

# HEINL RADIO BUSINESS LETTER

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WASHINGTON, D. C.

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No. 1377

November 4, 1941

## OPM BOUQUET FOR RADIO; NEWSPAPER BRICKBAT FOR NELSON

Complimenting the radio industry on "the best job" of any industry in its substitutions of aluminum, Deputy Director Joseph L. Weiner of the Office of Production Management, was among the group of speakers who addressed about 100 radio manufacturers who came to Washington last week for the preliminaries in connection with the formation of an OPM Radio Industry Committee.

Brief addresses were also made by William S. Knudsen, Director of OPM; Leon Henderson, Director of OPA; Sidney J. Weinberg, Director of the Bureau of Clearance of Defense Industry Advisory Committees, and other prominent OPM officials. All of the officials stressed the tremendous defense job and the necessity for full cooperation of radio and other industries:

Paul V. Galvin, of Chicago, President of the Radio Manufacturers' Association, headed the industry representatives in attendance at the conference, which was conducted by Jesse L. Maury, the government presiding officer of the Industry Committee, authorized by OPM and the Department of Justice.

Before receiving nominations for the Industry Committee, Mr. Knudsen was introduced and told of the development of OPM from a small program to one now totaling 65 billion dollars. Civilian dislocations, Mr. Knudsen stated, were inevitable in such a defense program, which, he said, places responsibility for its success on industry. He urged that industry cooperate fully to "get the job done quickly".

The OPM Industry Committee will consist of twenty-nine members, with nine members chosen from set manufacturers, four each from tube and transmitting apparatus manufacturers, nine representing parts and accessory manufacturers, and three, miscellaneous and special equipment.

Selection of the members who will serve on the OPM body was deferred. Mr. Maury stated that he would soon select the Committee, giving due consideration to companies' size, geographical location and other factors. After approval by the OPM Legal Department and also Attorney General Biddle, the Committee finally chosen would be formally appointed.

Provision for four subcommittees of various sizes, on receivers, tubes, parts, and conservation and simplification, also was detailed by Mr. Maury, who said that OPM would advise of such appointments, the organization and work of the subcommittees and also the main industry committee. Formal announcements are expected within the next fortnight.

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Currently Frank R. Kent, of the Baltimore Sun, whose column is widely syndicated, took quite a swing at Donald Nelson, late of Sears Roebuck:

"So far as the centralized authority in a single individual head is concerned, the hope was that this basic deficiency, from which so much of the futility and confusion derives, would be corrected by the selection of Donald Nelson as Executive Secretary of the S.P.A.B.", Mr. Kent wrote. "It was indicated that in Mr. Nelson at last had been found the man to run the show; that he lacked neither the authority nor the ability; that under his alleged forceful personality the days of duplication and lack of direction were about to end.

"In the first month the publicity department, headed by Mr. Horton, depicted Mr. Nelson as a human dynamo who could be depended upon to make things hum. Various stories of the swiftness with which he eliminated red tape and reduced the accumulated mass of unanswered letters were printed all over the country.

"For a while there was a real expectation that Mr. Nelson would measure up to these advance notices. But the expectation has not been fulfilled. Most definitely he has not developed into the individual responsible directing head, comparable to Mr. Baruch, and no amount of publicity describing him as a 'hard-hitting, two-fisted, red-blooded he-man' is going to make him such.

"Everybody connected with defense now recognizes that his directorship is limited and not complete.\* \* \* Actually, he is a subordinate who does not report directly to the President at all and who can operate without interference just so long as he does not clash with the views of Mr. Wallace and other New Deal members of his Board closer to the President than he.

"The natural result of this situation is that Mr. Nelson plays a cautious game, is careful not to assume too much in the way of authority, or display too much individual initiative or enterprise. In addition, those who have observed him most closely say that he is slightly bewildered, which, after all, considering the size of the job and his lack of power, is not surprising. It seems fairly certain that from Mr. Nelson there will come no action displeasing to the New Deal politicians, who are in the majority on his Board and in the administration. At least, such is the view of some of his colleagues, who, in the interests of results, sought to have him assert himself in a big way, only to be met with the New Dealish statement that 'after all we have got to hold fast to our social gains'."

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## WANT BROADCASTING PRIORITIES SITUATION CLEARED

The desire was expressed by Chairman J. L. Fly, of the Federal Communications Commission that the priorities situation in connection with the construction of new stations and the enlarging of and maintenance of the old ones might be cleared up at an early date so that the industry would know where it stood.

