

HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.

OK
NATIONAL BROADCASTING COMPANY
GENERAL LIBRARY
ROCKEFELLER PLAZA, NEW YORK, N. Y.

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NOV 10 1941

BIG LATIN AMERICAN DEMAND FOR ROCKEFELLER PROGRAMS

In one week the Rockefeller people in New York received letters from more than two hundred people requesting a total of over fifteen thousand additional printed programs of U. S. short-wave stations. Although the programs of the British, Italians and German short-wave stations have long appeared in the newspapers of those countries, and thousands of their programs were mailed to listeners direct, it has only been within recent years that the programs of American stations have been seen south of the border.

Recently the Rockefeller radio section compiled an entirely new and attractive printed program for distribution to Latin America newspapers and listeners. It was in three languages - English, Spanish and Portuguese. It is these programs that have been proven so popular.

In all replies, the writers have indicated cordiality to the general plan, and the additional programs requested were on the basis that they would take the trouble to distribute them at their own expense, either by mail or otherwise. The increases for each correspondent are being limited to twelve copies, but Mr. Rockefeller is offering to send them to any other addresses which may be sent to his Bureau. This, it was explained, would seem to be the only way to make sure to avoid duplications. All requests from the U. S. or other Governments will be fully supplied in accordance with their request.

Some of the responses received by Mr. Rockefeller's organization have been:

From Pan American Airways System, Cienfuegos, Cuba:

"My heartiest congratulations on the very clear and complete form of these."

From a radio dealer in Mexico City:

"We appreciate these schedules more than you can imagine. To make the propaganda more effective, we are planning to place our receiving set at the disposal of the public visiting our store, so that they may listen to your programs."

From an import-export firm in Ponta Grossa, Parana, Brazil:

"We appreciate the courtesy of this mailing and are only too pleased to handle the distribution in this city. We are taking this opportunity to bring to your attention the fact that, like all friends and admirers of the

North American shortwave programs, we regret that here, in Southern Brazil, reception is not perfect, which we attribute to insufficient power of your stations.

"Superfluous to add that these programs are followed with the keenest interest by the Brazilian public, especially now when international affairs of the greatest importance are focusing attention on the defense of the Western Hemisphere and on the salutary Good Neighbor Policy being developed in our continent.

"The European stations are received here with unusual power and clarity, the B.B.C., of London, foremost among them, and we are sure that the listeners of this region would be very glad if they could get the North American stations with the same volume and perfection."

From an electric light company of Ciudad, Trujillo, Dominican Republic:

"We gave the Spanish copies to the local newspaper offices for re-publication . . . they have been graciously accepted and no doubt publication will be made. . . programs drawn up in this manner are in great demand."

From an importing firm of Rio, Brazil:

"Believe these programs will help a lot in bringing a better understanding between South and North America."

From an employee of the municipal water service in Port-au-Prince, Haiti:

"....I do hope you will forward it to my address regularly, even if I must pay a price for it."

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ARMY CONTRACTS FOR RADIO EQUIPMENT

Among the week's defense radio purchases by the War Department were Philco Corporation, Philadelphia, fuses, \$595,680; Stewart-Warner Corporation, fuses \$2,607,267, and Philco, Philadelphia, \$1,020,500.

Also, Emerson Radio and Phonograph Corp., New York, battery sets, test indicators, tube sets, etc., \$11,332; Hammarlund Mfg. Co., Inc., New York, radio equipment, \$52,250; Federal Telephone Co., Inc., Newark, radio equipment \$74,214; and RCA Manufacturing Co., Inc., Camden, N. J., socket board assemblies, \$793; portable public address sets, \$1,473.

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NEWSPAPER HEARINGS RESUME NOV. 13

The hearings on the question of whether or not there shall be discrimination against a newspaper owned broadcasting station, which has been dragging along over a period of several months, will be resumed next Thursday, November 13th. The Commission having presented its side of the case, the Committee of Newspaper Radio Station representatives, of which Harold V. Hough, of the Fort Worth Star-Telegram will take the stand, will have their say.

There will be many new exhibits - statistics and documents - also exhibits previously offered which were questioned will be corrected. Statistical presentation will be in charge of Dr. Herman S. Hettinger, of Pennsylvania, and Paul F. Lazarfield, of Columbia University. It is expected the Newspaper-Radio Committee testimony will require several days.

The general purpose of the hearings is to determine whether the FCC should adopt some definite policy toward licensing newspaper-owned radio stations and whether, if so, it has authority.

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MAKERS ASKED TO PEG PRICES OF RADIOS

Price Administrator Leon Henderson said yesterday (Thursday) he had asked manufacturers of stoves and radios not to raise the prices above those recently prevailing.

