

HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.

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No. 1354

August 12, 1941

TO PRINT U.S. SHORTWAVE PROGRAMS IN 3 LANGUAGES

One of the most important things which the Rockefeller Committee on the Council of National Defense has undertaken will be, beginning within the next month or so, the distribution of the short-wave programs of the United States broadcasting stations to South America in three languages. They will be printed in English, Spanish and Portuguese in six editions which will aggregate 50,000 copies a week.

The short-wave stations whose programs will be included in this hemisphere distribution to the Southern Hemisphere are:

Columbia Broadcasting System - WCBX, New York City; Crosley Corporation - WLW), Cincinnati, Ohio; General Electric Company - WGEA-WGEO, Schenectady, N. Y.; KGEI, San Francisco, California; National Broadcasting Company - WNBI-WRCA, New York City; WCAU Broadcasting Company - WCAB, Philadelphia, Pa.; Westinghouse Radio Stations, Inc., - WBOS, Boston, Mass.; World Wide Broadcasting Foundation - WRUL, Boston, Mass.

The Rockefeller Committee will avail itself of a \$50,000 appropriation from Congress for the project. Primarily the new programs gotten up in a convenient pocket size are intended for publication in South American newspapers, but they will go to Embassies, Consulates, American exporters, banks, Chambers of Commerce and every other possible distributing point. It was originally hoped to air-mail them down, but that has been found to be impractical. Instead, printing schedule will be arranged so that the deadline immediately precedes sailing date of boats, which take about $2\frac{1}{2}$ weeks to reach Buenos Aires.

Don Francisco, Chief of the Communications Division of the Council of National Defense, said last week that a plan is afoot to rotate the privilege among the short-wavers of slipping an insert into the pamphlets each week to announce new programs or special broadcasts. Otherwise the logs will be limited to listings.

For sometime the Commerce Department, under the direction of John H. Payne, now with the Rockefeller Committee, has been distributing the U.S. short-wave programs to newspapers throughout the world but the weak spot has been that they were not translated into the language of the countries to which they were sent. Even so, a remarkably large number of papers reprinted them.

The present Rockefeller undertaking is the outgrowth of a suggestion several years ago of Commander E. F. McDonald, Jr., of Chicago, who noticed that though the programs of other nations were being printed abroad that those of the United States were not. There

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was a theory at that time that this was because of a prejudice of foreign editors against us. Commander McDonald discounted this theory, saying he believed it was simply because other countries sent their programs to the editors and we did not.

This proved to be the case. A consolidated program compiled by the Radio Manufacturers' Association, and at the suggestion of Mr. McDonald, sent throughout the world by the Commerce and State Departments was widely printed abroad and no doubt will be even more so now that the programs are to be sent to the countries in their own languages. The Commerce Department and the RMA will, however, discontinue participation, and from this time on the work will be done entirely by the Rockefeller group.

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WOULD STUDY SENATE ACOUSTICS

Primarily to remedy bad acoustical conditions in the United States Senate, where in the Press Gallery, for instance, it is at times almost impossible to hear what the Senators are saying, Senator Charles O. Andrews (D), of Orlando, Fla., has introduced the following resolution (S. Res. 150):

"Resolved, That the Senate Committee on Public Buildings and Grounds be, and it is hereby authorized and instructed to make a study of (a) better lighting system for the Senate Chamber and the Senate Office Building; (b) plans for redecorating; and (c) better acoustics in the Senate Chamber; and report to the Senate, within 3 months after the date of approval of this resolution, the results of its study, together with its recommendations and suggested improvements and their approximate costs.

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COAST GUARD RADIO CLASSES NEXT MONTH

A call has been issued for applicants from Coast Guard enlisted personnel who desire training as student radiomen. All applicants will be given a preliminary examination prepared by headquarters to determine their fitness for training.

The classes for the student radiomen will begin in September and will be held at the radio school in New London, Conn., and at the Coast Guard Yard, Curtis Bay, Md. Accommodations for 50 students will be available at New London, while the Coast Guard yard will be able to train 80 students.

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WAR RADIO PROPAGANDA HEARING SEPT. 3

Because of the pressure of other defense matters at the Capitol, the hearing on the resolution introduced by Senators Champ Clark (D), of Missouri, and Nye (R), of North Dakota, will not be held until after Labor Day. The date set is Wednesday, Sept. 3.

