

HEINL RADIO BUSINESS LETTER

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INDEX TO ISSUE OF JULY 15, 1941

Bitter Battle Seen In Newspaper Inquiry.....	2
Radio Equipment On Priorities Critical List.....	3
Fly Hints At Monopoly, Report Modifications.....	4
DuMont Picks Site For D. C. Television.....	4
Mediation Board Gets Radio Labor Dispute.....	5
WGN To Operate FM Station.....	5
Danaher Hits Fly On "Censorship".....	6
Radio Defense Committee Named.....	7
Ship Radiotelegraph Operator Requirements Modified.....	7
President Silent On FCC Vacancy.....	8
Army Training Thousands Of Radio Operators.....	8
British Would Supply Alloy Denied In U. S.....	9
Trade Notes.....	10
RCA Continues Radiophoto Test With Moscow.....	11
CBS Lines Up 62nd S-A Station.....	11

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July 15, 1941

BITTER BATTLE SEEN IN NEWSPAPER INQUIRY

Advance indications are that the forthcoming inquiry of the Federal Communications Commission on newspaper owned and controlled radio stations will be a knock-down, drag-out fray with no quarter asked or given.

Chairman James L. Fly, questioned at his weekly press conference Monday, admitted that a "few subpoenas" have been prepared, but he insisted that this was not unusual. He did not disclose upon whom they were to be served.

Mr. Fly said he knew of no plan to postpone the hearing, which is scheduled to begin July 23. He estimated that it would consume at least a week.

The American Newspaper Publishers Association announced last week that it will intervene in the investigation as publishers expressed resentment of the tone of the FCC questionnaire sent out in preparation for the hearing.

In a lead editorial Editor & Publisher warned newspaper owners that it is "time to be alarmed."

"From many indications, it appears that the FCC is bent upon proving that newspaper ownership or operation of broadcasting stations is not in the public interest, and that its ultimate aim is to bar newspapers, as a class of business, from such activity", the editorial said. "If that is so, it represents a trend the importance of which cannot be exaggerated, for newspapers, for radio, and indeed for every branch of American business. If the FCC has power, under existing law, to disqualify newspaper interests from radio ownership and to destroy the many millions of investment that newspapers have made in radio, it is difficult to see where the power of government over private business can be limited. . . .

"The fight for survival of radio as a private enterprise can be lost or won in these hearings on newspapers as radio owners or operators. If newspapers can be barred, the Commission's right to set up further discriminations may be considered as established, barring new legislation by Congress. We don't believe that the radio people can make the fight, representing as they do a diversity rather than a community of interests. Newspapers can, and we believe that they should.

"They are evidently facing a hostile tribunal in the forthcoming hearings, and unless they come to grips with their situation in short order, they may presently find that newspapers as a radio factor belong to history and not to now. From the stand-

7/15/41

point of the newspaper business, the radio business, and the public at large, that would be a most unfortunate outcome. It need not happen if newspapers fight their case strongly before the Commission, and, even more important, keep their readers completely informed of what goes on and what hidden facts lie behind the Commission's hearings."

Editor & Publisher, in its news columns, quoted a number of indignant publishers after the following preface:

"Prominent newspaper executives, some of them owners or operators of radio stations and others having no radio connections, this week expressed their resentment at the nature and tone of the questionnaire sent last week by the Federal Communications Commission to all U.S. radio stations. The questionnaire, described in Editor & Publisher for July 5, put especial emphasis on the relations between radio stations and newspapers within their broadcast territory - a fact which led several newspaper executives to believe that the Commission was more intent upon investigating all newspaper practices than those dealing with newspapers using the ether waves.

"The American Newspaper Publishers Association will be represented at the hearings before the Commission, now scheduled for July 23, by Elisha Hanson, its general counsel, and according to Walter M. Dear, ANPA president, "every effort will be made to protect all engaged in our business from discriminatory action". The Newspaper-Radio Committee, headed by Harold Hough, Fort Worth Star-Telegram, is also gathering data from newspaper-owned stations, in preparation for the Commission's hearings."

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RADIO EQUIPMENT ON PRIORITIES CRITICAL LIST

Radio sending and receiving equipment, radio direction finders, and radiosondes and equipment are on the revised Priorities Critical List issued this week by the Priorities Division of the Office of Production Management.

The list contains over 300 items and classes of items on deliveries of which Army and Navy contracting officers may assign preference ratings.

Except for certain specified items which are subject to industry-wide control by the Priorities Division, most of the materials which appear on the list are subject to priority control only in the sense that Army and Navy orders for these items may automatically be assigned preference ratings.