Mr. Henderson said he took the action to hold prices on the important types of durable consumer goods firm pending determination of the effect on the two industries of production curtailments.

Manufacturers of radio sets, radio-phonograph combinations, radio parts and radio-phonograph parts were asked to hold to October 15 levels; manufacturers of stoves not to increase prices above October 25 levels.

Long-range price programs are being studied by the Office of Price Administration for both industries, Mr. Henderson said, and meetings will be held soon with representatives of each group to work out details.

The radio price program will be completed before January 1.

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"AMERICA FIRST" REPERCUSSIONS STILL HEARD

Although the "America First" meeting in Madison Square Garden was held a week ago, repercussions are still being heard in Washington and New York. It is well known that the Federal Communications Commission has no powers of censorship, nevertheless complaints have been registered with Chairman J. L. Fly who, as usual, is going through the motions of doing something about it. His latest communique is to the Mutual Broadcasting System:

"Attention is invited to a recent mimeographed press release by the Fight for Freedom Committee, a copy of which was forwarded to this office, concerning the failure of Mutual to afford time to answer recent America First speeches. I should appreciate receiving from you a statement of facts as to how this matter has been handled by the Mutual Broadcasting System."

Mr. Fly, following receipt of a telegram from the "America First" people which stated that they had been unable to secure adequate air facilities for Senator Wheeler and none for Lindbergh, had previously asked the networks, "How come?" It was well understood that Chairman Fly was again just going through the motions knowing full well that Senator Wheeler sooner or later would again be on his neck about it.

Captioned, "Is This Censorship?", the Editor & Publisher carries the following editorial regarding the incident:

"The non-interventionist New York Daily News declares the radio chains guilty of bad reporting, when they prevent the radio audience from hearing the arguments of these anti-war speakers. It urges that Congress demand time on the air for its own debates and that a reasonable division of this should be arranged 'between the war party and the peace party'.

"Radio faces a problem of tremendous seriousness in these circumstances. One of its proudest boasts is that it has 'no editorial policy', that its function is to bring facts and opinions of others through impartial channels, making facilities available as evenly as possible between antagonists. That claim falls down if minority thought is to be silenced by the 'unavailability' of convenient broadcasting hours.

"The majority of New York newspapers are not in agreement with the program's orators, but, as this is written (24 hours before) we haven't the slightest doubt that all of the newspapers of October 31 will carry fair and comprehensive reports of the meeting, regardless of their editorial policies. That indicates no special virtue; it's simple common sense appreciation of the job that must be done. If the radio people fail in that respect, whatever the question at issue, they are looking for trouble. If Lindbergh, Wheeler, et al., are wrong, the best way to prove it is not by censorship but by permitting the untrammelled statement of their views. That is the American way."

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BELIEVES SET MAKING SHORTAGE WILL BE MET

A few of the radio receiving set models produced under the economy program may have shortcomings but such developments are likely to be short-lived", Lawrence D. Batson, writes in the U. S. Commerce Department weekly. "The romance of radio has for years attracted the best engineering and scientific talent available, and it is believed that such problems as arise will be quickly solved.

"Withdrawal of copper from many parts of radio receiving set production by a SPAB order of October 21, is too far-reaching for immediate analysis. Exceptions are made in the order as to wire, and those parts required to be made of copper by safety rules of the Underwriters' Laboratories. The rules applying are that lamp-holders, receptacles, switches, and similar parts, are among items which must be 'of suitable material for the purpose'.

"Copper and its alloys have been used in many parts because they were the best materials for the purposes. Tube pins, socket contacts, binding posts, and soldering lugs might be construed as required by safety rules to be of copper or copper alloys.

"Several years ago manufacturers standardized tubes to what was thought at that time to be the possible limit. It is now believed that a further reduction may become necessary, and that as a result, owners of old models may find it difficult to obtain tube replacements.

"Aluminum has been used extensively in chassis frames, bases, and for other bulk work until the aluminum-steel cost ratio made it profitable to change to steel. Thus, the actual aluminum content was cut by 75 percent. Plastic cabinets are soon to disappear, because suitable types of plastics are now on the scarce list.

"Handicapped for years by technical difficulties and the lack of public interest, television is probably destined for another setback by reason of the current materials shortage. Progress continues to be made in the field, however.

"Public transmissions have been on the air for three years, on an experimental basis, but without a uniform standard whereby all television transmissions could be received on all television receivers. Such standards were adopted last Spring, and the Federal Communications Commission set last July as the date for the actual introduction of television. Prior to that time, however, the raw materials situation became so acute with certain materials essential to the production of television transmitters and receivers that manufacturers have marked time. The number of units now being produced is very limited.

