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No. 1362

RADIO INCLUDED IN PRIORITY REPAIR ORDER

Radio communication and broadcasting equipment, but not home receiving sets, were included in a plan to keep defense and civilian industries going full speed as announced by OPM Priorities Director Donald M. Nelson this week.

The plan grants immediately a preference rating of A-10 for repair parts required by twenty industries without the necessity of an application to the OPM for a preference rating certificate, since the purchaser may simply note on his order that the commodity, equipment, accessory, part, assembly or other product is required to fill a repair order of an industry classified as essential. It affects tens of thousands of business concerns.

Mr. Nelson said that the plan displaced the Maintenance and Repair Order announced by E. R. Stettinius, Jr., former OPM Priorities Director, on Aug. 8, "but which was never actually issued because of administrative difficulties in handling the paper work it would have involved."

"The present order is designed primarily to protect industry against sudden breakdowns and is regarded as an interim measure", Mr. Nelson said. "The entire inventory problem is to be studied further with a view to providing broader priority assistance."

"It is felt, however, that the present plan will keep the essential industries covered running on their normal basis and will prevent serious interruption to defense production by giving producers a simple method for obtaining vital repair parts."

It was said that the list of essential industries might be expanded from time to time. The order, effective immediately, will expire Feb. 28, 1942, unless it is revoked sooner or extended by administrative action.

As the order does not solve the problem of providing materials for new manufacturing by the radio industry, the Defense Communications Board will continue its study of the critical situation.

Like other DCB subordinate units, the new committee will be limited in its scope to studies for DCB itself and will function through the main coordinating committee headed by Lieut. E. K. Jett, FCC Chief Engineer, a strong advocate of prompt remedial action. When organized about a fortnight hence, the new committee probably will be asked to plan, study and report on particular situations involving priorities so that OPM and the new SPAB - super defense steering agency headed by Vice President Wallace - can be advised through OCB of minimum requirements.

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Membership of the Committee is being drawn, one each, from the following DCB subcommittees; Domestic broadcasting, international broadcasting, amateur, aviation, cable, radio communication, state and municipal facilities, telegraph and telephone. Excluded will be the three purely government subcommittees.

Through the individual members representing industrial groups, the Priorities Committee would be enabled to advise DCB of manufacturers' requirements and of replacement needs. The immediate effort, of course, will be to secure preference ratings in emergent situations, such as broadcasting, and to insure so far as possible that adequate materials will be given essential defense activities.

In an announcement last Friday DCB said it has already planned for utilization of existing communication facilities in the coordinated interest of military, industry, and civilian activities. The need of materials for extension, interconnections, and alternate circuits constitutes an important related problem, it added.

"The board has been greatly concerned about the availability of such equipment. While it is gratified to know that a priority status has been assigned to repair and maintenance materials, it feels that it is equally, and in many cases more, important to provide a high order of priority for new materials and equipment. This is particularly true of new and supplementary facilities directly or indirectly related to national defense expansion."

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PAUL PORTER, OPM HOST TO BRITISH VISITORS

Paul Porter, energetic young attorney for the Columbia Broadcasting System in Washington, has been loaned temporarily to the Office of Production Management to play official host to a small delegation of British visitors.

The Britishers, representing both management and labor, were invited to the United States by OPM to inspect defense industries. The first party was due in New York today.

Mr. Porter will accompany the visitors on a flying tour of the Nation's defense centers. Army planes will be used.

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PRESS-RADIO HEARINGS MAY RUN SIX WEEKS

Another month or six weeks of testimony in the Federal Communications Commission's investigation of newspaper-radio tie-ups is in prospect.

The hearings are to resume on September 17th and continue until the inquiry is concluded, with only brief recesses for FCC meetings and the October 6 hearing on multiple ownership.

The FCC investigating staff is still in the field examining station correspondence and files, to ferret out data for the inquiry. This work is being carried on under the direction of David D. Lloyd, chief of the Inquiry Section of the FCC's Law Department. Mr. Lloyd, along with Mr. Harris, conducted all of the Commission's examination of witnesses during the five days of hearing in latter July and Aug. 1.

The hearings will be resumed in Room 6121, New Post Office Building, which is little longer than a conference chamber.

