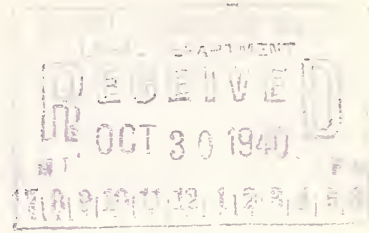


# HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.

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No. 1278

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October 29, 1940

IF WILLKIE ELECTED BELIEVE FLY WILL BE SWATTED

Because of previous clashes when James Lawrence Fly, Chairman of the Federal Communications Commission was a Department of Justice trust-buster and later General Counsel for the Tennessee Valley Authority, and Wendell L. Willkie was President of the Commonwealth and Southern, it was predicted that Mr. Fly would be among those under fire if Mr. Willkie is elected President.

"Do you really think Mr. Willkie would land on Fly?" this writer asked a well-informed friend.

"Land on him", my friend retorted, "you don't know the half of it, dearie! Why Willkie would stop off on his way back from the Inauguration just to give himself the pleasure of firing Fly personally."

"Come, come", this writer replied, "of course Mr. Fly might be demoted as Chairman, but he still could serve his term out - he has two years to go."

"The heck he could", my informant argued.

"You remember how President Roosevelt stubbed his toe trying to fire former Congressman William E. Humphrey from the Federal Trade Commission and how the Supreme Court aroused the President's ire by backing up Humphrey. In the light of subsequent events, that was more important than it seemed then as it was one of F.D.R.'s first encounters with the Supreme Court."

"Willkie would do it another way", my friend persisted.

"How?"

"He'd abolish the Commission. That would be easier than bothering with personalities. It would be easy for him to secure the necessary legislation. I believe he would abolish many Commissions and unless I miss my guess, the Communications Commission headed by his old enemy Fly would be among the first to get the axe."

It is well known that Mr. Willkie has no love for Commissions.

"I am considering the method of administration by Commissions", Mr. Willkie wrote in the Saturday Evening Post in 1939. "Since the laws are concerned with very complex activities, the administrative commissions were probably necessary. Laws governing wages and hours or social security or public utilities or any other vast national activity cannot possibly prescribe for every situation that might arise; and so these commission are empowered to make the rules



that should apply. Obviously, this is dangerous. It involves a subtle transfer of Government power. The rules of these executive commissions are superseding the laws of Congress.

"From the standpoint of a businessman, there is a very important difference between a congressional law and a commission rule. The congressional law is fixed. It is down in black and white. It is the same for everybody, and anybody can find out what it is. A commission rule may be changed in twenty-four hours. It need not be on paper at all. It can be varied to fit different cases. Under the present commission regulation of industry, therefore, we have a highly personal form of government - a government by caprice in which the good will of a commission chairman may have a considerable effect upon you and your business.

"The present network of Government bureaus regulating the activities of employer and employees thus imposes a grave responsibility upon the regulators. The members of the commission who hold in their hands such extraordinary power must exercise it so justly that business and the public will have confidence in their administration. Personal prejudice must not enter into their decisions, and political influence must not warp their integrity."

According to Lawrence Sullivan, in his new book "The Dead Hand of Bureaucracy", which is causing such a stir just now in Washington, exactly 124 new Federal agencies have been established since President Roosevelt came into office. Among these was the Federal Communications Commission, a successor to be sure, of the Federal Radio Commission, but a bigger and better one. The old Radio Commission only had five members but the FCC has seven at \$10,000 a year. The Radio Commission only had a handful of employees but the FCC, a regular patronage Christmas tree, is now getting up towards a thousand people. And, take it from this writer, very few get on unless they are right politically.

The FCC appropriation in 1940 had climbed to \$1,800,000 but in 1941 it will be \$2,176,340 for the regular appropriation, \$1,600,000 added for National Defense, and \$175,000 for the re-establishment of monitoring (checking foreign propaganda) stations - a grand total of almost \$4,000,000.

This, of course, is chicken-feed compared to other New Deal expenditures but nevertheless it might be of some interest to Mr. Willkie sweeping clean with a new broom. If he were elected President, and the Commission continued, the first man up for re-appointment would be Frederick I. Thompson, Democrat, newspaper publisher, of Mobile, Ala., whose term expires in 1941. Then comes Mr. Fly in 1942. Following this, George Henry Payne, Republican, in 1943, campaign manager in New York for Hiram Johnson when the latter ran for Vice-President. Mr. Payne, an old Bull Mooser, was also one of the campaign managers in New York for President Theodore Roosevelt. This would go good with Willkie probably, who was a great admirer of "Teddy". Then comes Commander T.A.M. Craven, whose term expires in 1944, a Democrat, the best qualified man technically and in many ways otherwise on the entire Commission. Norman S. Case, formerly

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three-term Governor of Rhode Island, Republican, might be considered for Chairman, if health permits. And finally, Paul A. Walker, Democrat, Oklahoma trust buster whom Mr. Willkie would probably not love because of Walker's investigation of the A.T. & T.