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BROADCAST ACTIONS BY THE FCC

Applications Granted: Board of Education of the Memphis City Schools, Memphis, Tenn., granted construction permit for new station to operate on 41000 kilocycles, 250 watts, on condition that permittee file application for modification of construction permit specifying equipment to use frequency modulation instead of amplitude modulation; King-Trengle Broadcasting Corp., granted construction permit for new FM station to operate on 47300 kilocycles, 6,800 square mile service area.

Also, Philco Radio & Television Corp., Philadelphia, Pa., granted construction permit for new station to operate on Channels Nos. 13 and 14, 230,000-242,000 kilocycles; power 60 watts, A5 emission; WNBI, and WRCA, National Broadcasting Co., Inc., New York, N. Y., granted modification of license to use frequencies 6100, 9670, 11890, 15150, 17780 and 21630 kilocycles; power 50 kilowatts except on 9670 kilocycles on which operation with 50 to 100 kilowatts is herein authorized; share time on all frequencies with each other, in addition share with WBOS on 17780 kilocycles.

Also, Coastal Broadcasting Co., Inc., New Bern, N. C. granted construction permit for new station to operate on 1450 kilocycles, 250 watts, unlimited; transmitter site to be determined subject to Commission's approval; WKBW, Buffalo Broadcasting Corp., Buffalo, N. Y., granted license to cover construction permit for increase in power to 50 kilowatts, move of transmitter, new equipment, and installation of directional antenna for day and night use. Also authority to determine operating power by direct measurement of antenna input.

Applications Received: WGES, Oak Leaves Broadcasting Station, Inc., Chicago, Ill., modification of construction permit as modified for increase in power, change in hours, move, new transmitter and directional antenna for day and night use, requesting extension of completion date from 11/20/41 to 1/20/42 (1390 kc.); KYOS, Merced Broadcasting Co., Merced, Calif., construction permit to install new transmitter, change frequency to 1490 kilocycles, 250 watts power; WINS, Hearst Radio, Inc., New York, N. Y., special service authorization to operate with power of 5 kilowatts at WHN's old site, Astoria, Long Island, using WHN's 5 KW transmitter for period ending 2/1/42 (1000 kc.); also authority to determine operating power by direct method for special service.

Also, John D. Ewing, New Orleans, La., construction permit for a new broadcast station to be operated on 1060 kilocycles, 50 kilowatts and unlimited hours, employing directional antenna at night; Florida National Building Corp., Miami, Fla., construction permit for a new broadcast station to be operated on 1170 kc., 5 KW and unlimited hours, employing directional antenna day and night; KOAM, The Pittsburg Broadcasting Co., Inc., Pittsburg, Kans., construction permit amended to change frequency from 810 to 860 kilocycles, power to 5 KW day and night, new transmitter, move transmitter and make changes in proposed directional antenna.

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CANADA APPROVES PAYING LISTENING FEE

On November 2, 1936, the Canadian public went into the broadcasting business with the inauguration of the government-owned Canadian Broadcasting Corporation.

"In the five years which have passed broadcasting in Canada has greatly improved; antagonism toward a publicly owned broadcasting corporation has subsided; the publicly owned company (despite its control over the entire broadcasting industry) has left the privately owned stations to increase in number and prosper; and - what is of final importance - the Canadian listener is very satisfied that he is receiving his money's worth for the annual \$2.50 listening fee required by each householder operating a radio set", a Toronto dispatch to the New York Times sets forth.

"Financing of the CBC comes from the annual collection of radio receiving licenses amounting in the last fiscal year to slightly over \$3,100,000, from commercial programs totaling close to \$1,000,000 in the past fiscal year, and from repayable government loans. In the last fiscal year, ended March 31, 1941, for which a report was recently published, the CBC had a net operating revenue of \$185,585, spent \$1,720,000 on programs, \$746,000 on engineering and paid network stations \$726,000 for commercial networks programs."

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RELIANCE ON PRESS AND RADIO UNCHANGED, SAYS MacLEISH

In accepting appointment as Director of the Office of Facts and Figures, Archibald MacLeish, Librarian of Congress, said:

"The job of the new Office of Facts and Figures, as stated in the Executive Order, is to serve as an interdepartmental clearing house for information and data required 'for the most coherent and comprehensive presentation to the Nation of the facts and figures of national defense'. In other words, the operation of the office will be purely within the Government.

"The Office of Facts and Figures will not make a practice of issuing releases nor set up new channels for the dissemination of information, but will 'rely upon the services and facilities of existing agencies of the Government in the dissemination of information'. In other words, the establishment of the office will in no way change the relation between the departments and the agencies of Government and the press and radio services, nor will it alter the reliance of the Government upon these means of informing the people."

