

HEINL RADIO BUSINESS LETTER

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SEP 25 1941
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September 23, 1941

RMA MOVES TO BLOCK FOREIGN COMPETITORS' SUPPLIES

Pointing to the fact that our own radio manufacturers can't get the supplies they need because of the defense priorities conditions, the Radio Manufacturers' Association is asking the Government to clamp down on "the practice of supplying foreign competitors with materials to compete with and destroy the business of bona fide American manufacturers".

This is believed to be aimed at the N. V. Philips Company of the Netherlands, one of the largest radio manufacturing concerns in the world, which, having been forced to leave Eindhoven because of German occupation, has been establishing itself in South America. Also having sets built in the United States which are later sold in direct competition with American sets in foreign markets. It is said the Philips people, though bitterly competing with us, have even been to Washington asking for special priority consideration.

The action of the RMA came through the unanimous approval of the Executive Committee of a strongly worded report of the Special Committee on Foreign Competition of which Commander E. F. McDonald of the Zenith Radio Corporation of Chicago, is Chairman. The report will now be brought to the personal attention of every Government department interested. It is also signed by Fred D. Williams, Assistant to the President of the Philco Corporation of Philadelphia, and follows, in part:

"We find that foreign competitors are having built in the United States, under contract, complete radio receivers and are obtaining parts and materials which have been used and will be used to compete with American manufacturers in foreign markets. The American manufacturers are unable to obtain an adequate supply of materials to fill their own export orders for American brands.

"We find that foreign brands made in America are reaching overseas markets and building up foreign trade-marks at the expense of American goods and American firms.

"In view of the fact that American manufacturers are hopelessly behind in the delivery of their export orders, we believe the materials which are now being used to manufacture products of foreign-controlled organizations should be diverted to American manufacturers for furtherance of American trade-marks in foreign fields.

"The situation presently prevailing would be analogous to the Packard Motor Car Company building cars for Mercedes, at the expense of its own production, and permitting same to be sold in foreign fields in competition with American manufacturers.

"It is fully believed by our Committee that, if there are any American radio manufacturers who have excess facilities and materials, other manufacturers within the industry will supply them with sufficient business for radio sets to be used in the export market under American brands.

"We find the conditions which have been reported to us by your Subcommittee to be of such a serious nature as to warrant the attention of the Association and also of the Federal Government. This action is required for the present, as well as future, protection of vital American foreign business under trade-marks which have been established in the export field at considerable expense to the American manufacturer.

"We believe the American manufacturers should concentrate all their efforts on preserving and building up their own valuable trade-marks, rather than aiding foreign competitors, especially any that are Axis-controlled or influenced.

"It is the unanimous recommendation of your Committee that no further orders be accepted by American manufacturers from foreign-owned or controlled companies for the manufacture of radio apparatus to be used in competition in export fields with goods bearing American trade-marks.

"Under normal conditions, the practice of supplying foreign competitors with material to compete with and destroy the business of the bona fide United States manufacturer is un-American, but in the present emergency it is doubly so."

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GOVERNMENT AGENCIES NEED RADIO SPECIALISTS

Information specialists are needed by the Government in connection with every phase of national defense activity. Publications of all kinds must be prepared for special interest groups and for the general public, and interpretative radio broadcasts written and put on the air. To these jobs, and many others, War, Agricultural, Interior, the Office for Emergency Management, and other agencies assign their information specialists.

To fill these positions, the Civil Service Commission has just announced an examination for information specialists in press and publications, and in radio. There are over one hundred jobs to be filled in the various Government agencies. Salaries range from \$2,600 to \$4,600 a year. Eligibles on the employment list established last year as a result of the Information Specialist examination need not take this new examination unless they have acquired additional experience and wish to apply for a higher grade, as their names will be retained on the current register.

Applications must be on file with the Commission's Washington office not later than October 23, 1941.

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HANDS OFF BROADCASTING EVEN IN WARTIME, SAYS FCC HEAD

Addressing the annual convention of the National Independent Broadcasters at Chicago last Monday, Chairman James L. Fly, of the Federal Communications Commission, said:

"I repeat once more what I have said so often - that neither the Federal Communications Commission, nor the Defense Communications Board, nor so far as I know any other agency of the Government, has any plans for taking broadcasting out of private hands, even in time of war. It is obvious that in the event of hostilities, stations within actual combat areas may be required to coordinate their broadcasts with the plans of military authorities in that combat area. Also, broadcasting would in the event of war be an important factor in civilian defense; indeed the DCB has appointed a subcommittee to cooperate with Mayor LaGuardia's Office of Civilian Defense in considering such problems. But DCB plans are contingent on an actual military need; and are based upon the fundamental premise that broadcasting will remain in private hands throughout any foreseeable emergency. For my part I should wholeheartedly oppose any proposal to "take over" radio broadcasting - though I have never heard such a proposal from any source worthy of serious consideration.

