly restricted."

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ESTIMATES MRS. ROOSEVELT'S BROADCAST EARNINGS AT \$450,000

The broadcasts of Mrs. Roosevelt have aggregated about \$450,000, according to John T. Flynn in his book, "Country Squire in the White House" now in its sixth edition. Mrs. Roosevelt's total earnings, the writer declares, are something near \$1,200,000. The total earnings of the President and his family since going into the White House, Mr. Flynn estimates, is something over \$2,500,000.

"Mrs. Roosevelt's broadcasts bring from \$3,000 to \$4,000 apiece", a chapter of the book entitled "White House, Inc.", Mr. Flynn writes. "She has had about 150 broadcasts. She has broadcast for Beauty Rest Mattresses, a shoe manufacturer, a toilet preparation and others and is now appearing for Sweetheart Soap.....

"Her daughter, Mrs. John Boettiger (formerly Mrs. Dahl), has worked as a member of the staff of Liberty magazine for Bernarr Macfadden, has written articles and is now writing for a Hearst paper of which her husband, John Boettiger, is publisher - a job he got after he married Mrs. Dahl - where she is reported to be paid \$12,000 a year. She attempted to do some broadcasting. An agent representing her sent around the following notice:

"Mrs. Anna Roosevelt Dahl, daughter of the President-elect, has a charming voice and most engaging personality. She is willing to appear on any commercial program sponsoring a product consistent with her public position."

"Elliott Roosevelt got \$25,000 a year as president and general manager of the Hearst chain of radio stations. Elliott's first foray into business was as consultant of the Aeronautical Chamber of Commerce. It was at a time when the industry was having a good deal of trouble with the Post Office Department. A bill was pending before Congress to authorize certain concessions which the Chamber was interested in, and in the course of the debate Elliott was denounced as its lobbyist. Later Brigadier General William Mitchell, former army air chief, made a similar charge. Elliott denied it. He said that he was employed by the Chamber to organize and coordinate various aviation companies to put them on their feet. He was quite young and inexperienced for such an imposing service. One congressman said he got \$25,000 a year, another said it was only \$10,000. However, later William Randolph Hearst wanted to have four radio-station franchises transferred to him in Texas at a time when he was lambasting the President. He had to get permission of the Communications Commission, appointed by the President. He employed Elliott to get those transfers. Elliott handled the job - and with great success. He was later made general manager of the whole Hearst chain at \$25,000 a year."

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BMI STOCKHOLDERS RECEIVE ENCOURAGING REPORT

Prior to holding the first annual meeting in New York City, stockholders of Broadcast Music, Inc., formed for the purpose of supplying the radio broadcasting industry with its own music, have been advised that by the end of this year there will be available to every licensee of BMI a catalogue of music sufficient, with the public domain and with music which can be obtained from cooperating licensing agencies, to render a full broadcasting service. This word comes in the annual report of Neville Miller, a portion of which reads:

"During our first six months of operation, we have placed in the hands of our subscribers more than two hundred carefully selected musical compositions of excellent quality, published under our company's own imprint, and available in piano and vocal copies and in orchestral form. We are now on a production schedule of over one hundred selections a month, the greatest volume of quality output ever maintained in the publishing industry, and we are substantially increasing this rate of production. Moreover, our company, by concluding agreements with other publishers, has obtained the performing rights to more than twenty-five thousand compositions, which will become available to our licensees at an early date.

"Our company has not only made a substantial volume of music available, but it has, by means of radio exploitation, succeeded in having a number of compositions on the list of compositions most frequently performed and on the list of sheet music best sellers. One composition has already sold in excess of thirty-five thousand copies and thirty-five hundred orchestrations, and a steady volume of sales is now being maintained. The volume of our music used on broadcasting stations generally has shown a steady increase since the beginning of our operations.

"Needless to say, we greatly appreciate the support which we have received from the broadcasting industry. The list of our subscribers has grown from 246 to 346 stations, representing over 80% of the dollar volume of the broadcasting industry. Even this figure does not fully indicate the full measure of support which we have received. Forty-three additional stations have recently pledged their support but have not yet actually completed the execution of their contracts. These stations will raise the number of subscribers to a numerical majority of all stations, and our stockholders will represent not only in excess of 85% of the dollar volume on the industry but also a full cross section of the entire industry, representative of independent stations, affiliated stations and network-owned stations."