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 ::: TRADE NOTES :::
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As a means toward improving broadcast service in our territorial and insular possessions, the Commission on November 4 amended Section 3.408(c) of its Rules Governing Standard and High Frequency Broadcast Stations to permit standard broadcast stations under Commission jurisdiction outside the continental United States (Alaska and Puerto Rico and Hawaii) to rebroadcast commercial programs of domestic international broadcast stations.

In a report for the first nine months of 1941, the Crosley Corporation disclosed a profit of \$1,280,368 before provision for taxes. This figures a net profit of \$980,368 on total sales of \$19,134,864.

Jimmie Fidley, Hollywood commentator, who clashed with CBS claiming to have been muzzled, jumped to Mutual and later created quite a flurry when he testified at the Senate movie investigation, will soon be off the air, the reason being given that his sponsor a cosmetics concern, being a priorities victim, will cease advertising because it cannot secure production materials.

Pursuant to its Supplement Report on Chain Broadcasting of October 11, 1941, the Federal Communications Commission amended Sections 3.102, 3.103, and 3.104 (pertaining thereto), and at the same time, amended Section 3.34, extending the normal license period of all standard broadcast stations to two years, with expiration date of licenses on the various frequencies listed, and Section 4.3 (re license period for broadcast stations other than standard, and renewal of licenses).

Columbia Broadcasting System, Inc., and Subsidiaries - Nine months to Oct. 4: Net profit after \$3,000,000 provision for Federal income and excess profits taxes, \$3,815,435, equal to \$2.22 each on 1,716,277 shares of \$2.50 par stock outstanding or to be outstanding upon completion of exchange of old \$5 par value stock. This compares with net profit of \$3,477,586, or \$2.03 a share, for 1940 period, when tax charges were \$1,600,172. Gross income increased to \$44,049,683 from \$36,430,612 last year.

One guess from an informed source was that David Sarnoff's trip to the Pacific Coast had nothing to do with radio but was in connection with President Roosevelt's Committee to prevent discrimination against colored workers securing employment in the Government service of which committee Mr. Sarnoff is a member.

Augustin Frigon, Assistant General Manager of the Canadian Broadcasting Corporation, has been added to the Pan American Council of "Columbia's School of the Air of the Americas" as representative of Canada.

Assistant Head of the Radio Division in the New York office of the U. S. Coordinator of Information, of which William J. Donovan is in charge, is Robert Sarnoff, son of the President of the Radio Corporation of America. Mr. Sarnoff, Jr., is 23 years old.

Private telegraph advices to radio manufacturers from J. S. Bache & Co., are:

"SMITH #3 - RADIO MFRS - Contrary to earlier expectations, it is now reported that the radio mfg. industry will be permitted to draw heavily on supplies of essential raw materials, and to produce its products for military and civilian uses. "A tremendous production program" is mentioned in these reports. The use of radio as a 'morale booster' is said to be desired by defense officials, and this will be one reason for the more liberal attitude on supplies. From a direct defense viewpoint, it is said that radio makers may shortly get large military orders. Among companies whose major activities consist of radio production are Crosley Radio Corp. of America, Sparks Withington, Zenith Radio."

Two stations in Maracaibo, Venezuela, YVLRV longwave and YVIRA short wave, have joined the Columbia Broadcasting System's new Latin American network which begins operation early in 1942. The new affiliates raise the chain's station total to 74 - with representation in each of the 20 republics south of the United States border.

Supporters of Fiorello LaGuardia and William O'Dwyer made equal use of WOR facilities during the recent Municipal Campaign in New York City. O'Dwyer adherents purchased 17 quarter-hour periods and 1 half-hour program, or a total of $4\frac{3}{4}$ hours. LaGuardia campaigners also bought 17 quarter-hour broadcasts and 1 half-hour period, or $4\frac{3}{4}$ hours.

Press Wireless has been granted Federal Communications Commission authority to transmit programs to Central and South American countries, via short wave for re-broadcast. The authorization permits Press Wireless to contract for the use of its facilities by others and it was indicated that Mutual Broadcasting System is negotiating but has not completed a contract.

Press Wireless, Inc., has moved its traffic operations from Little Neck, L.I., to the Times Building in New York. Approximately 300,000 words are handled daily.

In his syndicated New York column, Leonard Lyons writes: "The Maxine Elliott Theater is being converted into a radio auditorium by the Mutual Broadcasting System. That theater, named after and owned by the most famous beauty of her day, lost all its attraction, as far as Miss Elliott was concerned, as soon as the WPA Federal Theater began to present its plays there. . . When, in her villa in France, Maxine Elliott was asked about her theater, she'd sigh and shrug: "Oh, the Reds have it now."