It promises to be a field day for the isolationists. Although Senator D. Worth Clark (D), of Idaho, Chairman of the Interstate Commerce Subcommittee, will preside, Senator Burton K. Wheeler, of Montana, Chairman of the Interstate Commerce Committee, will no doubt be a prominent figure at the hearings - the main "prosecutor" very likely because of numerous changes he has made of both radio and the movies fostering war. Senators Champ Clark, of Missouri, and Tobey (R), of New Hampshire, having practically the same views on the subject as Senator Wheeler, will no doubt leave no stone unturned to make it as warm as possible for the witnesses. Both Clark of Missouri and Tobey are members of the inquiring subcommittee.

The resolution outlining the scope and purpose of the hearing follows:

"Whereas the motion-picture screen and the radio are the most potent instruments of communication of ideas; and

"Whereas numerous charges have been made that the motion picture and the radio have been extensively used for propaganda purposes designed to influence the public mind in the direction of participation in the European war; and

"Whereas all of this propaganda has been directed to one side of the important debate now being held, not only in Congress but throughout the country; and

"Whereas this propaganda reaches weekly the eyes and ears of a hundred million people and is in the hands of groups interested in involving the United States in war: Therefore be it

"Resolved, That the Committee on Interstate Commerce, or any duly authorized subcommittee thereof, is authorized and directed to make, and to report to the Senate the results of, a thorough and complete investigation of any propaganda disseminated by motion pictures and radio or any other activity of the motion-picture industry to influence public sentiment in the direction of participation by the United States in the present European war."

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The Civil Service Commission advises that the National Defense Program still needs men with experience in radio and other electrical equipment, supplies and apparatus. Salaries range from \$2,600 to \$5,600 in the various grades. No written examination is given.

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NEMA ALLOY SECTION ON FTC GRILL

The Electrical Alloy Section of the National Electrical Manufacturers' Association, New York City; George B. Cumming, and William J. Donald, its Executive Secretary and Managing Director, respectively; Alloy Metal Wire Co., Inc., Prospect Park, Pa.; Hoskins Manufacturing Co., Detroit, Wilbur B. Driver Co., Newark, N.J.; C. O. Jelliff Manufacturing Corp., Southport, Conn., and Driver-Harris Co., Harrison, N. J., are charged in a complaint issued by the Federal Trade Commission, with entering into and carrying out an agreement having the effect of restricting and hindering price competition.

The respondent Electrical Alloy Section of the National Electrical Manufacturers' Association is an unincorporated trade association the membership of which, the complaint charges, is composed of the five respondent corporations, all engaged in the manufacture and sale of copper and nickel alloy wire. The respondent association and its executives are not engaged in commerce but are charged in the complaint with having aided, abetted and cooperated in the performance of some or all of the acts and practices charged in the complaint.

Pursuant to an agreement and combination, the complaint charges, the respondents have fixed and maintained identical prices at which alloy wire is to be sold by the respondent manufacturers and fixed and maintained uniform discounts and other conditions for the sale of alloy wire by the respondent manufacturers; the respondent manufacturers have filed with the respondent association their price lists for alloy wire and have adhered to filed prices until new and different prices have been filed by them; the respondent association has disseminated the price information so filed to all of its members and price and discount information has otherwise been exchanged between and among the respondent manufacturers, and the respondent manufacturers have submitted uniform bids in connection with the sale of the alloy wire manufactured and used other means and methods designed to suppress and prevent price competition and to accomplish uniform prices and a monopoly on the part of the respondent manufacturers in the sale of alloy wire in commerce.

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DUFF COOPERS GUESTS OF PALEY

While the Right Honorable Alfred Duff Cooper, newly appointed Coordinator of British activities in the Far East visited Washington this week, his wife, the former Lady Diana Manners and their son John Julius Duff Cooper, 11 years old, were the guests of William S. Paley at Manhasset, Long Island.

Mr. Duff Cooper, former British Minister of Information, will confer with Secretaries Hull, Knox and Stimson in Washington. Returning to New York, he will later take a plane for his new headquarters at Singapore.

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COURT WEIGHS FCC POWERS OF SUBPOENA

Just how much power the Federal Communications Commission has in requiring witnesses to appear before that body will soon be decided by Justice James W. Morris of the District Supreme Court following court proceedings on the issue on Monday. It was said the decision of Mr. Justice Morris might be forthcoming by Saturday.

Although the case argued before the Justice in the District Court Monday involved only one subpoena - directed to James G. Stahlman, Nashville publisher - counsel for both Stahlman and the FCC drew the basic issue of the powers of the Commission.

Accordingly the decision will have broad effects on the FCC's future policy. The case is the first in which FCC power to require testimony has been questioned in the courts.