There is no question but what Walker would draw the new President's fire, but it seems to be the general consensus of opinion that Mr. Fly, described by a Washington columnist as the "cockiest official who ever scuttled a royal economist's ship", and described by many prominent broadcasters and radio manufacturers in terms considerably worse, would be among the first to get preferred presidential attention.

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#### COMMUNICATIONS DEFENSE BOARD GETS DOWN TO BIZ

Members of the Defense Communications Board, the chief function of which is to coordinate the relationship of all branches of communication to the national defense, have pulled off their coats and are getting down to work. They will have another meeting next Monday. FCC Chairman James L. Fly is also Chairman of the Defense Board and the other members are Maj. Gen. J. O. Mauborgne, Chief of the Signal Corps; Rear Admiral Leigh Noyes, Director of Naval Communications; Breckenridge Long, Assistant Secretary of State, and Herbert E. Gaston, Assistant Secretary of the Treasury in charge of Coast Guard.

The Board is now considering committees and what duties they may undertake. Jurisdiction of the Board, in addition to broadcasting, takes in commercial radio-telephone, radio-telegraph as well as other telephone, telegraph and cable facilities. No consideration is being given to radio programs as the Board has no power of censorship or to take over any radio facilities. As yet the new Board has had no chance to study international programs.

Chairman Fly had a two hour conference with the British Propaganda chief just before the meeting of the Defense Board last Monday. Nothing was given out as to the actual discussion which took place.

It was said that the recording of international station broadcasts was considered adequate for the present. Script may be called for the future but as this would impose a substantial burden on broadcasters, recording would be considered sufficient at this time.

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## FCC ALL READY TO CLEAR FM

The final steps to pass on all pending Frequency Modulation applications and to really get the thing going are expected to be taken by the Federal Communications Commission when they meet next Friday (November 1).

There are about 50 of these so-called FM applications now pending, mostly for high-powered stations in the 50 KW class planned to cover large areas of population. Typical among the applicants are WJR, Detroit; A. S. Abell, Baltimore; Don Lee System, Los Angeles; Walker & Downing Radio Corporation, Pittsburgh; National Broadcasting Company, Chicago, and General Electric Company, Schenectady.

Many more groups are known to be planning FM activity and it is said that radio set manufacturers have set a sales goal of at least 100,000 frequency modulation receivers for 1941 for use in those areas covered by FM broadcasting.

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## NO EVIDENCE OF SABOTAGE IN CROSLY FIRE

Although investigation by insurance officials continued, no further developments were reported after fire temporarily disrupted operations of WLWO in Cincinnati, powerful international short wave sister station of WLW, early this week.

After the fire, three extra Warren County deputies were stationed at the WLWO transmitter, which is located at Mason, Ohio, 20 miles north of Cincinnati. Ordinarily one deputy guards the site, on which the WLW antenna and transmitter also are situated.

The fire occurred in a tuning house on the WLWO transmitter grounds. Besides throwing the station off the air for more than 30 hours, the blaze destroyed equipment which was used in changing WLWO from one frequency to another in order to be of maximum effectiveness in reaching South American countries. Until new tuning equipment is built, WLWO will operate only on 9,950 kilocycles, one of the six international frequencies to which it has been assigned by the Federal Communications Commission. Repairs will require about a month.

Damage was estimated at "several thousand dollars" by James D. Shouse, Vice-President of the Crosley Corporation in Charge of Broadcasting. A more definite estimate was impossible, Mr. Shouse said, because most of the equipment was specially built by Crosley engineers in their own laboratory, instead of being purchased as a unit.

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## ROCKEFELLER WOULD USE MORE RADIO WITH S.A.

Radio will be one of the great mediums of removing the barriers to a better understanding in the Americas, Nelson A. Rockefeller President of Radio City, and Coordinator of Commercial and Cultural Relations between the American Republics, told the New York Herald Tribune Forum.

"We must increasingly use the radio, the press and the cinema to promote a more effective interchange of the finest in the thought and action of both continents", Mr. Rockefeller declared. "Appropriately, private enterprise is taking the leadership in this great work. To assist in the task the Office of the Coordinator of Commercial and Cultural Relations between the American Republics was established by the Council of National Defense. As the name implies, the function of the Office is to coordinate the activities of the many government and private agencies in both the commercial and cultural fields. Furthermore, funds now available permit an intensification of programs through existing media as well as the expansion which is indicated by studies now in progress.