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RADIO RESEARCH, TECHNICAL JOBS OPEN

Two Civil Service examinations were announced this week - one for radio mechanic-technician positions, and the other for technical and scientific aid positions.

The need for radio mechanic-technicians is so pressing that the Commission called for applications even before the formal announcement was off the press. Technical and scientific aid positions in many Government agencies will be filled by persons who are qualified, under the terms of that announcement, to do research and testing in radio, explosives, chemistry, physics, metallurgy, and fuels.

Men and women are needed to do research and testing in radio, explosives, chemistry, physics, metallurgy, and fuels. The jobs pay from \$1,440 to \$2,000 a year.

Among the Government agencies that are expected to utilize the employment lists set up as a result of this examination are: Bureau of Agricultural Chemistry and Engineering, Department of Agriculture; Bureau of Mines, the Department of the Interior; and the Bureau of Standards, Department of Commerce. The War and Navy Departments also have vacancies - the War Department in its Quartermaster Corps, and the Navy Department in its laboratories.

Applications will be rated as soon as possible after they are received at the Commission's Washington office until June 30, 1942. However, since many of these positions are connected with

the National Defense Program, persons who are qualified for and interested in these positions are urged to apply at once.

Radio mechanic-technicians will be paid salaries ranging from \$1,400 to \$2,300 a year. They may file their applications until November 6, 1941. In their applications they must show that they have had appropriate training or experience in one or more of the following:

1. Paid experience in technical radio work such as radio repairman, operator, or electrician.
2. Technical study in residence at a radio school.
3. Resident study including courses in radio in a school of engineering or technology.
4. Completion of an approved Defense Training Course in any branch of radio work.

Further information and application forms may be obtained from the Civil Service Commission's representative at any first- or second-class Post Office, from any District office, or from the U.S. Civil Service Commission in Washington, D. C.

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NETS REPORTED SPENDING \$1,500,000 ON TELEVISION

NBC and Columbia are now spending between \$1,500,000 to \$2,000,000 a year on television, according to Variety. NBC, operating on a commercial license, has a budget of nearly \$1,000,000 and, with five regular sponsors, has a gross income of around \$50,000-\$75,000 a year from commercial programs, the weekly states.

CBS declines to reveal how much it is spending a year, but indicates the amount is not much less than NBC's budget. Since it has only a construction permit for commercial operation, CBS has no sponsors as yet and therefore no income. But it claims to have several sponsorship requests.

There is still wide divergence in estimates of the number of television receivers in actual operation in the New York area. NBC officials say their surveys have shown there are 4,500 sets in private homes and 600-odd in public places, mostly cafes and bars. They expect these figures to be doubled by next Jan. 1, they assert.

CBS officials estimate there are between 3,000 and 5,000 sets in the area, inclusive of private homes and public spots, but that not many of these are adjusted to the new television channels. CBS men are pessimistic about future sales, at least for some time, mostly because of the situation in metal priorities.

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NBC, CBS JOIN ARGUMENT ON NET RULES

The National Broadcasting Co. and the Columbia Broadcasting System at the last minute announced they would participate in oral arguments before the Federal Communications Commission today on a suggested revision of the stringent chain broadcast rules recently issued.

The arguments which opened in the Commission's hearing room in the new Post Office Building, were ordered on the petition filed by the Mutual Broadcasting System suggesting certain changes in the rules originally laid down by the Commission as a result of its long investigation of alleged monopoly in broadcasting.

MBS asked the Commission to change its rules so as to permit the chains to make two or three year contracts with their affiliates. The regulations, which have been held in abeyance for some time, permit only one-year contracts whereas it has been the practice for major chains to make contracts for as long a period as five years.

MBS also asked that the call period under which the chains may exercise their option of time on affiliated stations be made 42 days. The option time now in practice by the large chains is 28 days.

Neither CBS nor NBC accompanied their notice of appearance with briefs.

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FCC ACTION

Independent Broadcasting Co., Springfield, Mo., granted construction permit for new standard broadcast station to operate on 1400 kilocycles, 250 watts, unlimited time; Pacific Coast Broadcasting Co., Pasadena, Calif. granted construction permit for new standard broadcast station to operate on 1110 kilocycles, 10 kilowatts power, unlimited time, using directional antenna day and night, subject to whatever action the Commission may finally adopt with respect to Order No. 84 (multiple ownership), and approval of antenna site.