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FLY HINTS AT MONOPOLY REPORT MODIFICATIONS

While insisting that the Federal Communications Commission was not preparing to postpone indefinitely the highly controversial network regulations, due to become effective August 2, Chairman James J. Fly stated at his press conference Monday that some modifications may be accepted.

He stated that progress had been made at a series of conferences with network officials but that it is too early to predict the outcome. The parleys are continuing.

A hint that a delay may be granted, if requested, was thrown out by the FCC chairman, but he said that the Commission will not consent to an indefinite postponement.

Asked about the forced sale of the NBC-Blue Network, Mr. Fly said that the network would be granted whatever reasonable time it needs to effect the sale. He said that there was no disposition upon the part of the FCC to force a sacrifice sale and that the date of the transfer is not important.

He told the press that he had heard nothing further about the recessed hearings of the Senate Interstate Commerce Committee. He expressed the opinion that there will be no further testimony on the White resolution and that the Committee's action will not depend upon the outcome of the current conferences with network officials.

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DU MONT PICKS SITE FOR D.C. TELEVISION

The Federal Communications Commission Saturday received an application from Allen B. DuMont Laboratories, Inc., to place the transmitter for its proposed new Washington television broadcast station at 726 Eleventh Street, N.W. This, it was said, is the site of the former transmitter of Radio Station WMAL.

The DuMont application said the studios of the proposed new station would be placed at the same location. A prior application of the DuMont Laboratories had sought to place its transmitter on top of the National Press Building, at 14th and F Streets, N.W., and its studios in the building.

The original DuMont application also specified that work was to begin on July 1 last, and be completed on January 1, 1942, but the new application seeks an extension of this time from 30 days after the Commission grants the request, and requiring 180 days to complete.

The National Broadcasting Co. also is constructing a new television station in Washington. It is expected to be ready for service during the Fall. Its transmitter is to be located at Wardman Park Hotel

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7/15/41

MEDIATION BOARD GETS RADIO LABOR DISPUTE

The Labor Department Saturday certified to the National Defense Mediation Board a labor dispute at the Breeze Corporation in Newark and Elizabeth, N. J.

The Department said C.I.O.'s United Auto Workers Union was threatening a strike there in a dispute involving questions of a 10 percent wage increase a union shop contract and dues check-off.

The corporation employs 520 workers and manufactures radio equipment for the Army Signal Corps.

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WGN TO OPERATE FM STATION

Authority to construct a frequency modulation (FM) station immediately was granted to WGN, Inc., last week by the Federal Communications Commission. The FCC order authorized WGN, Inc., to construct station #59C, to operate on a frequency of 45.9 megacycles, with temporary transmitting equipment of 1,000 watts.

Station W59C, it is expected, will be on the air with regular programs in a week or ten days, Carl J. Meyers, Chief Engineer of WGN, announced. It will be the second FM station for Chicago, W51C, owned and operated by the Zenith Radio Corporation, broadcasting on 45.1 megacycles, is on the air daily from 8:30 A.M. to 1 A.M.

W59C's transmitter will be installed on the 29th floor of Tribune Tower, with temporary antennae atop the Tower. Meanwhile, WGN will go ahead with plans for a 50 kilowatt station for which the transmitter already has been ordered. Meyers said that he expected that the high powered FM station would be ready for service in December.

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The radiolocators used in Britain to warn against the approach of enemy planes are being developed and produced in Canada. Orders to manufacture and assemble \$40,000,000 of the locators have been placed with Research Enterprises, Ltd., a Canadian government-owned company.

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7/15/41

DANAHER HITS FLY ON "CENSORSHIP"

Senator John Danaher (R.), of Connecticut, assailed Chairman James L. Fly, of the Federal Communications Commission, last week after the latter had suggested to Washington newspaper and radio commentators that they refrain from using the descriptive term, "Stalin Line".

"Now we have come to the point where newspaper and radio-men must get approval of news, not from a Cabinet official, but from the head of an administrative agency", the Senator said. "The news the American people read and hear is being colored at the source."

"Things have come to a pretty pass when a nation not at war has its newspaper and radio reporters - the latter servants of companies operating with licenses from the Government - told how they should present the news to which the American people are entitled without coloring. Probably the next step will be to censor the Congressional Record."

The conference was called suddenly last Thursday afternoon.

News commentators H. R. Baukhage of NBC, Fulton Lewis, Jr., of MBS, and Albert Warner of CBS, of whom only the latter directs a network news bureau, were among those summoned to the Chairman's office. Others asked to attend included representatives of the United Press, International News Service and Associated Press as well as the New York Times.

