

HEINL RADIO BUSINESS LETTER

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No. 1345

DEFENSE PROGRAM TO CHANGE RADIO MARKET

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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LINDY RADIO DISPUTE AIRED ON HOUSE FLOOR

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

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

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THOMPSON JOB NOT EXPECTED TO BE FILLED NOW

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

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

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

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COMPROMISE SOUGHT AS RADIO PROBE PAUSES

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

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

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

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

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

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PRIORITY ORDER NO HELP TO HOME RECEIVING SET

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

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

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

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

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

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NAB REORGANIZATION IS RUMORED

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

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

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

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AMATEURS GIVEN ADDITIONAL CHANNELS

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

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

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

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

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

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INDUSTRIAL SPECIALISTS ON RADIO ARE SOUGHT

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

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

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

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

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LISTENERS FOOT BILL IN N.Y.C. EXPERIMENT

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

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

According to the applicant:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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PRANKSTERS IN DANGER NOW, FCC SAYS

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

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

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

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

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

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

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

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

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TELEVISION ABSOLVED OF WOMAN'S ILLNESS

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

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

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

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

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

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

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

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RCA GETS FIRST SOVIET RADIOPHOTOS

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

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

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

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END IN SOLAR "STORM" FORESEEN

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

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

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

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

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

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