Commissioner Ray C. Wakefield subpoenaed Stahlman on July 29 to appear August 1 at a hearing on the FCC's future policy toward applications of newspaper owners for licenses for frequency modulation (FM) or standard broadcasting stations.

Elisha Hanson, General Counsel of the American Newspaper Publishers' Association, forced the issue after he had been denied permission to argue the subject orally at the outset of the newspaper-radio hearings which began July 23rd and are now in recess until September 16. Following a heated flurry with Chairman J. L. Fly, Mr. Hanson retorted: "You have had newspaper witnesses subpoenaed but upon my advice they will not appear. That will give us the opportunity of having this issue decided with propriety."

Thomas E. Harris, FCC Assistant General Counsel told Justice Morris that the Commissioners wanted to ask Stahlman about the attitude of organized press groups toward radio a few years ago.

Mr. Hanson appeared for Mr. Stahlman and said he had advised the Nashville man not to appear because the FCC has no right to call him. The FCC then asked the District Court to compel Stahlman to testify.

Mr. Harris told the court Monday that the FCC had power to hold hearings about any subject in its field of regulation.

Mr. Hanson replied that any FCC policy singling out newspaper owners from other applicants for radio licenses, whether favorably or unfavorably, would be invalid because of the discrimination. And if the policy being considered was invalid, said Mr. Hanson, hearings on the subject would be without authority and witnesses could not be compelled to appear at them.

A brief on behalf of the Commission presented by Mr. Harris stated:

Section 403 of the Communications Act provides in part as follows:

"Sec. 403. The Commission shall have full authority and power at any time to institute an inquiry, on its own motion, in any case and as to any matter or thing concerning which complaint is authorized to be made, to or before the Commission by any provision of this Act, or concerning which any question may arise under any of the provisions of this Act, or relating to the enforcement of any of the provisions of this Act." (Emphasis supplied)

"For the purposes of this case the significant words in this section are those giving to the Commission authority to conduct an investigation into "any matter or thing * * * concerning which any question may arise under any of the provisions" of the Act. The meaning of these words would hardly seem open to doubt: Any question which might reasonably be expected to arise under any provision of the Act may be inquired into by the Commission. * * * "

"Consideration of the basic theory underlying the creation of administrative agencies reinforces the conclusion reached from the clear wording of the statute. One of the principal reasons for the establishment of administrative agencies is to be found in the expectation that such agencies will develop expertness in the administration of difficult specialized matters. If the problems in the regulation of an industry are complex enough to warrant the establishment of an administrative agency to deal with them, it would seem unlikely that Congress would limit its usefulness by withholding from it the power to conduct general hearings for the purpose of better acquainting itself with the industry which it must regulate. Such an intention is not to be imputed to Congress unless the basic law creating the agency explicitly so provides. No color of such provision is to be found in the Communications Act."

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FCC LOOKS UPON NETWORK PARLEYS AS ABOUT COMPLETE

Insofar as the Commission is concerned, Chairman J. L. Fly believes the conferences on the network-monopoly rules are about at an end. At least he doesn't plan any further long conferences. This does not imply, however, that they may not be held if the occasion arises.

The main discussion centers around option time. Apparently other points are not giving so much concern. At least there has been no prolonged discussion on other points. The broadcasters are getting up a list of the number of cities served by a given number of stations. There seems to be some difference of opinion here among the broadcasters and the difficulty is on getting an agreed list. The FCC may have to adjust a few differences in such a list itself.

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Lengths of contracts were taken up and two year licenses discussed. The Commission may do something about that.

It was said the results of the network conferences may be clarified at an early date, in fact an announcement may be expected within the week.

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RADIO TO HAVE ITS TAX SAY NEXT WEEK

After an intensive month's preparation, the radio industry will make the fight of its life to have the \$12,500,000 tax on broadcasting time in the Defense Revenue Bill reduced or eliminated when the industry has its day in court with the Senate Finance Committee beginning next Monday, August 18th. Doubling the previous rate, the bill also places a tax on the manufacture of receiving sets which will amount to \$9,400,000.

In addition to outstanding witnesses, representatives of the National Association of Broadcasters, National Independent Broadcasters, Radio Manufacturers' Association, Association of National Advertisers, Advertising Federation of America, American Federation of Radio Artists and other organizations will be heard. The NAB arguments will be directed by Ellsworth C. Alvord, nationally prominent tax attorney.

Although the newspapers have joined in condemning the taxing of broadcasting time, they may have to show why newspaper advertising should not also be taxed. Opponents of the levy on radio and billboard advertising argued that the tax discriminated in favor of newspapers and magazines. That contention was met by Representative Jerre Cooper of the Ways and Means Committee, with the statement that, while newspapers and magazines do not pay a specific tax on advertising, they are subject to other levies.