The meeting was called as a part of the activities of the Defense Communication Board, it was reported. It was "highly confidential" until the "news" leaked out.

Chairman Fly suggested to the radio and newspaper representatives that they refrain from use of the phrase "Stalin Line" in their broadcasts or dispatches. He pointed out that it was merely a suggestion, not a request or an order, and that if they didn't agree with the idea to disregard his request.

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An Illinois radio fan complains to the Federal Communications Commission about the use of the expression "now we have news" in connection with commercial announcements. The Commission itself can do nothing about this, but suggests that comments regarding radio presentations, if addressed to the station concerned, will receive attention.

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RADIO DEFENSE COMMITTEE NAMED

The National Association of Broadcasters last week set up a National Radio Defense Committee to collaborate with U. S. defense agencies in future planning. The Committee was appointed pursuant to a resolution adopted at the NAB convention in St. Louis May 12-15.

John Shepard, 3d, Yankee Network, was named Chairman of the Committee, which was scheduled to hold its first meeting in Washington this week. Other basic committee members are Ben Ludy, WIBW, Topeka; Leo Fitzpatrick, WJR, Detroit; H. Vernon Anderson, WJBO, Baton Rouge; A. J. Fletcher, WRAL, Raleigh.

NBC and CBS have not yet formally named their representatives but they are expected to be F. M. Russell, NBC, Washington Vice-President, and Harry C. Butcher, CBS Washington Vice-President.

In addition the 17 District NAB Directors will designate a broadcaster in each district to serve as field liaison representative for the Committee. District members, however, will not attend the Washington conferences regularly.

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SHIP RADIOTELEGRAPH OPERATOR REQUIREMENTS MODIFIED

To help meet the demand for radiotelegraph operators in the expanding United States merchant marine, the Federal Communications Commission has ordered suspension for six months of the requirement in Section 13.61 of its Rules Governing Commercial Radio Operators that such operators possess six months previous ship service to be eligible for employment as the single radio operator on a cargo ship.

This action is pursuant to public law number 155 approved July 8, 1941, amending Section 353(b) of the Communications Act. The new law is an emergency measure. The action taken by the FCC is in accordance with the express intention of Congress in enacting the legislation that the suspension of the six month service requirement be placed in effect immediately to meet a shortage of operators which, Commission investigations disclosed, resulted in delayed sailings of cargo carrying ships.

The provisions requiring the holding of a suitable license, showing the operator is qualified by reason of having passed the prescribed examination, remain in effect. Under the Commission's order, graduates of the Maritime Commission's radio schools who have secured FCC licenses will be eligible for employment on cargo ships.

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PRESIDENT SILENT ON FCC VACANCY

At his press conference last Friday, President Roosevelt said he had not decided on the FCC appointment to fill the vacancy left by Frederick I. Thompson. Asked about the possibility of naming Edward Roddan, Assistant Publicity Director of the Democratic National Committee and a former Washington newspaperman, the Chief Executive said he had no information.

FCC Chairman James L. Fly, according to some reports, has been urging reappointment of Thompson, primarily because the Commissioner has voted with the majority on controversial issues and was in the forefront of both the chain monopoly regulations and the newspaper-radio proceedings.

Other possible appointees have been rumored in Washington. Possible promotion of T. J. Slowie, FCC secretary and Iowa Democrat, to the Commission is the latest report. Other names previously mentioned are those of G. W. Johnstone, former Radio Director of the Democratic National Committee and pioneer network public relations officer; Fulton J. Redman, Portland, Me., attorney, and Thomas E. (Buster) Lawson, Jr., Attorney General of Alabama.

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ARMY TRAINING THOUSANDS OF RADIO OPERATORS

The Army is training thousands of radio operators and mechanics both for active military service now and a vocation after they are discharged, the War Department disclosed recently. The principal training schools are the Signal Corps School at Fort Monmouth, N. J., the Air Corps Radio School at Scott Field, Ill., and the Armored Force Radio School at Fort Knox, Ky.

At the Army Air Corps Radio Operators and Mechanics School at Scott Field, Belleville, Ill., the largest of the Air Corps radio operator schools, 20,000 operators and mechanics are instructed a year in a 22-week course which trains them in the operation and line maintenance of aircraft radio equipment and in the installation, operation and field maintenance of tactical ground radio equipment. The soldiers, who enter in classes of 800 approximately every two weeks, spend 770 hours in the classrooms and laboratories and many hours of study in their quarters.

At the Armored Force School, the radio training comprises the instruction of 60 officers for 3 months and 10 days, 100 radio electricians every 3 months and 1,280 radio operators for a three months course.