"These are times which call for clear thinking, effective action. We must all unit in working for the Inter-American objective, national defense through hemisphere solidarity. Over and beyond the many commercial problems with which we are concerned, the plans of our Office call for the careful correlation of a well-knit expanded program in the several different cultural fields. Eminent leaders in the arts and sciences of our country will go to South American schools and universities and, in turn, we hope soon to be welcoming in greater numbers the leading scholars from the institutions of learning in Central and South America. The two-way exchange of outstanding educators will be supplemented by research fellowships which will permit more widespread investigations designed to assist both continents in problems of agriculture, sanitation, health and industrial engineering. Similarly we hope to stimulate an increase in the exchange of the best technical and literary publications between the various countries.

"Moving into other fields, our office will cooperate with all of the broadcasting systems. Two of these systems will soon inaugurate 50,000 watt directional antenna stations for programs dedicated to Inter-American understanding. The motion picture industry has been most responsive to our invitation to cooperate. The press associations with an intensified hemisphere service will promote a much needed two-way news coverage which will be supplemented by special services in the fields of news pictures and magazines."

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A New York State resident wants authority to record certain radio programs as they are broadcast to the public. The Federal Communications Commission replies that this does not come within its jurisdiction, being a matter involving the private rights of the radio station, the artists, and the sponsor of the program.

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## ROBERT E. LEE, JR. ENLISTED AS PRIVATE

Apropos the criticism of Elliott Roosevelt, Texas broadcaster, son of President Roosevelt accepting a captaincy, a reader of this service suggests that attention be given to the fact that Robert E. Lee, Jr., youngest son of General Robert E. Lee enlisted in the Confederate Army as a private. Only after a year of the hardest kind of fighting did he win his promotion as a lieutenant. There are several references to young Lee in the splendid biography of Lee written by Douglas Southall Freeman (Charles Scribner's Sons, New York).

Robert was intent on entering the Army, and General Lee did not wish Robert to claim the exemption allowed students. Of this Dr. Freeman wrote:

"I must leave the rest in the hands of our merciful God", Lee told his wife. 'I hope our son will do his duty and make a good soldier.' The next day he went with Robert to get his outfit, with which the boy left in a few days to join the Rockbridge Artillery as a private."

The next reference to young Lee by the noted Southern historian was: "While awaiting developments (at the Chickahominy) Lee rode over part of the ground of the previous day's action, working his way toward the left, looking all the while for the Rockbridge Artillery, with which his youngest son was serving as a private. He had heard that the battery had followed Jackson; he did not know whether Robert was dead or alive. Finally, in front of the McGhee house, he found the battery, which had not been engaged in the action of the 27th. A crowd gathered after Lee halted, but Robert was not in it. Search discovered him so soundly asleep under a caisson that calls did not arouse him. Only a vigorous prodding with a sponge staff in the hands of a zealous comrade brought him out, at last, half-dazed. He was well and unscathed, though much the worse for dust and hard marching. Greetings exchanged, Lee rode away, and nobody seemed to think it in any way odd that the son of the commanding general should be serving in the ranks."

Another dramatic meeting of the great General and his son was described at the second battle of Manassas as follows:

"General', said Captain Mason of the staff, when Lee at last dropped his glasses, 'here is some one who wants to speak to you.'

"Lee looked and saw a powder-blackened gunner, his sponge staff in his hand. Ever since he had been asked for a chew of tobacco by the raw private in western Virginia, he had been accustomed to receive all manner of complaints and requests at unexpected places from unknown members of the voluntary association known as the Army of Northern Virginia; so there was no surprise in his voice when he said, 'Well, my man, what can I do for you?'

"Why, General', said the cannoneer in aggrieved and familiar tones, 'don't you know me?'

"It was Robert."

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## 1941 OFFERS 1200 MODELS

With 1200 different new radio-receiver models being offered by the radio manufacturers of America, in their 1941 lines, a tremendous variety of choice is made available for retail buyers, just as the most important listening season in all radio's history opens up, O. H. Caldwell, editor of Radio Retailing writes.

"Looked at as a vast 'radio show', these 1200 radio-set offerings would fill the largest exposition building erected at either of the recent World's Fairs", Mr. Caldwell continues. "Allowing four feet to a model, some 4,800 ft. of aisle displays would be taken up, nearly a mile of continuous, unduplicated displays!"