National Broadcasting Co., Inc., New York, N. Y., granted extension of authority to transmit recorded programs to all broadcast stations in Canada licensed to operate by the Canadian Government, which may be heard consistently in the United States, thereby continuing the exchange of goodwill programs.

WSXFM, The Crosley Corp., Cincinnati, Ohio, granted extension of special temporary authority to operate a high frequency experimental broadcast station on 43200 kilocycles, 1000 watts power, special emission for frequency modulation for the period beginning September 29, 1941, and ending not later than December 27, 1941,

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NAB APPROVES ASCAP-NET CONTRACTS

The way was cleared for resumption of general broadcasting of ASCAP music and conclusion of the radio-music war this week in New York.

The Executive Committee of the National Association of Broadcasters endorsed the contract forms negotiated between ASCAP and the National Broadcasting Company and Columbia Broadcasting System.

The Committee's action brought to an end, officially, the war between these two interests which started in March, 1939, and which resulted in the absence of ASCAP music on the major portion of America's broadcasting facilities since Jan. 1, 1941. Along with the Committee's endorsement came an announcement that Columbia, like NBC, had agreed to terms and conditions with ASCAP.

As for the date of the resumption of ASCAP music, NBC is planning on Sept. 28 and the indications are that the opening of NBC and Columbia facilities to ASCAP music will be simultaneous.

With the signing of contract, ASCAP will release the networks and affiliate stations of all infringement violations from January 1, 1941, to date. It is understood that before the contract forms receive the actual signatures of NBC, Columbia and ASCAP they will have been gone over by Thurman Arnold, Assistant U. S. Attorney General.

Neville Miller, President of the NAB, issued a statement recommending that members accept the new NBC licensing contracts.

The Executive Committee of the NAB, he declared, "has had ample opportunity to study, through a series of meetings, the terms and conditions of the proposed ASCAP contract. It is the concensus of the Executive Committee that these terms in their present form are highly satisfactory and also broadcasters who desire to use ASCAP music, an eminently fair and equitable basis for such use, provision having been made for the various operating problems which confront the industry. The NAB therefor recommends favorable consideration of that form of contract which best suits the station's individual operating need.

"The contract in its present form", continued the statement, "achieves principles for which broadcasters have been contending for many years. It enables broadcasters to take their choice of a blanket contract for all ASCAP music, or to purchase this music for the programs on which it is played. Moreover, the contract reduces substantially the basis which our industry has hitherto been compelled to pay."

"The proposed contracts with ASCAP, in their final form", said Mr. Miller, "will be mailed to all stations within the next few days and will be subjected to the scrutiny and approval of the

individual broadcaster." Mr. Miller added that the terms and conditions of the proposed contracts were acceptable, he had been informed, to NBC and CBS. Signaturing by these networks, it is understood, is contingent upon the agreement of affiliated stations to bear their portion of the cost of the license."

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FCC BELIEVED AWARE OF FBI STATION

FCC officials are believed to have been aware of the operations of the Federal Bureau of Investigation short-wave station which is said to have been in constant communication with Nazi secret service in Hamburg, Germany.

While officials declined to comment on the case during the trial in New York by 16 persons accused of espionage, it is known that the FCC has worked closely with the FBI in the past.

As one FCC official said: "We hardly could have not known about the station's operations if it actually existed."

The FCC has maintained a constant lookout for outlaw short-wave stations since the war began.

For sixteen months the FBI exchanged worthless "information" about the American defense program for accurate reports on the activities of Nazi spies in this country by means of a short-wave station on Long Island, according to testimony at the Federal trial in New York.

As related by William G. Sebold, 42-year-old naturalized American citizen, it was the German espionage system itself that had conceived the idea of a short wave station in the United States that would enable it to check on American defense preparations and at the same time regulate the activities of their secret agents in this country.

The plan boomeranged because, Sebold testified, he had turned over the information to agents of the FBI on his return from Germany early in 1940.