He seemed to be very optimistic, saying the Defense Communications Board has had very complete cooperation from all lines - from industry as well as Government. Priorities though was still status quo. The Chairman said he had lunched with Donald Nelson of OPM, during which they had discussed the general situation. It was pointed out that SPAB was frowning on new construction not essential to defense, and questioners wanted to know if this would be applicable to new broadcast applications.

Chairman Fly said he couldn't tell how this limitation will apply to specific cases until the priorities situation gets down to specific principles. Many factors involved and must be given thorough going-over. Hence, he can't say in advance.

The attitude of FCC and DCB has been to cooperate in every way, and rather than running the show, they are subject to SPAB and OPM, and are waiting for instructions. Mr. Fly was frank to say that there is some question of granting brand new applications which do not make a specific national defense showing. Such applicants are in quite an embarrassing position. He mentioned, for example, possible new applications from New York or Los Angeles, saying that anyone who can make defense argument out of such applications has got to be good.

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## TELEVISION DESIRED IN DEFENSE

The Federal Communications Commission is very desirous of seeing television used in connection with National Defense. The Commission, therefore, is trying to work out a scheme to get television clicking. The two main objectives in view are: (1) utilize television for defense as far and as soon as possible, and (2) create a substantial nucleus to keep television operating and advancing so that it will be in better shape after the emergency is over. By taking advantage of scientific advances television, Chairman Fly should be in a highly preferred position and ready to move forward with a bang.

The matter came up for discussion in connection with a plan for the television development presented to the Commission by Norman D. Waters. When asked if he would appoint a special committee to look into the subject as Mr. Waters requested, Chairman Fly replied that a lot of thought was being given to the whole situation. Mr. Waters is head of Norman D. Waters and Associates, of 1140 Broadway, New York. The FCC has also received a communication protesting against Mr. Waters' efforts from the Television Guild.

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## McGRADY STANDS BY IN AIRPLANE PLANT SEIZURE

Standing at the elbow of Col. Roy M. Jones, U.S.A. in charge of the Air Associates plant seized by the Government at Bendix, N. J., was Edward F. McGrady, Vice-President of the Radio Corporation of America. Mr. McGrady was formerly Assistant Secretary of Labor and is now a \$1 a year labor adviser to the War Department. He flew from Washington to the scene of the trouble in an Army transport plane to assist the Colonel. Having sat in on the conferences in Washington that preceded the President's action, Mr. McGrady was in a position to know all the answers.

Mr. McGrady conceded that it was a good guess that he would remain at the plant only three or four days.

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## RADIO INDUSTRY MAY BE NEXT, WILLKIE WARNS

In connection with the movies, which he so strongly defended in the recent Senate hearings, Wendell Willkie, writes in the November 3rd issue of Life:

"If the motion-picture industry should permit itself to be intimidated by this kind of pressure, the other great agencies of public expression in the U.S. are likely to be the next assailed. As Chairman of the Interstate Commerce Committee, Senator Wheeler wields unusual power. He appoints the subcommittees of that committee. His committees have the power to investigate not only the movies but also the radio industry. He is presently engaged, through his committee, on a study of a new radio regulatory law which may determine the fate of the radio companies. The Federal Communications Commission is dependent on his committee for its legislative program; and this commission is today having hearings on the rights of newspapers to continue to own radio stations.

"Perhaps radio chains, perhaps newspapers, in their determination to tell the truth about Nazism, are even now seeking advice of their counsel as to whether they may be brought under the scrutiny of isolationist subcommittees."

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The contents of Relay, the Family Magazine of R.C.A. Communications, Inc., for November are: "The First SOS"; "Picnic Pictures"; "Tennis Tournament"; "Veteran Number One."

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## FLY NON-COMMITAL PENDING NET RULES COURT ACTION

Chairman J. L. Fly of the Federal Communications Commission declined to commit himself on the further postponement of the November 15 date for the network regulations to go into effect since the purpose of the court action initiated by the National Broadcasting Company and the Columbia Broadcasting System is to enjoin the rules and a motion for a preliminary injunction is scheduled for next Friday. Mr. Fly explained that the Commission therefore hadn't taken any stand on possible further postponement.

Papers in the case were served on the Commission last week.

Enjoining of the order is sought as being beyond the power of the Commission to promulgate, and which in operation would affect disastrously not only the companies, which would suffer loss and injury thereby, but the broadcasting industry generally and the service it now is rendering to the public.

The way to bring the matter before the Supreme Court has been prepared by the demand that it be heard originally by a statutory court of three judges whose decision may be appealed directly to the higher court.