"And for the radio buyer who undertook to inspect this tremendous array of radio sets, if he allowed only two minutes for the study and scrutiny of each model, he would have to plan on 2,400 minutes or 40 hours of unremitting seeing! Taken in a succession of evenings say from 8 to 10:30 p.m., he would need two full weeks of radio-show going, to make the rounds!"

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## FCC AMENDS AMATEUR RULES GOVERNING RADIO

The Commission on October 22, 1940, modified for a temporary period Section 12.93(a) of its Rules and Regulations so as to permit an amateur station which is moved from one permanent location to another permanent location prior to May 1, 1941, to be operated at the latter location (in accordance with the provisions governing portable stations) for a period not exceeding four months, but in no event beyond the expiration date of the license; provided a proper application for modification of license is duly filed.

The Commission also amended, effective November 1, 1940, Section 12.115 of the Rules Governing Amateur Radio by deleting the frequency band 1800 to 2000 kilocycles for use of Type A3 emission wherever it appears therein and by substituting therefor the frequency band 1800 to 2050 kilocycles.

The Commission has likewise amended, effective November 1, 1940, Section 12.155(b) of the Rules Governing Amateur Radio by deleting the frequency band 1975 to 2000 kilocycles wherever it appears therein and by substituting therefor the frequency band 2025 to 2050 kilocycles.

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 ::: TRADE NOTES :::  
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The license of Station WGY at Schenectady has been renewed and a hearing that was set to inquire into the new contractual relations between the General Electric Company and the National Broadcasting Company has been cancelled pending action by the Federal Communications Commission upon the entire subject of chain broadcasting.

Both the Republican and Democratic rallies at Madison Square Garden, climaxes of party efforts to win the 1940 presidential election, will be telecast experimentally in New York by the National Broadcasting Company. President Roosevelt will address the Democratic rally on the evening of October 28. The Republican meeting, on November 2, will hear Wendell Willkie.

Tests are being made to establish a two-way municipal police radio in Philadelphia.

The Roanoke (Va.) Broadcasting Company has been granted a license to cover construction permit which authorized a new station to operate on 1500 kc., 250 watts, unlimited time.

W. C. Bridges, Manager of the Head of the Lakes Broadcasting Co., writes to the General Electric Company, operators at W9XYH, Duluth, "Public acceptance of frequency modulation (FM) broadcasting in this locality has exceeded expectations. It is our opinion that the listening public needs only a demonstration of FM to completely sell them on the noise-free, high-fidelity advantages of this new system."

Fifty thousand watts power is sought by Station KIRO, Queen City Broadcasting Co., Seattle, Washington. It is now using 10 KW.

As shown by the second Editor & Publisher Survey just completed, President Roosevelt is favored by 289 daily newspapers, or 22.7% as against 20.1% in August. Mr. Willkie has 683 newspapers, or 63.8%. Thirteen percent of the papers are not committed to either candidate.

Station WSGN, of Birmingham, Ala., has asked permission of the Federal Communications Commission to increase its power from 250 to 1,000 watts and to broadcast on 610 kc.

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## AMERICAN CABLE AND RADIO SEEKS INCOME DEBENTURES

Frank W. Phelan, President of American Cable & Radio Corporation, announces that the Corporation, which holds all of the Common Stock of All America Corporation, is prepared to invest up to an aggregate amount of \$250,000 in Income Debentures, Series B, of All America Corporation, and has issued an invitation for tenders of the Series B Income Debentures and of Scrip Certificates representing fractional interests therein. American Cable & Radio Corporation heads the group of companies controlling the communication systems of All America Cables and Radio, Inc., the Commercial Cable Company and the Mackay Radio and Telegraph Companies.

Debentures of Series B are presently outstanding in the amount of \$1,013,500. In addition there are outstanding \$2,043,600 of Income Debentures, Series A, All America Corporation having retired since the original issue the \$1,250,000 of the Series A Debentures required to be retired before the application of funds by that Corporation to the redemption of Debentures of Series B.

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## INTERFERENCE PROBLEMS DISCUSSED BY FCC CHIEF ENGINEER

E. K. Jett, Chief Engineer of the Federal Communications Commission, talks on "Radio Interference Problems" when he is guest speaker on "Adventures in Science" over Columbia network on Thursday, October 31 (WABC-CBS, 3:45 to 3:55 P.M., EST).

Mr. Jett will be heard from the studios of WJSV, Columbia's station for the nation's capital.

The FCC official plans to describe the various kinds of interference possible in radio. First, there is interference of one station with another. This is taken care of through international and government regulation, by assigning the stations to separate frequencies.