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Consular representatives of the twenty Latin American republics spoke in a dedicatory broadcast last week over the new 50,000-watt transmitter of Station KGEI, General Electric Company's international short-wave station at San Francisco. KGEI broadcasts to Latin America five hours daily from 4 to 9 P.M. pst. Also nine hours daily to Asia, the Antipodes and Africa.

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ORGANIZATION PLANS "PACKAGED" TELEVISION

Announcement was made this week of the formation of a new organization to function as an intermediary between television broadcasting stations and advertising agencies. It is known as Telecast Productions, Inc., with offices at 30 Rockefeller Plaza, New York City. Myron Zobel is President.

"Our new organization is designed to render a personal service to agencies and advertisers by producing 'packaged' television programs for commercial sponsors", said Mr. Zobel. "Telecast Productions, Inc., has assembled talent, writers and producers from the small number now available who have already had television experience, and has made arrangements with others from the fields of the theatre, motion picture, and radio to apply their specialized knowledge to television.

"Telecast Productions, Inc., is pioneering in the commercial use of television just as others did in the early days of the radio and motion picture. And we are encouraged by the reception which television's sponsors and potential sponsors have already shown."

Mr. Zobel has been associated with advertising since 1921 when he founded "Screenland" magazine. Since 1928, he has been president of The Graduate Group, Inc., advertising representatives of alumni magazines of colleges and universities.

Associated with Mr. Zobel as Production Director for Telecast is Kenneth Shaw. Mr. Shaw was with the Television Division of NBC for the past two and one-half years and previously was stage manager and assistant director for key theatrical producers, including Herman Shumlin, the Group Theatre and the Chautauqua Opera Co.

Telecast Productions, Inc. has already scheduled a dozen "packaged productions" and negotiations with agencies and advertisers for sponsorship are now under way, Mr. Zobel stated.

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1650 KC. ADDED TO POLICE RADIO BAND

The Federal Communications Commission this week took the following action on Rules and Regulations:

Amended in part Appendix B, Part 2, General Rules and Regulations, and Section 10.41 of the Rules Governing Emergency Radio Services, effective immediately, by adding the allocation of frequency 1650 kilocycles to the police service.

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EDITOR CONFUSED BY VARIETY OF RADIO SURVEYS

"Of all the radio's many and mildly insane aspects none is more fascinating than the little question of who listens to what, and why, and at what time of day or night", John K. Hutchens writes in the New York Times. "It is particularly fascinating because no one can discover the answer with exact, altogether scientific precision; wherefore it becomes a sort of perpetual guessing game, the more entertaining because the findings not only vary from month to month but are apt to contradict one another at any given point.

"Probably this is not so entertaining to radio advertisers, who like to know what they are getting for their money, or to actors, who like to know who (if any one) is listening to them; but to almost any one else who pores over the records there is a certain academic interest in the grim determination with which the survey conductors go about their business, putting in telephone calls and ringing door-bells in large cities and small, and then coming back to note solemnly the results of their cross-country labors.

"Do they never have their doubts, these seekers after the truth, these takers of the listening public's temperature? You would not gather so from the finality with which they present their figures, complete to the last decimal point. Do they never awaken in the night, wondering feverishly if perhaps some one who said he liked Jack Benny really did not like Jack Benny? But in the final listings there is no margin for error.

"Having collected a stack of surveys, this confused corner had thought to make, as it were, a master survey, thus arriving at a kind of super-perfection and modestly earning the gratitude of all who care about such things. It won't work out. Here is the Cooperative Analysis of Broadcasting, with a semi-annual report entitled 'Radio Program Audiences - October, 1940, to April, 1941', based on 405,000 completed telephone calls made in 'thirty-three major cities'. Now 405,000 telephone calls obviously represent a lot of work, not counting wrong numbers, and they ought to mean something. In fact, they probably do. But what are you to think when Station WOR announces, as it did the other day, that it will presently use a new survey which does away with phone calls and instead employs only the personal interview?"

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A. B. Chamberlain, Chief Engineer of the Columbia Broadcasting System, recently delivered an illustrated lecture before the New York Chapter of The Institute of Radio Engineers on the subject, "CBS International Broadcasting Facilities".