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HOLLYWOOD'S NEW TELEVISION STATION READY JANUARY 1

Work on what is said to be the world's first station built exclusively for television is progressing at a rapid pace and the superstructure on the two-story-and-mezzanine edifice already has been erected atop 1700 foot Mt. Lee overlooking Hollywood, according to Thomas S. Lee, President of the Don Lee Television System. Approximately 120,000 feet of lumber and innumerable bags of cement are being used in the modern structure, which will cost approximately \$100,000. Formal opening date will be about January 1.

Novel features of the plant will be a 25 by 50 foot swimming pool, which will be the scene of many aquatic telecasts, and a complete encasement of the building and television stages in a sheathing of copper. This requires 22,600 feet of this metal, and is for the purpose of eliminating outside and intra-building interferences, according to Harry R. Lubcke, Director of Television, for the network.

The building will have one television stage 60 by 100 feet and another 25 by 45 feet with monitor rooms in addition to complete office facilities, transmitter room, and a special experimental laboratory, as well as scenery storage rooms, makeup room, lounge viewing room, performers' lounge and other theatrical facilities. W6XAO's new home will be 31 feet high and have an overall measurement of 100 by 100. From Franklin Avenue and Beachwood it may be reached by going up Beachwood, to Ledge wood, to Deronda, to Mulholland Highway. From the Mulholland Highway junction the Mt. Lee Highway leads over a route of scenic beauty. This new road has been paved and fenced with white guard rails to the summit.

A special ventilating system and intricate electrical system for the five television cameras and an airplane beacon atop the building not far from the two 150 foot television antennas will be other features of W6XAO. (The telecasting unit now has three cameras and two orthicon cameras are on order from New Jersey.) New range of W6XAO will be 60 miles.

W6XAO went on the air December 23, 1931, and has telecast more than 6,000 hours of entertainment in 2,500 separate programs to 500 receivers within a radius of 30 miles of the present transmitter located at 1076 West Seventh Street. Station is now off the air to afford technicians an opportunity to make improvements in the equipment and adapt the telecasting band to new Channel No. 1.

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The Allen B. DuMont Laboratories, Inc., Passaic, N.J., have been authorized by the Federal Communications Commission to operate a 50 watt television transmitter at Passaic on the No. 2 television channel in order to make field test measurements.

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ROCKEFELLER TO INCLUDE RADIO IN CULTURAL WORK

Nelson A. Rockefeller, who has been appointed Coordinator of Commercial and Cultural Relations between the American Republics by President Roosevelt, is expected to appoint some outstanding radio adviser, as well as from the newspaper and motion picture fields. Just what Mr. Rockefeller contemplates along radio lines is not known at this writing. Up to now, all international and short-wave radio has cleared through the State Department and the Bureau of Foreign and Domestic Commerce.

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MORE FM PERMITS SOUGHT

Among those applying last week for construction permits for new high frequency broadcast stations at the Federal Communications Commission were William F. Maag, Jr., Youngstown, Ohio, 43,500 kc.; WCAU Broadcasting Co., Philadelphia, Pa., 44,300 kilocycles; Tom M. Bryan, Miami, Florida, 44,500 kilocycles and the National Life and Accident Insurance Co., of Nashville, Tenn., 44,500 kilocycles.

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NAVY DAY RECEIVING SET COMPETITION

The annual radiotelegraph receiving competition, conducted by the American Radio Relay League in West Hartford, Conn., will be held on Navy Day, October 27, it was announced by the Chief of Naval Operations.

Radio amateurs throughout the United States and its possessions are invited to participate, and to send to the League copies of the message as received. Results will be forwarded to the Chief of Naval Operations, and letters of appreciation will be sent to those persons who submit perfect copies of the broadcast.

Transmission will be at the rate of approximately 25 words per minute, and will be preceded by a five-minute continuous "CQ" call. The broadcast from Washington is set for 9 P.M., simultaneously on 4045 and 8090 kilocycles, call letters NAA.

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Rene Canizares, of Havana, has received permission from the Federal Communications Commission to transmit sports from New York to Station CMCK, Havana, via R.C.A. Communications, Inc.