The second type of interference is caused by nature -- thunder storms or electric discharges, static or atmospheric disturbances.

The third type of interference is industrial -- electrical or man-made. It is caused by electric devices used in industry or the home.

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## SENATOR WHEELER'S RE-ELECTION SEEMS ASSURED

Reports from Montana are that Senator Burton K. Wheeler, Chairman of the Interstate Commerce Committee, and a power in radio matters in the Senate, will be re-elected by a large majority. Gould Lincoln, political correspondent of the Washington Star now touring the United States, writes from Helena:

"The most powerful Democratic figure in Montana - so far as vote getting is concerned - is Senator Wheeler. An original Roosevelt man when the President was striving for his first nomination, Senator Wheeler broke with the administration seriously in 1937 and led the Senate fight against the Supreme Court bill. After that fight the New Dealers decided to go after Mr. Wheeler's scalp. An effort was made to build up former Representative Jerry O'Connell with the idea that O'Connell was the man to take Wheeler's measure and his seat in the Senate in 1940. Senator Wheeler did not wait for 1940 to roll around. He went right after O'Connell in 1938 and allied Gov. Roy E. Ayres with him. The upshot was the election of Representative Thorkelson, a Republican, in Mr. O'Connell's place. New Deal plans to 'purge' Senator Wheeler went up in smoke.

"This year, Senator Wheeler declared himself against a third term for President Roosevelt or any man. He became a presidential candidate himself, but withdrew his name before the balloting began in Chicago, as soon as it became definitely known the President would run. He announced he would go along with the party nominee. There is grave doubt out here, however, that Senator Wheeler will do any work for the presidential ticket.

"Running against Senator Wheeler on the Republican ticket is E. K. Cheadle, Jr., of Shelby, an attorney. Mr. Cheadle is a Lieutenant Colonel in the National Guard and is now on active duty in Washington. He is not campaigning in the State, leaving that job to the Republican leaders here. The senatorial contest brings into opposition two classes of thought on the present national defense program - represented by Wheeler, who opposed the conscription bill and who has attacked much of the foreign policy of the President, and by Mr. Cheadle, who is a supporter of the defense program. There is a wide difference of opinion as to how popular or unpopular the conscription bill is in this State.

"No one, however, gives Mr. Cheadle the slightest chance to win over Senator Wheeler, who is regarded as a sure winner no matter what else happens in the election. That is the view frankly given by Republican leaders speaking 'off the record', as well as the view of the Democrats."

Writing from the State of Washington, Mr. Lincoln has this to say about former Senator Dill, co-author of the old Radio Act:

"In the gubernatorial race, the youthful Mayor of Seattle, Arthur B. Langlie, elected a few years ago because the people were sick of the kind of government they were getting, together with

incessant labor strife, has been nominated by the Republicans. The Democratic nominee is former Senator Clarence C. Dill, who left the Senate in 1934. Mr. Dill is given the edge. He is a good campaigner. However, some of the Democrats who supported Governor Martin, regarded as a conservative, may swing to Mayor Langlie. Mr. Dill won over the Governor in a hot primary race. Four years ago many Republicans voted in the primary for Governor Martin, preferring him to his Democratic and radical opponent. Many republicans voted in this year's primary for Governor Martin, hoping to defeat Mr. Dill for the nomination, but were unable to pull it off."

Reports from Indiana are that Senator Minton (D), a member of the Interstate Commerce Committee, who has shown considerable interest in radio, may be defeated by the heavy Willkie tide which seems to be prevailing there at this writing.

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#### WOR PLANNING NEW ELECTION RETURNS METHOD

Listeners to this year's election returns over WOR will no longer have to wrestle mentally with a trickle of votes from incomplete election districts. A completely different method of handling returns has been devised which it is believed will revolutionize the giving of election returns over the air, according to a WOR Press statement.

Under the supervision of Dave Driscoll, WOR Director of Special Features and News, and his assistant, Alvin Josephy, a plan has been set up whereby listeners will be able to determine instantly who is leading the presidential race.

In place of the former "so many election districts out of so many give John Blank 100,000 votes and John Double Blank 125,000", the new streamlined WOR method will deal with percentages and ratios in terms of States only. Thus, the announcer will say:

"At 7 P.M. with 2% of the votes in New York State already tabulated, John Doe leads Joe Smith by 100,000 votes or a ratio of 2 to 1." It will be as simple as that with States being mentioned in place of election districts. Comparisons with 1932 and 1936 will also be included.

The election returns over WOR will make use of United Press news. They have already been sold to a sponsor who will use ten five-minute periods which will be supplemented by other bulletins of importance.

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