"I mentioned a moment ago the use of broadcasting by various defense agencies. I doubt whether any of you have found such requests for time unduly burdensome so far, but perhaps some of you fear that they may become burdensome hereafter. If at some future date broadcasters feel that an inordinate portion of the broadcast day is required for this purpose, the matter can no doubt be adjusted by joint conferences with the appropriate government agencies. Certainly the Federal Communications Commission has no desire to see the effectiveness of radio curtailed by an overload of programs of one kind; and my impression is that that danger is not on the horizon at present. Indeed, the quality of many defense programs now on the air is a real asset to the stations broadcasting them. The Treasury Hour, to single out one program from many compares favorably in popular appeal with the most popular of commercial hours. It seems to me clear that your industry's contribution of time for defense broadcasts is bread cast upon the waters; it is already being returned many fold in terms of increased public respect and increased public attention."

Mr. Fly told the convention how he had opposed the recent defense tax on broadcast time, saying:

"The Commission now has instituted a study of a possible franchise tax, under which each of the industries regulated would be assessed a proportionate part of the cost of regulation; but I hardly think so relatively small a tax need seriously concern any of you.

"It seems to me clear that the public interest requires a prosperous broadcasting industry. Any circumstances which jeopardize

broadcasting income are bound to affect adversely the quality of programs, and hence the public benefits from radio broadcasting. While the Federal Communications Commission has no direct concern with your profits and losses, we know that the tremendous progress of radio has been due in no small measure to the financial success of broadcasting as a business enterprise, and we welcome that knowledge."

The speaker came through with quite a television alibi:

"Some of you with long memories may recall the 'hullabaloo' which accompanied the Commission's postponement of commercial television a year or more ago until the industry engineers could develop an agreed set of standards. Looking back, I think that there are few competent observers today who would not agree that our caution then was sound. Many of the people who were the loudest in their condemnation of the postponement have since agreed that it was a wise and necessary action.

"There is a moral in this, and I think I would be remiss in my duty if I did not point it out. The moral as I see it is that uproar and commotion do not always or even customarily reveal truth. The Commission, acting after full hearings and consultation with representatives of the industry, sometimes finds itself obliged to take steps which for a time at least may seem unpopular. But the long-range wisdom and rightness of the steps cannot be judged by the temporary tumult they elicit. Noise may not be convincing. These matters must be viewed in a proper perspective, with an eye to the public interest and the good of the industry as a whole.

"Now the industry has developed television standards and television is on its way. However, television still faces serious obstacles - chiefly, delays by reason of the defense program. But these are nothing compared with the difficulties it would be facing if it had plunged into unwarranted premature exploitation.

"How will the opening up of television and FM affect the standard broadcasting field? I hesitate to prophesy, and yet it seems to me clear that the long-term result of television will be on the whole beneficial to aural broadcasting. I base this prediction upon the fact that broadcasting is essentially an institution of the American home. By strengthening the hold of the home upon families, both television and FM will similarly strengthen the hold of broadcasting in general."

As to the status of certain Commission proceedings, Mr. Fly said:

"The network regulations were to have gone into effect early last month. Informal conferences were held with representatives of the networks, in the course of which it appeared that the chief bone of contention was the wording of one of the eight regulations - the one governing option time, and even on that narrow issue, the networks were unable to agree among themselves.

"With respect to the ownership of more than one station in a community by one licensee or set of interests, I would prefer not to comment, since the matter is now under adjudication. With respect to the investigation of newspaper-radio relationships, however, I think it proper to repeat an assurance contained in the original announcement of the inquiry. The investigation is concerned primarily with grants of FM licenses to newspapers, since in the FM field the measures or recommendations should grow out of the investigation - and on that I express no judgment - they will not be concerned with existing licenses, but rather with future acquisitions."

Taking a shot at the networks and the National Association of Broadcasters, the speaker said:

"It seems to me that in matters such as these, or any other matters of common concern, the National Independent Broadcasters should take a real interest and have a real voice. Representing as you do hundreds of independent station owners all over the country, your carefully considered views and opinions should carry real weight. In this body is concentrated the free and untrammelled opinion of a free industry. Ventriloquism is an entertaining art, but it is hardly necessary in your relations with the Government. You need not hide behind the skirts of women's clubs or the cloak of religion, or come to Washington with a piece of hay in your teeth. Yours is the voice, and your voice is entitled to be heard."