Nevertheless other members of Congress have been hammering away at the newspapers and magazines.

"It is patently unfair and discriminatory that the House Revenue Bill proposes to tax only a portion of outdoor advertising and radio advertising and levies no tax whatever on the other national advertising mediums, such as newspapers, magazines, and direct-mail advertising", Representative Joseph A. McArdle, of Pennsylvania argued.

"If one national medium of advertising is to be taxed by the Federal Government, then certainly all should be taxed, but I do not believe in excise taxes upon any of them, because they all produce sales and profits and we should tax profits instead of the source of profit."

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TRADE NOTES

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Station K45LA Don Lee Broadcasting System, Los Angeles, Calif., has been granted extension of special temporary authority to operate frequency modulation station commercially on 44500 kilocycles, 1000 watts power, with transmitter located on top of Mt. Lee, Los Angeles, power 1000 wats and using a 4-bay turnstile antenna, for the period September 5 to November 3.

Guy Hutcheson, CBS engineer, left last week-end on a six-month, 20,000 mile tour of inspection of all the stations in Columbia's new Latin American network. He will survey reception conditions and technical facilities of the 67 CBS outlets in all 20 neighbor Republics.

Alfred J. McCosker, President of WOR and Chairman of the Board of the Mutual Broadcasting System, sailed last Saturday with Mrs. McCosker on the Swedish American line's "Kungsholm" for a twelve-day cruise to Central America. Mr. and Mrs. McCosker's daughter and son-in-law, Mr. and Mrs. Sheldon Van Dolen, accompanied them. After their return to New York, Mr. and Mrs. McCosker will spend some time at the Manoir Richelieu in Murray Bay, Quebed.

Because of the city's central location and because of other advantages which made it the popular choice of the membership, the 1942 convention next May of the National Association of Broadcasters will be held in Cleveland.

Scripps-Howard Radio, Inc., was denied its motion for postponement of hearing indefinitely, now scheduled for September 15th, on the applications of itself, the Texas Star Broadcasting Co., and Greater Houston Broadcasting Co., Inc., for new stations at Houston, Tex., with leave to petitioner to file within 5 days a petition to delete issue No. 6 in the notice of hearing. On Commission's own motion, continued hearing to September 29, 1941.

The stockholders of Columbia Broadcasting System approved contracts made by the corporation for the sale of its interest in its artist management subsidiaries, Columbia Concerts Corporation and Columbia Artists, Inc. The Concerts Corporation stock is to be sold to the Concert Corporation itself and the Columbia Artists' stock is to be sold to an affiliate of Music Corporation of America.

Bids have been received for the construction of a new Coast Guard radio station to be located at East Moriches, N.Y. The low bidder was Robert P. Vignola, Harrison, N.Y., in the amount of \$113,909.

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The current FM schedule of NBC in New York Mondays through Fridays, from 3 P.M. to 11:00 P.M., EDST, over Station W2XWG will be continued through September 5. The station will not be on the air from September 6 to September 9. On September 10, W2XWG will return to its original schedule broadcasting Wednesdays through Sundays.

A leading newspaper of El Salvador has opened a broadcasting station dedicated to the defense of the democracies. No advertising by totalitarian firms is accepted.

Closely following this the Minister of Interior of Chile issued an order banning all types of propaganda by radio broadcasting stations in favor of any of the belligerent countries. The stations are forbidden to broadcast any news except that already published in the press or furnished them directly by news agencies.

The total volume of radio sets used Sunday evenings during the past Winter far outnumbered those of any week day, according to a report issued by the Cooperative Analysis of Broadcasting. Thursday evening, based on 7 to 11 P.M. Eastern time, ranked second with Monday a close third.

The Weather Bureau reported that it had let a contract for 31,200 radiosondes to be made in part of plastic, thus saving six tons of aluminum, and the little devices to cost \$10.10 each. The radiosondes are carried aloft by rubber balloons, and float to earth with parachutes when the balloon reaches its maximum height and bursts. The high altitude weather observations are essential to operation of high-flying planes.

The typical listener to an all-night program is a Defense or service worker, and if he is listening to WOR's all night program, he is likely to come from New York but may be tuning in from as far away as Texas. That is the conclusion of an analysis of 738 typical letters and other communications received on WOR's all-night program during its first six weeks on the air - June 17th to July 25th.

