

HEINL RADIO BUSINESS LETTER

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30 ROCKEFELLER PLACE, NEW YORK, N. Y.

BIG JOB FOR KNOWLSON IN NEW WAR PRODUCTION SET-UP

In abolishing the Office of Production Management and setting up his own powerful organization to speed up the manufacture of armaments and munitions, Donald M. Nelson, new war production chief, named James S. Knowlson, of Chicago, President of Stewart-Warner Corporation of Chicago, head of the Division of Industry Operations. Mr. Knowlson was formerly President of the Radio Manufacturers' Association, which position he resigned on September 16 at Mr. Nelson's request to come into the OPM as Deputy Director of Priorities.

Mr. Knowlson as head of the Division of Industry Operation will have charge of all industry branches, and will have the responsibility for plant conversion and will handle priorities. Closely dovetailing into this phase of operations the Materials Division under William L. Batt, of Philadelphia, President of SKF Industries, Inc., will make the available materials go around, see that production problems of copper, lead and other basic raw materials are met and, in conjunction with the requirements board which Mr. Batt also heads, and with the priorities branch under Mr. Knowlson, will allocate available stocks of materials to the various essential requirements of the war and civilian supply programs.

Another of the key men named by Mr. Nelson, William H. Harrison, heading the new Productions Division, is on leave as a Vice-President of the American Telephone and Telegraph Company. Mr. Harrison was described by Mr. Nelson as being "hard enough and tough enough to see that the job is done." Unlike Mr. Nelson, who is a Democrat, both Mr. Harrison and Mr. Knowlson are Republicans.

Mr. Knowlson was born in Chicago and is 59 years old. He was graduated from Cornell and started in as an electrical engineer with General Electric at Schenectady. He later became President of the Speedway Manufacturing Co. and finally President and Chairman of Stewart-Warner.

Discussing the sweeping changes just made, Frank R. Kent of the Baltimore Sun asks, "Has Nelson got the stuff in him or has he not?" and answers:

"Everybody will hope that he has, but certainly it remains to be proved. The recent rush of the New Deal publicity agencies to paint Mr. Nelson as a superman who very soon will straighten out the shocking mess into which things have gotten in Washington and have the war production wheels whirling at top speed, would be more impressive did it not recall that a similar burst of publicity pictured Mr. Nelson as a veritable ball of fire a few months ago

when he was made Executive Director of the S. P. A. B. The S. P. A. B. is now pushed over the brink into obscurity, but then it was hailed as the final answer to everything in much the same way as the new setup has been.

"One fact is that while Mr. Nelson unquestionably is an able businessman he is no abler than a number of others who have been in this confused and heretofore headless organization. Why then, was Mr. Nelson named? The answer was given at the time, not by critics but by administration journalists and spokesmen - he was the New Deal's favorite industrialist. More than any other, he had made it his primary business to stand well personally with the little group of White House insiders. He had early endeared himself to them by a radio speech in which he practically adopted the New Deal spending philosophy - and in other ways.

"In particular Mr. Nelson's appointment is attributed in informed circles, to the influence of Harry Hopkins, who lives at the White House. Mr. Hopkins is congenitally unfriendly to businessmen and Mr. Nelson is the only one in the war organization for who he has achieved a real liking. * * * From the start Mr. Nelson has been the favorite of the Hopkins group. And not many will contend that he would have been singled out for either his S. P. A. B. position or this one if he had not been.

"One of the major troubles with these White House insiders is their determination that none whom they dislike shall occupy key positions in the management of the war. The result has been that a great many splendidly equipped men who ought to be here have been blacklisted and the place reeks with incompetents and second-raters."

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KGEI NOW GIVES IT TO THEM IN THAI

Already broadcasting from San Francisco to more than half the world in seven languages and two dialects, General Electric's powerful shortwave station KGEI has added an eighth language to its schedule, that of Thai, formerly known as Siamese.

News from the American viewpoint and commentaries will be broadcast to Thailand in Thai daily at 2:45 A.M. San Francisco time, evening in the Orient.

Other languages in which the station broadcasts daily are English, Spanish, French, Dutch, Chinese (Mandarin and Cantonese dialects), Japanese, and Tagalog, which is the native Filipino language. Newscasts in Malay are under consideration.

The station co-operates closely with Nelson Rockefeller, Co-ordinator of Inter-American Affairs, and Col. William Donovan, Co-ordinator of Information.

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NEW DEFENSE RADIOTELEGRAPH DEFENSE CIRCUITS ADDED

The Federal Communications Commission in the interests of National Defense, authorized the Mackay Radio and Telegraph Co. and the R.C.A. Communications, Inc., to establish for a period of 90 days parallel commercial radiotelegraph circuits to various points throughout the British Empire and other important communication centers on a non-exclusive basis.

Also in the interests of National Defense, the FCC authorized the Mackay Radio and Telegraph Company to establish direct radiotelegraph circuits on a non-exclusive basis between the United States and the following countries of obvious strategic importance in the present world situation: Java, Federated Malay States, Egypt, Burma, Turkey, India, New Zealand, Siberia, Union of South Africa, Syria, Iran, Bermuda, the British Gold Coast and Gambia, in Africa.

R.C.A. Communications, Inc., was authorized to establish circuits to Iran, India, Union of South Africa, Burma, Federated Malay States, New Zealand, British Guiana and Bermuda.

The United States Cable and Radio Censor informed the international communications companies it would authorize the use of the following codes between the United States and countries abroad where these codes are admitted, effective January 26th:

- (1) ABC 6th Edition, (2) Acme Commodity Phrase and Supplement,
- (3) Bentley's Complete Phrase, (4) Bentley's Second Phrase,
- (5) Lombard General, (6) Lombard Shipping and appendix (7) New Standard Half-Word, (8) New Standard Three Letter, (9) Peterson's International 3rd Edition.