With regard to the charges that the FCC has its axe out for the broadcasters, Chairman Fly said:

"Some observers claim to distinguish in the Commission proceedings a common factor of antagonism towards the broadcasting industry. Nothing could be farther from the truth. I view the fostering of the American system of broadcasting, and its protection from any unwarranted attacks which may harrass it, as one of my prime duties as Chairman of the Federal Communications Commission. It is true that there is a common factor underlying our concern with these matters. That common factor is based on a feeling of duty to protect broadcasting, and in particular the private system of broadcasting, from attacks which will otherwise certainly assail and perhaps overthrow it. Let me explain as simply, as frankly, and as briefly as I can exactly why the weeding out of monopolistic tendencies in broadcasting is a prime requisite if you gentlemen are to remain undisturbed in your ownership and operation of American broadcasting stations."

"The kind of attack to which broadcasting under private auspices might become vulnerable was very forcefully made quite recently before a Senate subcommittee inquiring into moving picture propaganda. It was there charged that a few men had seized control of American microphones and were using their position to propagandize the American people. It was further alleged that these few men wielded far more power than any duly elected representative or responsible government official."

"The broadcasting industry has on the whole been comparatively immune from such attacks, though there is no assurance that its relative immunity will continue.

"Without entering even indirectly into this particular debate, and without commenting even indirectly on either the attack or the defense, I do want to direct your attention to the thought which lay behind these words. The real justification of private ownership of radio is that control can thereby be left, as Mr. Neville Miller, President of the NAB, says, in the hands of hundreds of 'men and women of all creeds and political beliefs', hundreds of everyday Americans. To the extent that this diversity of ownership and dispersion of control to which Mr. Miller points with pride is a fair description of the facts, to that extent the broadcasting industry will remain impervious to the kind of attack recently launched. But any trend to concentrate this control anywhere, will lay broadcasting under private control open to ever more insistent attacks, to which it may well succumb."

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DIDN'T SOUND LIKE FLY'S SWANSONG

Those with their ears to the ground hoping that the rumor was true that J. L. Fly, skipper of the Federal Communications Commission, was on his way out were not given much encouragement by his Chicago speech to the Independent Broadcasters, virtually inviting himself to their next year's convention. Mr. Fly said:

"One day last May I was fortunate enough to receive from a network official a queer little plaster figure called a 'wackeroo'. A 'wackeroo', let me explain to those who may not have one, is an object specifically designed to be smashed. Thrown against a wall or other solid surface, it is guaranteed to fly into enough fragments to relieve the tension, lower the blood pressure, and cool the brow of the person hurling it.

"You may be interested to know that the 'wackeroo' still sits on my desk - unsmashed. Mine is a tough job - you may not know how tough. Yet should I be so fortunate as to be invited to your annual convention in 1942, I hope to show you that little 'wackeroo' - still intact."

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More than a million bus and trolley passengers are speeded along the streets of New York City every day with the help of radio, yet none of them ever hears the broadcasts. To aid in rerouting buses and trolleys around traffic snarls, the Brooklyn and Queens Division of the New York Traffic System has equipped a fleet of 20 patrol cars with two-way Westinghouse police radios. This communication system relays emergency calls and instructions to cruising cars in less than 30 seconds.

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LIFE BELIEVES TELEVISION WILL OPEN NEW HORIZONS

Life, in its current issue (Sept. 22) gives television a two-page picture spread, one illustrating the progress made in color television, and the other large screen images. The magazine goes on to say:

"During this last Summer, two years since television made its fanfared studio debut, the biggest television news was made, as before, in the laboratory. In the laboratory, it now appears, television will stay for the duration of the emergency. At the bottom of any priorities list, television's audience will continue to be limited by the insignificant number of sets sold and selling. Television's promoters, however, are satisfied that their Federal Communications Commission commercial franchise, their 22 stations and audience of 6,000 receiver sets are a nucleus on which television will survive and be ready to expand when the war ends. Meanwhile they are cheered by two recent milestones in television's technical progress: large-screen projection of television images and color television.

"Large-screen television, which was developed by NBC engineers and has successfully demonstrated its power to project television programs on a full-sized movie screen, opens up a new horizon for practical application of the television art. Color television is the invention of CBS's engineers, headed by young Dr. Peter C. Goldmark. It employs a simple principle first applied to color movies, explained on the opposite page. As compared with the 30-to-1 contrast range of black-and-white television, CBS's color system has demonstrated an almost unlimited reproduction range for all colors, hues and shades in the spectrum. Though its resolution of detail is weaker than black-and-white television, CBS's color television system transmits much more information, in clear and brilliant images. There is every reason to believe that all television programs in the future will be transmitted in color."