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CALLS COPPER SHORTAGE "ANOTHER FAKE"

Doubtless of interest to the communications industry is a scathing editorial on the copper situation which appeared in the Chicago Tribune last Sunday (November 2):

"Last week there were two developments relating to copper.

"1. The government issued an order forbidding the use of copper in hundreds of industries, manufacturing 108 civilian products, and reducing the use of copper in a number of other industries.

"2. The Walker Mining company, the largest producer of copper in California, which turned out 5,000 tons in 1940, announced that it would suspend operations because it is unable to operate profitably at the price set by OPM.

"The government, in the person of Leon Henderson, has set a price for copper so low as to prevent many mines from reopening and forcing some already operating to shut down. Having reduced the output of copper by its deliberate act, the government has hogged the available supply, cut off the flow of materials to civilian factories, and thus forced factories to close down. In the next step some New Dealer or one of the business men who since leaving home has acquired political ambitions and a New Deal accent makes a speech telling how sorry he is for the poor little business man who has to be liquidated to lick Hitler.

"In the days of NRA, when Henderson, now the price fixer, had just gone to Washington, the late Ralph Heilman, then dean of Northwestern University's school of commerce, remarked that it was possible to get a better education than in a long time because all the crackpots had gone to Washington. It is high time that the country awoke and realized the consequences of the phony economist who has decreed that the people must not use any copper which costs more than 12 cents a pound to produce. * * * *

"Even at 12 cents there ought to be plenty of copper. It seems possible that the same sort of fake is being perpetrated in copper as was tried by Ickes unsuccessfully in oil. As one United States senator put it, we are again 'being pushed around for psychological reasons'. This conclusion seems inescapable from the figures.

"OPM says that there will be 1 million 650 thousand tons of copper available in this country next year. That is a reduction of 200,000 tons from a previous estimate. Nothing is said about how the 200,000 tons vanished, but the disappearance came about conveniently when the pretense about the oil shortage had to be abandoned.

"OPM figures that 1,050,000 tons will be needed for defense purposes next year * * * The largest amount used (by Germany) in any one year was 374 thousand tons. In three years, even taking the OPM reduced supply figures of 1 million 650 thousand tons, we will have nearly 5 million tons. If from this is deducted 1 million 300 thousand tons to provide for the equivalent of the German war machine there would remain 3 million 700 thousand tons, or nearly a million and a quarter tons a year. That is a lot more copper than all our civilian industries have any use for.

"Next to electrical manufactures the automobile industry was the largest consumer of copper in the country. Mr. C. E. Wilson, president of General Motors, ought to know how much copper is needed.

Last month, before the government had lowered its estimate of supply and raised its estimate of demand, Mr. Wilson said: 'The 850,000 ton defense estimate looks high and is known to contain copper requirements other than strictly defense needs. It looks high also as compared to the availability of copper to other nations. The copper supply of continental Europe, outside of Russia, available to Germany for war and all domestic purposes is only about one-fifth of the above estimated requirements of our defense program alone.'

"A half a million tons is all the copper that is needed for defense next year. The copper supply at the existing price will take care of that, meet every civilian need, and leave plenty to spare. And if more copper is needed there is plenty in the ground which will be mined if the government doesn't forbid it. The copper shortage is as much of a fake as the steel 'shortage' and the oil shortage. Congress is neglecting its duty if it does not stop the perpetration of these fakes."

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JUSTICE DEPT. DENIES AIM TO CENSOR ADVERTISING

Assurances that Government has no desire to "censor" advertising but is "trying to maintain the complete freed of the competitive system" were made last Wednesday by Assistant Attorney General Thurman W. Arnold, in charge of the anti-trust Division of the Department of Justice.

In a speech before the Advertising Club of Washington, Arnold declared to attempt supervision of advertising campaigns would be the same as to attempt regulation of the number of salesmen a business firm should have or how much rent it should pay.

"I do not see that advertising has any particular relation to monopoly", he declared. It is a problem of selling. It interferes with a free economy only when it interferes with the freedom of some other business."

Contrary to the opinion held by some groups, Arnold said, the anti-trust division has had only a few cases in which advertising figured.

"Consumer groups do not always know the cost of advertising, and usually think it is much higher than it is", he declared. "Even the cost of tobacco advertising, for instance, is very slight -- although the general public might not think so."

Mass production and distribution of standardized articles in this country during the last 20 years would have been impossible without large advertising campaigns, Arnold said.

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