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ASCAP BLITZER APPARENTLY UNWORRIED

Someone calling on E. C. Mills, Chairman of the Administrative Committee of the American Society of Composers in New York last week, asked him if he was apprehensive with regard to the radio music battle now being waged.

"Listen", Mr. Mills replied, "I'm not going fishing this afternoon, and I am just as much worried about the outcome of the fight with the broadcasters as I am about the fish I'm not going to catch this afternoon."

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CHICAGO POLICE TRY FM ON LARGE SCALE

The Federal Communications Commission has authorized the Chicago Police Department to construct 200 new experimental Class 2 municipal police stations to conduct an experimental program of research in connection with the determination of the practicability of frequency modulation as applied to the police service. The frequencies assigned are 35,100, 35,200 kc., with 30 watts power.

Authority has also been granted to communicate as municipal police stations in the emergency service on an experimental basis subject to the condition that no interference is caused to stations operating on these frequencies or adjacent frequencies.

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RADIO ENGINEERS' CONVENTION

Discussions of frequency modulation, as well as television, promise to feature the annual Fall Convention of the Institute of Radio Engineers at Rochester, N. Y., November 11-13. The Rochester section of I.R.E. is now preparing for an interesting program, including many prominent speakers and the reading of technical papers. The usual exhibit of radio components also will be held at the Sagamore Hotel.

The Rochester convention will be in charge of the Institute's Rochester section and Virgil M. Graham, Assistant Director of the RMA Engineering Department.

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TRADE NOTES

General Electric Company employees who are called for military service or those who voluntarily enlist for the 12 months' training period, will receive a full month's pay and be granted a year's leave of absence. At the expiration of military service, employees will be restored to their former positions or to positions of like seniority, status and pay, unless circumstances make it impossible or unreasonable to do so.

Ashton Dunn, Superintendent of Training in the Personnel Division of the National Broadcasting Company, has been appointed Personnel Manager. Mr. Dunn came to NBC, June 1, 1937, from R. H. Macy & Co., where from 1931 to 1937 he was in the Training Department, becoming Assistant Director of Executive Placement.

The Freed Radio Corporation has prepared a booklet "The ABC of FM" putting into words of one syllable the story of frequency modulation. The booklet was prepared by the Freed-Eisemann technical and research department.

The St. Louis Public Service Co., has been granted a construction permit by the Federal Communications Commission for a new special emergency station, 31460 kilocycles, 250 watts power and authority to operate by remote control. The company was also granted construction permit for 21 new portable-mobile units to become part of their special emergency system, frequency 31460 kilocycles, 15 watts.

Guy C. Hickok, Director of the International Division of the National Broadcasting Company has left by Clipper ship for an extensive combination business and pleasure trip to South America. He will visit the major South American countries and make stopovers in Rio de Janeiro, Buenos Aires, Santiago, Arica, La Paz, Lima and Quito. He will return to Miami via Cristobal on October 31st.

Ten scholarships in radio training, offered jointly by the WLW Educational Department and the Radio Department of the Cincinnati College of Music, have been made available. The scholarships are each valued at \$100, and will entitle the recipient to one year's tuition in residence at the college in three out of four radio courses. The courses are: radio production, radio interpretation (acting), radio announcing and radio sound effects engineering.

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Almost 15,000 requests were received last week on the giveaways offered on the Elliott Roosevelt broadcasts, Station WMCA reports. Capt. Roosevelt, incidentally, finished his WMCA and network series this week as he begins to take up active duty with the Army Air Corps in connection with the Government defense program.

Station WKIP, Poughkeepsie, N.Y., became affiliated with the Blue Network of the National Broadcasting Company on October 6th. This makes 200 affiliates that NBC has and three more stations will be added by January 1.

"Elements of Acoustical Engineering" is the title of a book by Harry F. Olson, E.E., Ph.D., Director of Acoustical Research, RCA Manufacturing Company and Lecturer in Electrical Engineering at Columbia University. The price is \$6.00, and the publishers, D. Van Nostrand, Inc., 250 Fourth Avenue, New York City.

Arthur A. Brandt, who for three years has been associated with the advertising and promotional activities in connection with General Electric radio, has been appointed General Sales Manager for G-E radio and television receivers with headquarters in Bridgeport, Conn.