The Scott Field course comprises 70 hours on radio hand tools and beginners code; 385 hours on code practice, radiotelegraph and radiotelephone procedure and handling of radio traffic and

handling of radio traffic and flight radio operation; 175 hours on trade science on electricity and studying transmitters and receivers; 105 hours on circuit analysis, test sets, frequency meters and interphones, command and liaison sets, and radio compass; and 35 hours on marker beacons, antenna ties, and maintenance and inspection of apparatus.

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BRITISH WOULD SUPPLY ALLOY DENIED IN U. S.

English metallurgical companies have offered to supply an alloy denied radio makers in this country by the government's strict priority regulations, according to Eugene F. McDonald, Jr., President of the Zenith Radio Corporation. He told the Chicago Tribune that his company several weeks ago had been informed by a British producer that the alloy could be delivered here. Mr. McDonald said that his company had deferred cabling an order in the hope that the Government would relax its regulations and enable domestic makers of the alloy to fill the order.

The alloy, known as alnico because it contains aluminum, nickel, and steel, is needed urgently by radio manufacturers in the production of permanent magnet speakers for portable and rural receivers. The radio industry has reported that thousands of sets, needing only the tiny magnet for completion, have accumulated in factories.

Alnico, for which no satisfactory substitute is known, is made by smelting companies under license from General Electric Company, which owns the patent covering the alloying process. Government priorities created a grave shortage of alnico by withholding aluminum and nickel, needed critically in armaments. The radio industry has not received any allotments of aluminum since May, when it was allowed only one-tenth the amount it used in May, 1940.

With alnico supplies dwindling in this country, radio makers had hoped to be able to acquire some of the alloy from English producers, and recently had been informed by the English that a supply would be available. Since then, however, some uncertainty has developed as to whether the promise will be kept.

Commander McDonald reported that 10,000 battery sets have piled up in Zenith's plant, their completion held up by lack of the speaker magnets. In these particular sets, only 5 ounces of alnico is needed, Mr. McDonald said.

He declared that the shortage not only has serious aspects for the radio producers, but that it threatens to interfere with the building of morale in Army camps.

"There are few things that do more than a portable radio to help a boy in the Army keep in touch with the world and keep up his spirits while he is away from his home and friends", McDonald said.

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- 10 -

RCA CONTINUES RADIOPHOTO TEST WITH MOSCOW

Successful reception of the first radio-pictures from Moscow has inspired the engineers of R.C.A. Communications, Inc., to continue the tests, the outcome of which may lead to establishment of a regular commercial radiophoto service between the United States and Russia. The 4,615 miles circuit between New York and Moscow passes through one of the most turbulent magnetic regions in space and, therefore, much depends upon favorable atmospheric conditions.

Soviet war scenes, which appeared in American newspapers last week, are being received at "Radio Central" at Riverhead, L.I., for relay to the radiophoto machines of R.C.A. Communications, Inc., at 66 Broad Street on Manhattan Island.

Moscow has become the fifth addition to the RCA radiophoto circuits, the others being London, Berlin, Buenos Aires and Tokyo. Observers now note that radiophoto service is world-wide, and military commentators, recalling there were no pictures on the wavelengths during the first World War, see new advantages to be gained on the side of truth. They point out that Berlin has taken every opportunity to use radiophoto circuits for international dissemination of pictures. Now it is expected that, with Russia broadcasting pictures, the photographs of the battle-fronts will not appear to have been taken only from one side of the line.

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CBS LINES UP 62ND S-A STATION

With the addition of Radio Nutibara - Station HJDT - in Medellin, Colombia, the Columbia Broadcasting System has engaged the 62nd station in its Latin American chain.

Negotiations are also under way to sign additional affiliates for the new "Network of the Americas" - "Cadena de las Americas" - which, according to Edmund A. Chester, CBS Director of Shortwave Broadcasting and Latin American Relations will provide programs for every one of more than 4,000,000 radio sets below the United States border.

Meanwhile, CBS engineers are pushing construction work on the two 50,000 watt transmitters for Columbia's international stations, WCBX and WCRC, in Brentwood, Long Island. From this point, programs originating anywhere in the world, are to be short-waved to Latin American station affiliates for broadcasts within their own listening areas.

The two high fidelity stations will devote eight directional antennas exclusively for transmissions south of this country. Even though these are capable of 19 different broadcasting combinations, five other antennas, with 13 more broadcasting combinations, have been assigned to blanket coverage of Mexico, with provisions for shifting to shortwave toward Europe.

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