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PAUL ELLISON GOES UPSTAIRS

Paul S. Ellison has been appointed Director of Advertising and Sales Promotion of Hygrade Sylvania Corporation, radio tube and lamp manufacturers. He was formerly Advertising and Renewal Sales Manager of the Radio Tube Division.

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FCC APPLICATIONS RECEIVED

The following applications, among others, have been received by the Federal Communications Commission:

KOWH, World Publishing Co., Omaha, Nebr., construction permit to install new transmitter, install directional antenna for day and night use, increase power from 500 watts to 10 kilowatts, change hours from daytime to unlimited time, and move transmitter (660 kc.); WHOM, New Jersey Broadcasting Corp., Jersey City, N.J., construction permit to install directional antenna for day and night use, new transmitter, increase power from 500 watts night, 1 kilowatt day to 5 kilowatts day and night and move studio from New Jersey to New York, N. Y. (1480 kc.); WRGB, General Electric Co., Schenectady, N. Y., reinstatement of construction permit for a new commercial television station on Channel #3, 66000-72000 kilocycles, ESR, 3100, emission A5 and special for frequency modulation, unlimited hours.

Also, Susquehanna Broadcasting Co., York, Pa., construction permit for a new broadcast station to be operated on 900 kilocycles, 1 kilowatt and daytime hours; Tar Heel Broadcasting System, Inc., Washington, N. C., construction permit for a new broadcast station to be operated on 930 kilocycles, 1 kilowatt and daytime hours; Albert S. and Robert A. Drohlich, d/b as Drohlich Bros., Jefferson City, Mo., construction permit for a new broadcast station to be operated on 800 kilocycles, 1 kilowatt and daytime hours.

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LEMMON PLANS RADIO DRIVE TO BRING HITLER'S DOWNFALL

Plans to "try to break the German people away from the yoke of Nazi-ism" by means of "intensified" radio broadcasting from an American short-wave station that is designed to be the most powerful in the world, have been disclosed by Walter S. Lemmon, President of the World Wide Broadcasting Foundation, an Associated Press dispatch from Boston states.

Founder of Station WRUL, which now is the strongest short-wave unit in the Western Hemisphere, Mr. Lemmon said the Federal Communications Commission had just authorized the establishment of new transmission facilities that would eventually add another 100,000 watts of power to the Foundation's radio arm.

He said he knew of only one other short-wave station, a Russian one, that would approach it in power, and declared it would be much stronger than Hitler's radio voice at Zeisen.

Declaring plans already had been made to "double our broadcasts within 60 days to the German people and to German-speaking people in occupied countries", he added: "Up to now our broadcasts to the Germans have been mainly digests of news, but now we're really going to make a drive to reach the people and show them what they have lost in culture under the Hitler regim."

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 :::: TRADE NOTES ::::
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It was noticed when the recent Aurora display was at its height, the brilliant streamers had no influence upon television. The NBC show from Radio City went on as usual, unstreaked and untainted in any way, even on Long Island where the Aurora was sharp. Engineers explain that the ultra-short waves which carry the pictures are immune to static and fading, even of the calibre stirred by sunspots and the Northern Lights.

Dr. James Rowland Angell, public service counselor of the National Broadcasting Company, will address a joint meeting of six Mamaroneck (N.Y.) Parent-Teacher Associations, Sept. 30, at Mamaroneck Junior High School on "The Moral Problems of the Modern Child".

The amateur radio club of the Young Men's Christian Association, Washington will inaugurate a "defense training course" for the Fall season when classes begin tonight in Central Y.M.C.A.

John Walker Hundley, who for the last year and a half has been coordinator of the Program and Production Departments at WCBX, CBS international station, yesterday became Assistant Director of Columbia shortwave programs.

Two more radio stations - WCOS, Columbia, South Carolina, and KBTM, Jonesboro, Arkansas - join the Mutual Broadcasting System as affiliates, bringing the total of outlets connected with this network to 175.

Said to be the largest half-hour daytime network ever used in radio has been scheduled by the Armstrong Co. to promote Quaker rugs and Quaker floor covering. The program, entitled "Armstrong's Theatre of Today", will be aired each Saturday noon, starting Oct. 4, over 105 stations of the Columbia Broadcasting System.