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## PRESENTS METROPOLITAN MUSEUM WITH SPEAKER SYSTEM

Thomas J. Watson, President of the International Business Machines Corporation, has presented the Metropolitan Museum in New York with a speaker system. Each major gallery will have a loud-speaker, of which there will be a total of 104. All the galleries can be cut in on a single lecture or concert or a program can be confined to a single gallery. While most programs will originate within the museum's own building, equipment will be arranged for tuning in broadcasts from outside stations.

Overflow audiences at popular museum lectures in the main auditorium can be accommodated in adjacent galleries and still hear the program through loudspeakers. The study of given periods of painting and sculpture can be supplemented by the broadcasting of music of the same periods.

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## MINNEAPOLIS RADIO SCHOOL FILES FTC ANSWER

Thomas J. Casey, doing business as National School of Electronics, Minneapolis, formerly doing business as National Institute of Technology, engaged in the sale of courses of study and instruction designated "Electronics", has filed an answer to a complaint issued by the Federal Trade Commission which charged him with misrepresentation.

The answer denies allegations of the complaint that he had represented that the school occupied a six-story building covering a half city block or was a residence school, although it has given residence study to some of its students; or had represented that he was connected with major electric companies, airports, radio and police broadcasting stations throughout the country, or that equipment manufactured and invented by him is used in major aircraft, but asserts that he has connection with electrical companies, airports and broadcasting stations which might help in placing his graduate students in jobs and positions; that he had represented that he has a permanent staff of engineers for the purpose of correcting lessons, although asserting that some of the best engineers in the country did collaborate in preparing the courses and that engineers have corrected lessons of students for inaccuracies, and that the students have the benefit of frequent visits from field engineers who act in the capacity of traveling teachers or instructors. The answer asserts that on various and numerous occasions the respondent's airplane, equipped with radio devices, and his trailer trucks, similarly equipped, were flown and driven to students' homes and used for the purpose of testing equipment built by the students.

The answer denies that the respondent has made representations that only a limited number of applicants in each community would be accepted for training or that persons lacking in education, experience or aptitude could become competent or expert electronic or radio men by taking the respondent's course of study and instructions. The answer also denies that the respondent represented that graduates of the school are guaranteed employment or that positions are immediately available in the radio field for those persons completing his courses of study. The answer asserts that at no time did the respondent represent that he would issue United States Government radio operator's licenses to any student or person, but did represent that graduates would be able to fill high positions in the radio field, and asserts that such graduates at the present time are filling positions of recognition in the radio field.

The answer further denies that the respondent represented that he will establish numerous short-wave broadcasting stations in various States or will establish such a station in the near vicinity of the prospective student and that the student may work in such broadcasting station with the engineers employed by the respondent to operate it.

The complaint charged that the respondent had represented that a powerful short-wave radio station, W9VXZ, is a part of the

school's operating equipment, when in fact the respondent does not control or operate the station. The answer declares that the equipment is the sole property of Thomas J. Casey, the respondent herein, and that he leases the equipment to W9VXZ, known at the present time as the "Downtown Radio Club". The answer further denies that the name "National Institute of Technology" is misleading and denies that it is not an "institute" as defined in the complaint.

Hearings will be held in due course.

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#### FCC ACTION

Applications Received: Meadville Tribune Broadcasting Co., Meadville, Pa., construction permit for a new broadcast station to be operated on 1340 kc., 250 watts, share WSAJ; Jacksonville Broadcasting Corp., Jacksonville, Fla., construction permit for a new broadcast station to be operated on 1270 kc., 5 kw, unlimited time, directional antenna for night use; KRNR, News-Review Co., Roseburg, Ore., construction permit to install new transmitter and directional antenna for day and night use, increase power from 100 watts night, 250 watts day, to 10 KW, change frequency from 1490 to 1030 kc., and move studio and transmitter; KPAS, Pacific Coast Broadcasting Co., Pasadena, Calif., modification of construction permit for a new broadcast station, requesting approval of directional antenna system and transmitter site as specified in original construction permit; Don Lee Broadcasting System, Portable-Mobile construction permit for a new relay broadcast station to be operated on 1646, 2090, 2190 and 2830 kilocycles, 100 watts, A3 emission; W6XLA, Television Productions, Inc., Portable-Mobile, construction permit for a new television relay station (Reinstatement W6XLA) to be used with W6XYZ, frequencies Channel 11 and 12, 204000-216000 kilocycles, 800 watts (peak) Emission A5.

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#### DALE NEW NBC INFORMATION DIRECTOR

Albert E. Dale, well known newspaperman and former managing editor, has been appointed Director of the NBC Department of Information.

