

HEINL RADIO BUSINESS LETTER

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JUL 3 1941

FRANK E. MULLEN

July 1, 1941

CAPITAL STATION QUILTS NAB IN FURTHER CHAIN ROW

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

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

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

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

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

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TWENTY-TWO TELEVISION STATIONS SOON, FCC SAYS

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

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

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

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

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

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

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

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

Albany	- W2XB, General Electric Co.
Chicago	- W9SBK, Balaban & Katz Corp. W9XCB, Columbia Broadcasting System
Cincinnati	- W8XCT, Crosley Corp.
Los Angeles	- W6XEA, Earl C. Anthony W6XHH, Hughes Productions, Hughes Tool Co. W6XYZ, Television Productions, Inc.
Milwaukee	- W9XMJ, The Journal Co.
New York	- W2XBB, Bamberger Broadcasting Service W2XMT, Metropolitan Television
Philadelphia	- W3XAU, WCAU Broadcasting Co.
San Francisco	- W6XDL, Don Lee Broadcasting System W6XHT, Hughes Productions, Hughes Tool Co.

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

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

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

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

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

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

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

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WAR DEPT. TRIES TO SEPARATE SHEEP FROM GOATS

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

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

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

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BOARD TO COOPERATE IN CIVILIAN DEFENSE APPOINTED

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

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

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

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

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

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

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GALLUP POLL CREDITS MOVIE DROP TO RADIO

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

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

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

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

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FCC WORK ASSIGNMENTS FOR JULY

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

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

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

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

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CBS'S BERLIN NEWSCASTS CANCELLED

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

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

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

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

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

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

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

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

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

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MCDONALD GLIDER WINDWAGONS ATTRACT WIDE ATTENTION

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

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

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

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

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RADIO BALLOONS IN NEW CAPITAL AIRPORT FORECASTS

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

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

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

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

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

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

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

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:::: TRADE NOTES ::::

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

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

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

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

R. D. HEINL

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AMERICAN CABLE & RADIO QUARTERLY \$271,542

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

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NBC PROPOSES ASCAP SOLUTION

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

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

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

1. NBC agrees to pay 2½% on network commercial business while it proposes that the individual stations pay 2% on local and national spot commercial business.
2. NBC will clear and pay for the use of ASCAP music on all network sustaining and public service programs.
3. NBC proposes that ASCAP offer to the independent network stations four alternative methods for the use of ASCAP music locally.
4. NBC proposes that the new services of Television, Frequency Modulation, Shortwave, Etc., pay for the ASCAP music on the same basis when commercial revenue for such services is received.

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

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NBC ISSUES FIRST TELEVISION RATE CARD

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

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

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

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

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

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

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