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 ::: TRADE NOTES :::
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Top-flight entertainment for service men on leave in New York will be provided through distribution of tickets to NBC broadcasts by the New York City Defense Recreation Committee, according to Vincent J. Gilcher, Director of General Service for the National Broadcasting Company. Passes for tours of the Radio City studios will also be provided.

Robin Kinhead, CBS publicity staff writer, has taken leave of absence from the network to join Col. William B. Donovan's Office of the Coordinator of Information. Mr. Kinhead will start work Monday, September 15, in the New York Bureau of the Office, headed by Robert E. Sherwood, author of "Abe Lincoln in Illinois" and other Broadway plays. Mr. Kinhead's position will be that of news analyst in the shortwave intelligence unit, and he will work directly under Ed Johnson, formerly Director of Columbia's short-wave listening station.

With a collective average topping 97 percent, 26 feminine members of the first American radio industry class in air raid precaution work received diplomas Thursday from Niles Trammell, President of the National Broadcasting Company.

Members of the American Women's Voluntary Services, the girls, all NBC employees, have established a class record higher than any previous group, according to their instructor, May Singhi Breen. More than 5,000 American women have been trained by the AWVS since March.

Two hundred and ten different advertisers chose WOR during the first six months of 1941 as contrasted with 146 during the first six months of 1940, and 207 during the entire year, 1940.

The Canadian Broadcasting Corporation has notified NBC of ten new supplementary stations which are now available in conjunction with CBC network facilities.

Samuel Bruce White, Jr., 25-year-old trainee who only a fortnight ago wrote his mother that he was "dead broke", has just learned through the Columbia network program, "Are You A Missing Heir?" that he was left \$13,000 by his father, who died at sea last April.

Through the same source, Mrs. Lelia Hoagland, 67, of Beaverton, Ore., who always thought her husband died 30 years ago in an avalanche in the Alaskan gold fields, learned that he had only passed away last February leaving an estate of \$6,000.

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ZENITH REPORTS \$302,956 QUARTERLY PROFIT

The Zenith Radio Corporation reports a consolidated operating profit for the first quarter ended July 31, 1941, of its current fiscal year, amounting to \$302,956 after depreciation, excise taxes and liberal reserves, but before provision for Federal income and excess profits taxes, as per the company's books, the report states. "Estimated Federal income taxes on this profit, based on the Tax Bill recently passed by the Senate, will approximate \$91,000.

"Shipments during the first two months of the quarter were limited because of the company's inability to secure sufficient quantities of certain materials", according to E. F. McDonald, Jr., President. "This situation was somewhat relieved during the third month, however, total shipments for the quarter were below those of a year ago. Subsequently shipments have been very much improved so that the total for the fiscal year to date now exceeds that for the same period a year ago. Orders on hand from Distributors and material commitments made to cover give promise of a continued larger volume of shipments for the balance of the current season.

"Outstanding features and advanced engineering have again contributed to the continued popularity of the company's product. As a result of its early pioneering and development of the new Frequency Modulation type of receivers, the company now holds a dominant position in this new field of radio broadcasting and reception. The demand for this new type of receiver has greatly increased the sale of higher priced consoles and radio-phonograph combinations.

"The demand for the company's current line of receivers has greatly exceeded that of any previous year. Difficulty in securing materials is the only limiting factor in satisfying this demand.

"Shipments have started on defense contracts and it is expected they will be sufficient to at least take up any slack that may develop in the production of regular products due to possible further curtailment of materials for civilian use."

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CBS SHOWS RADIO'S SALESMANSHIP

The first extensive study of the influence of radio listening on buying habits, based on 10,000 personal interviews by Elmo Roper, was published this week by the Columbia Broadcasting System, and is available to business executives on request.

Entitled "Roper Counts Customers", the book offers a scientific count of actual customers won by CBS advertisers as a direct result of their radio programs. The study measured all 40 CBS evening programs, and it was found that the 40 programs won 53% more customers for their sponsored products than the same products had won among non-listeners to those programs.

The 40-page book reveals that the 40 CBS programs reached 91 percent of all U.S. adults in a four weeks' period. One program alone, the study discloses, was heard by 55% of the adult population, a monthly audience of 50,336,000 men and women.

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