With more than twenty years' experience in the newspaper and allied fields, Mr. Dale started in Albany, N.Y., as legislative correspondent for the New York Sun, New York Evening Sun and the New York Herald Tribune. After one year as political reporter for the New York Evening Mail, he returned to Albany in 1922 to organize the Albany Evening News. Joining the Hearst enterprises in 1929, he served as editor of the following newspapers: Detroit Times, Wisconsin News in Milwaukee, Pittsburgh Sun Telegraph, and the Chicago Evening American. In 1940, Mr. Dale became Director of Public Relations and Publicity for the Greater New York Fund, after serving for a year as Sunday Editor and Managing Editor of the Washington Times Herald.

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 ::: TRADE NOTES :::  
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The "static-free" frequency modulation system of radio broadcasting and receiving was described to the Junior Board of Commerce last week by Arthur D. (Jess) Willard, General Manager of Station WJSV, CBS's Washington station. Addressing the Board's weekly luncheon, Mr. Willard also told of strides being made toward color television.

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The Armstrong Medal for "outstanding contributions to the radio art" was awarded to Harry William Houck, New York, engineer and radio pioneer, at the thirty-second annual dinner of the Radio Club of America, in New York last Friday night. Admiral S. C. Hooper was the guest speaker.

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Organization of a "pre-audition board" for children's radio programs was proposed by the Radio Council on Children's Programs in New York last week. Niles Trammell, President of the National Broadcasting Company, said he would welcome such an organization.

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Guy C. Hutcheson, CBS engineer who is now about the midway mark in his 20,000-mile tour of Latin America to study radio reception conditions, filed reports with Columbia's home office in New York City which led to the selection of 11,830 kilocycles as the most suitable all-around frequency for that part of the Western Hemisphere.

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A reader writes:

"Your Page 7 in the October 24th issue is extremely interesting.

"Your correction on the power of WRUL, of Boston, is quite interesting. Frankly, listening to WRUL and WGEO, at Schenectady, I would say that WRUL has twice the power that WGEO has.

"It probably is because of geographical location, but they sure get out."

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The colorful and dramatic history of the radio industry, which in the short span of 15 years has grown from a few homemade "cats-whiskers" receiving sets and two or three "flea power" transmitters to one of America's greatest public services, will be appropriately signalized on Saturday, Nov. 15, when the National Broadcasting Company will observe its fifteenth anniversary.

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The CBS College Broadcast Service, which got under way last year as the first publicity division exclusively for college editors, is functioning at top speed this Fall - with a weekly release reaching 450 editors of university newspapers and magazines.

The releases deal with all three major networks and are written with a decided college slant by Walter Murphy, young alumnus of St. John's University and staff publicity-writer for the network.

As yet the FCC hasn't had any further conferences on multiple ownership but it was said "it would probably get around to it one of these days".

The War Department announced last Saturday the award of miscellaneous supply contracts totaling \$105,110,724. Included among these were the following:

Chisholm-Ryder Co., Inc., Niagara Falls, antenna, insulators, etc. \$2,344; General Electric Co., Schenectady, dynamotor units, \$5,960; tubes, \$2,040; coils, \$1,575; Eugene Greene, New York, antenna equipment, \$18,862; Fred M Link, New York, antennae, \$800; Radio Receptor, New York, radio equipment, \$67,278; RCA Manufacturing Co., Inc., Harrison, tubes, \$3,812; Stromberg-Carlson Telephone Manufacturing Corp., Rochester, switchboards, \$2,650; Westinghouse Electric International Company, N. Y., tubes \$4,977; Daven Company, Newark, microphones, \$1,095; R. C. A. Manufacturing Co., Camden, N. J., radio equipment, \$208,210; sound recorders, \$22,320; Technical Devices Corporation, Bloomfield, N. J., radio equipment, \$21,942.

Thursday, November 13, still stands as the date of resuming the press-radio hearings according to the Communications Commission.

A thirty-page pocket size illustrated booklet "Frequency Modulation - An Invitation to Finer Music", has just been published by the Zenith Radio Corporation. In addition to explanation as to how FM works, why there is no interference, fidelity of tone reproduction, one chapter describes the Zenith FM station W51C and another the Zenith plant "The World's Largest Radio Factory on One Floor".

A ten thousand, five hundred dollar prize contest for the composing, selection and naming of a great American operetta was announced last Saturday by WGN, Chicago, midwestern key station in the Mutual Broadcasting System.

Col. Robert R. McCormick speaking on the "Theatre of the Air" broadcast Saturday night over WOR, announced the contest and stipulated that the "Great American Operetta" must be American in theme and setting. The contest opening is November 1 and the deadline is February 10.