The State University of Iowa has announced plans to hold the First Annual Iowa Radio Conference in Iowa City on October 17, 18, and 19th. While the conference is designed primarily for broadcasters in Iowa, it will deal with problems common to all radio and will be of interest to educators and broadcasters alike.

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STATIONS SEEK MORE POWER

Requesting the facilities of KGGF, Coffeyville, Kans., WNAD, Norman, Okla., and KFEQ, St. Joseph, Mo., as proposed by the North American Regional Agreement, Station KMBC seeks to change its frequency from 950 to 690 kilocycles, and to increase power from 5 to 50 kilowatts.

Station KYA, Hearst-owned, in San Francisco, has asked to be put on the frequency of 560 kilocycles and for an increase to 5 kilowatt power.

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RCA STANDS BY EMPLOYEES ENTERING SERVICE

All employees of the Radio Corporation of America and its subsidiaries, of six months or more standing, who may be called or who may volunteer for service in the armed forces of the United States, will be paid the difference between what they earn in their last month of employment and what they receive for their first month's service.

This announcement was made by David Sarnoff, President of RCA, following the regular meeting of the corporation's Board of Directors.

The Directors also decided, Mr. Sarnoff said, that, in addition to all other rights and privileges to be provided by the corporation under the Selective Service Act, the corporation will continue in force for one year, the group life insurance of those who may be called or who may volunteer for service. The RCA will pay the full premium, including the employee's portion.

Besides employees of the Radio Corporation of America, these provisions will apply to employees of the National Broadcasting Company, RCA Manufacturing Company, R.C.A. Communications, Inc., Radiomarine Corporation of America and RCA Institutes, Inc.

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WOR TELEVISION STATION TO BE ON AIR IN 9 MONTHS

The new WOR television station will be on the air within six to nine months. This was the announcement made recently by J. R. Poppele, Chief Engineer of WOR, following the news from Washington that the Federal Communications Commission had formally confirmed the grant of a television license to the Bamberger Broadcasting Service, Inc., operators of WOR.

Tests to determine the transmitter site will be started immediately. A studio will be constructed at 1440 Broadway, where WOR's New York broadcasting studios are located. An auxiliary television studio will probably also be built at the transmitter point.

The WOR television station, the fourth in the Metropolitan area, will operate on Channel Number 6 (92-102 megacycles). A daily program service, offering two hours of telecasts in the afternoon and two hours in the evening, is planned. An increase in operating hours will depend largely upon public acceptance.

A minimum of one hundred thousand dollars has been set aside by WOR for the initial television operations, Mr. Poppele stated. An extensive research and experimentation in the technical, program and production problems of the new medium will be carried on.

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NEW JOB CREATED FOR JOHN ROYAL

John Royal, for many years Vice-President in Charge of Programs, at the National Broadcasting Company, has been appointed to a newly created position - Vice-President in charge of plans having to do with New Activities and Developments in Broadcasting as they relate to promotional, programming and commercial problems. Thus John will have about the longest title of any of the numerous NBC Vice-Presidents.

It is explained that the position will combine under one direction, necessary developmental work in programming and general public service in the fields of Television, Frequency Modulation, Facsimile and Short Wave broadcasting.

Mr. Royal's former position, it was stated, would be filled in the near future.

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G.E. TAKES OVER COMPLETE OPERATION OF WGY

General Electric has taken over the complete operation of WGY, popular 50-kilowatt broadcasting station established in Schenectady more than 18 years ago, it has been announced by Robert S. Peare, Manager of Broadcasting and Publicity for the company. Since 1931 this station has been operated by the National Broadcasting Company.

Kolin Hager, manager of the station since its inauguration in February, 1922, with the exception of two years, will continue as manager. Under the new arrangement WGY will be affiliated with the National Broadcasting Company and will continue to utilize the red network.

The technical operations of the station will continue under the direction of another pioneer in the art, W. J. Purcell.

When WGY was started in 1922, it used but 1500 watts of power. This was soon increased to 500 watts. In 1924 the General Electric Company completed the construction of a great transmitter laboratory on a 54-acre plot at South Schenectady and the WGY transmitter was moved from within the Schenectady factory to the new location.

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