Dr. Orestes H. Caldwell, during his "Radio Magic" program over the NBC Blue Network" last Friday, explained that the new development, which was introduced to speed up Uncle Sam's production of warplanes but which undoubtedly will find much wider uses, employs a special rivet with a small charge of TNT in the shank and is specifically adapted to the fastening together of metal plates, such as those in the noses and wings of planes, which are accessible only from one side. The rate of installation of old-style rivets averages only two to four per minute, as against 15 to 20 per minute for the explosive type. The rivets are set by radio.

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AMERICAN CABLE AND RADIO NET INCOME INCREASES

The Consolidated net income of the American Cable & Radio Corporation and subsidiaries for the six months ended June 30, 1941, amounted to \$624,127 as compared with \$586,923 for the corresponding period of 1940, as shown in the accompanying statement of consolidated income accounts.

The consolidated net income of all American Corporation and subsidiaries, after deducting interest charges in full on the outstanding Income Debentures and Serial Notes, amounted to \$757,763 and \$512,290 for the six months ended June 30, 1941, and 1940, respectively.

Operations of Commercial Mackay Corporation and subsidiaries for the six months ended June 30, 1941, resulted in consolidated net loss of \$120,058, after deducting the full interest accumulating on the outstanding Income Debentures in that period, as compared with consolidated net income of \$88,875 for the corresponding period of 1940.

The report made by John L. Merrill, Chairman, also explained that All America Corporation recently purchased \$610,500 of its own 4 percent series A income debentures from Mackay Radio at 95 flat and has agreed to buy an additional \$289,500 of such debentures before the end of the year at 95, plus interest at the rate of 4 percent from Sept. 15. Mackay Radio received \$300,000 cash and \$900,000 of All America's debentures from I. T. & T. for Federal Telegraph, so arrangements have been made for the sale of all the \$90,000 of All America debentures this year to the issuing company.

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MUTUAL SETTLES STRIKE WITH MUSICIANS UNION

As a result of an agreement reached last Friday between James C. Petrillo, President of the American Federation of Musicians, and Steve Cisler, General Manager of Station WGRC, Louisville, Ky., complete musical program service has been resumed over the Mutual Broadcasting System, it was announced by Fred Weber, General Manager of the network.

Broadcasts by dance orchestras playing outside radio studios had been cancelled since September 12, due to a dispute involving WGRC and the local Louisville Musicians' Union.

Mr. Cisler stated that the dispute involved wages and hours and that the matter had been satisfactorily settled. He pointed out that he had been voluntarily negotiating for the additional employment of musicians on his station with the local Louisville union for over a year. Inability to deal successfully with these representatives made it necessary for the WGRC executive to fly to New York to confer with Mr. Petrillo.

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AURORA BRINGS OUT BIG RESEARCH GUNS

Bombarded by powerful sunspots and magnetic storms while the Aurora Borealis staged a spectacular display of solar "fireworks" all along the Eastern Seaboard on Thursday evening last, radio men brought up the big "guns" that research has provided them to combat such attacks. Based upon world-wide results, they reported that as far as international communications were concerned, they were able to outwit the elements.

While operators at RCA's "Radio Central" at Riverhead, L.I. found the Northern Lights bright enough by which to read a newspaper, they called up all their scientific tricks to cut through the Aurora's scintillating curtains and great fingers of light that stabbed at the stars.

Experience has taught the engineers of R.C.A. Communications, Inc., that when a magnetic storm rages, the effect on radio usually plays more havoc on waves traveling east-west and west-east. Therefore, to keep the messages flowing, for example, to London, New York flashes the traffic on short waves to Buenos Aires where it is automatically made to "turn the elbow" and relay on to London, thereby dodging the storm over a 12,000-mile detour. The messages make no stop in the Argentine, they merely turn there and flash directly across the South Atlantic to out-trick Nature's bombardments.

Success was also achieved in reaching Europe by resorting to the long-wave alternators at the RCA station at Rocky Point, L.I., upon which the earth's magnetic currents usually have minimum effect. Therefore, while the powerful vacuum tubes, now generally employed in international communications on short waves, were overpowered at times by the magnetic storm, the old alternators, of 1918 World War fame - the only ones in service in this country - came to the rescue and kept the transatlantic channels open across the Northern Hemisphere. London, too, has similar long-wave alternators in readiness for any emergency, as has Sweden and Germany.

Based upon past observations, the engineers expect minor ethereal disturbances, possibly beginning yesterday, September 22, and continuing for four or five days. This, the radio men say, is predictable, because the sunspot storms are directly associated with the rotation of the sun, which requires 27 days to expose its entire circumference to the earth. These periodic storms are of little concern to modern radio, because they generally are not severe, and communications have learned how to dodge them.

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