A revision of a bulletin "Government Takes a Hand More and More in Advertising Matters" has just been published by the American Newspaper Publishers' Association. It lists the various Federal Departments and Bureaus that in one way or another have attempted to control advertising and bills introduced in Congress including one to tax radio advertising.

Might not be a bad thing if the radio industry compiled a pamphlet "Government Takes a Hand More and More in Broadcasting" and cites the different ways the FCC, especially under Mr. Fly, other government agencies, and Congress are endeavoring more and more to get radio and communications into their clutches.

WOR sales for August-September-October of 1941, set a new high in third quarter sales for the station. It was the biggest third quarter in the history of WOR.

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For Release in Morning Newspapers of Thursday, November 6

## NO MIRACLE TO FTC

William Wheeler, trading as Miracle Manufacturing Co., Conshohocken, Pa., engaged in the sale of certain mechanical devices designated "Miracle Radio Control" and "Miracle Aerial Loop", is charged, in a complaint issued by the Federal Trade Commission, with misrepresentation.

The complaint charges that in advertisements in newspapers, trade publications and by other means in commerce the respondent has represented, among other things: "World's Master - Airways Miracle Radio Control. Marvelous - Unbelievable. For long and short wave amateur; police and ship calls, code, etc., - Gets them all! Quick pick-up - no fade-out. Foreign stations every day clear and loud. Nothing like it on the market." and "Radio's Old Reliable Miracle Aerial Loop gets local and foreign stations clear as a crystal; just connect to radio; no aerial, no ground required. Most remarkable reception you have ever heard." The complaint alleges that these representations are false and misleading and that the devices will not perform any of the claims made by the respondent.

Among other statements, the respondent is alleged to have represented, concerning his "Miracle Radio Control", "Special factory adv. price \$2.85". The complaint alleges that the price of \$2.85 for the device is not a special price but is the regular price and the only one at which the respondent has sold the device.

Twenty days are allowed the respondent for answering the charges.

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## NETWORK GROUP ADOPTS DEFENSE PROGRAM

Following a two days conference on radio defense activities between officials of the National Broadcasting Company and fourteen regional representatives of NBC's Blue and Red network affiliates, the two network committees adopted a four-point radio defense program calling for full mobilization of the joint resources of NBC and its 243 station-affiliates.

The four points of the program which were adopted are:

1. The development of a coordinated plan of operations by NBC and its affiliated stations to insure maximum efficiency of service through effective cooperation with all national defense agencies.
2. To study plans for the maintenance of public morale and public physical well-being during any unexpected emergency.
3. To maintain normal broadcasting schedules, as far as possible, in the event of emergency to the end that our national life and normal business shall suffer a minimum of dislocation.
4. The establishment of a clearing house of information to expedite the procurement of radio equipment and replacement parts.

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## NBC MARKS ANNIVERSARY WITH NEW STUDIOS

Marking the fifteenth anniversary of its radio service to America's listening millions, the National Broadcasting Company will part the curtains in its new Copper and Silver studios on the 6th and 7th floors at Radio City with an impressive dedicatory program on November 15.

"The Copper and Silver studios", said Niles Trammell, "represent a triple gift of design to radio broadcasting. They are in themselves recognition of the importance of the studio audience. The men and women who come into them will find themselves in the setting of the intimate theater, simply decorated and fitted with all the accoutrements that have made the theater galmorous.

"The performer who cannot give his best without an audience will find that audience there in front of him, rising tier on tier and giving him the utmost in psychological stimulus.

"Yet, despite marked improvements for the studio audience and for the performer, we are certain that the entertainment from the Copper and Silver studios will be of surpassing clarity."

The stages of the new studios are 38 feet square, fitted with three overhead lighting strips and eight "baby spots", which will be trained on featured performers. The entire complex lighting system of each studio, including the concealed-cove illumination in the audience section, is controlled from an electrician's booth overlooking the stage.

The theater-type chairs are so cleverly contrived that they enable late comers to reach chairs at some distance from the aisles without bumping the knees of guests already seated. Once a person sits down and leans against the chair's back, the seat slides six inches forward. That gives a comfortable sitting angle. The simple action of sitting up straight causes the chair to resume its original position, affording the passerby ample room without disturbing the chair's occupant. Most of the chairs are arranged in tiers, rising eleven feet above the studio floor level.

Clients' booths are located at the seventh floor level and inserted into studio walls at an angle, affording an unobstructed view of the entire stage. The booths are entirely sound-proofed, the program being fed into the room over loudspeakers.

Both of the new studios are completely air-conditioned and constructed on the "floating" pattern first introduced to radio when NBC built its great plant at Radio City.

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