Thousands of businessmen in Latin America depend on short-wave radio for New York stock market quotations, according to mail received by WGEO, General Electric station in Schenectady. WGEO recently indicated that the comprehensive list carried week days at 6:00 P.M., E.S.T., by the station for the past twelve years would be discontinued unless a definite listener interest were manifested. Hundreds of letters immediately began to arrive, many by air mail, from every country in South and Central America and also from Curacao, Puerto Rico, Cuba, Barbados and other islands of the West Indies.

Frank E. Mason, Vice President of the National Broadcasting Company, and now on leave as Radio Advisor to Secretary of the Navy Frank Knox, addressed the Kiwanis Club of Salt Lake City, Utah, on "Air Defense", returning from the West Coast.

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GROUND BROKEN FOR RCA LABORATORIES

Ground was broken last week at Princeton, New Jersey, for the Research Laboratories of the Radio Corporation of America. When completed, the buildings to be erected on a site of more than 250 acres, it is said, will constitute the world's outstanding center for radio and electronic research.

The first spadeful of earth was turned by Otto S. Schairer, RCA Vice-President in charge of the Laboratories. The ceremony was attended by a group of 40 RCA directors and executives, including David Sarnoff, President, and Gen. James G. Harbord, Chairman of the RCA Board of Directors.

Mr. Schairer called attention to the fact that the most immediate requirement of the new RCA Laboratories will be to increase the usefulness of radio to national defense.

"We stand on historic ground", Mr. Schairer said, "where 165 years ago Colonial soldiers under George Washington fought and gave their lives to defend the freedom of the American people. It is a solemn thought that the most pressing and immediate task of the Laboratories to be erected here will be again to defend that freedom, by applying the resources of radio and electronic science to the urgent problems of national defense."

Pointing out, however, that the greatest usefulness of radio is in the realm of peace, not of war, Mr. Schairer continued: "The inventions and accomplishments of the past are but omens and forerunners of those to come. Great and marvelous as they have been, they represent but a small part of the progress which science and invention promise to make in the future."

The designer and builder of the new RCA Laboratories is the H. K. Ferguson Company of New York and Cleveland. It is expected that the main building will be completed and occupied by the RCA research organization early next Spring.

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CBS CLEARED \$2,418,087 IN HALF YEAR

The semi-annual statement of the Columbia Broadcasting System, Inc., and subsidiary companies, mailed to stockholders, disclosed that gross income for the six months ended on June 28, amounted to \$29,134,776 compared with \$24,952,294 for the corresponding period last year. Profit before provision for Federal income and excess profits taxes was \$4,471,550, against \$3,793,655.

After deducting \$2,053,463 provision for Federal income and excess profits taxes and supplemental provision for estimated additional Federal income and excess profits taxes, calculated under

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the Revenue Bill of 1941, the net profit for this year's period amounted to \$2,418,087, equal to \$1.40 a share on 1,716,277 shares of \$2.50 par stock outstanding on June 28, or to be outstanding upon completion of exchange for the old \$5 par value stock.

The net profit for the six months ended on June 29, 1940, after taxes totaling \$1,299,936, amounted to \$2,493,719, or \$1.45 a share.

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SURVEY SHOWS MANY ALL NIGHT LISTENERS AVAILABLE

A vast new all-night bonus radio audience has been created during the past months by defense activities, according to a WOR Trade News Release. Eighty-nine percent of all industrial and non-industrial workers interviewed in New York were found to be available to listen to the radio between the hours of 2 A.M. and 6 A. M. Figures for the towns of Dover, N.J., Bridgeport, Conn., and Bethlehem, Pa., are approximately the same.

These facts are revealed in a survey "A Tale of Four Cities" just released by Station WOR and prepared by Joseph Creamer, Director of Sales Promotion for the station.

The survey set out to determine (1) what kind of people make up all-night audience, (2) what they can buy, (3) do they listen, (4) where do they listen. The survey was made in connection with WOR's 24-hour-operations in effect since June 17, 1941, when the station first started its new all-night program "Moonlight Saving Time", conducted by Jerry Lawrence.

That a boom is in full effect is revealed by the figures that 66% of 452 industrial and non-industrial workers interviewed stated that they had received substantial increases in salaries compared to a year ago.

A survey of cars used by night workers in the four cities investigated (Dover, Bridgeport, Bethlehem and the industrial and non-industrial sections of New York) revealed that 55% of cars in use by night workers were equipped with radios - that is based on the 840 cars examined. All of the cars carried 3 to 5 occupants to and from work.

An analysis of the mail received since the program first went on the air June 17th showed that it came from 25 States and 291 towns and cities in the United States and Canada and numbered 889 pieces, 153 of which came from women.

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