The use of codes and cable addresses was banned with the outbreak of the war.

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WAR PLEA TO HALT PAPER-RADIO PROBE REJECTED BY FCC

The Federal Communications Commission denied a petition from the newspaper radio-station owners committee to indefinitely postpone the Commission's long continuing investigation of newspaper-radio relations. The postponement was asked on the ground that it hampered the war effort and that the Commission lacked authority on the basic question, the contention being that Congress alone had jurisdiction.

Submitting the petition of the Newspaper-Radio Committee, Thomas D. Thacher, counsel, argued that it was illegal for the FCC to refuse a broadcasting license because the applicant owned or was interested in a newspaper.

"The occurrence of a state of war necessarily subordinates all other activity to the united national effort for victory, in which the role of our nation's newspapers and broadcasting stations is certainly not less than that of other organizations and institutions", the petition recited.

"Continuation of these hearings, which are inherently legislative in character, will not contribute to our victory against the nations which have waged war against us, and will create a diversion of the energies of all parties concerned from the necessary and essential activities of wartime.

"Nor is it reasonable to believe that Congress will turn aside from the national emergency to consider legislation discriminating against press activities in the radio field. Such measures, which will impede cooperation between government, press and radio, should in the interest of the nation be postponed until after victory is gained."

After an hour's recess during which the Commission conferred on the matter, Commissioner Walker, who was presiding, refused to adjourn the proceedings giving as the reasons:

"The petition does not present a new matter. It was informally presented on the 18th of December and formally passed on by the Commission in meeting shortly thereafter, and, after thorough consideration, was denied.

"A great deal of time and money has already been expended in the preparation of this case, including the collection of a great deal of statistical material, much of which is of peculiarly current value. The Newspaper-Radio Committee has prepared the evidence which it is to submit and which counsel for the Committee estimates will require from nine to twelve days.

"Under the circumstances, the Commission is not impressed with the argument that the war effort will be forwarded by adjourning the proceeding sine die and lose the benefit of the tremendous amount of work which has already been done. The Commission believes the war effort will be advanced by completing this investigation at the earliest possible moment."

Whereupon the hearings were resumed and ran through Friday, at which time they were adjourned until next Wednesday, January 28th. It is said to be the present plan to continue them three days a week until they are concluded.

The first witness was Dr. Ralph D. Casey, Director of the University of Minnesota School of Journalism, who describing newspaper-owned stations as pioneers in the broadcasting of news, said the newspapers had contributed much to program and advertising standards.

"Newspapermen, because of their training, have a sense of public responsibility and news value", Mr. Casey testified. "They saved radio from falling into mere showmanship."

Dr. Frank Luther Mott, Director of the University of Iowa Journalism School declared that a radio station was a very natural outgrowth for a newspaper.

"Radio offers newspapers", he testified, "a new outlet for news, a measure of economic stability and a challenging opportunity in a new field."

Commissioner T.A.M. Craven, who opposed the investigation, asked Dr. Mott whether he saw any danger in the licensing of more radio stations to newspapers.

"No, I don't", the witness replied.

Commissioner Craven then asked whether prohibitions against newspapers operating radio stations would endanger the freedom of the press and Dr. Mott replied that "It certainly would be a strong blow against the newspapers, economically and in the matter of prestige."

Commissioner Craven next asked whether Dr. Mott saw any danger to the freedom of the press in the licensing of stations owned by newspapers. He replied that it was "conceivable" that a newspaper, whose license was coming up for renewal, might change its attitude on some governmental question, "but this certainly would not be general."

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NATIONAL RADIO INSTITUTE SIGNS FTC STIPULATION

National Radio Institute, Washington, D. C., selling a correspondence course of instruction designated "Course in Practical Radio and Television", stipulated with the Federal Trade Commission that it will cease and desist from representing that it has obtained employment for students with any particular radio concern when such is not a fact and that its course covers all the radio requirements needed to qualify one for a license to serve as a ship radio operator.

The respondent further stipulates that, in advertisements referring to radio positions which require a knowledge of code, and in all of its enrollment blanks, it will reveal conspicuously the fact that there is an extra charge for the course covering code instruction; and agrees to reveal conspicuously in advertising material which sets forth the terms under which a student may pay for the course, the fact that there is a limitation of two and one half years allowed for completing the course and that if a student has not finished the prescribed program within two and one half years from the date of his enrollment, he may be charged an additional amount before being allowed to continue with the course.

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FCC AGAIN GETS BRICKBATS FROM CONGRESS

Quite a fall was taken out of the Federal Communications Commission by Representative Richard B. Wigglesworth, (R.), of the House Appropriations Committee during the consideration of the Independent Offices appropriations bill yesterday (Thursday).

Mr. Wigglesworth said, in part:

"Time after time I have stood in the well of this House and inveighed against the practice of the Commission of giving its approval to the transfer of stations or the control of those stations for considerations far in excess of the value of the physical assets so transferred - a practice, in other words, involving the sale of Government licenses, with all the possible dangers to the public that we have seen involved in the capitalization of licenses in other fields.

"There are a number of instances in which the figures establish this fact, including one transfer station valued at \$425,000 for stock of the value of \$950,000 plus and \$175,000 in cash.

"I call attention to the authorization of the transfer of a station valued at \$74,000 for a monthly rental of \$1,125 for a period of $11\frac{1}{2}$ years. This station reports a yearly profit of some \$75,000. What possible authority there is for approving a lease for a period of $11\frac{1}{2}$ years under existing law, I, for one, do not know.

"Under the general topic of the monopoly which the Commission has allowed to grow up under its jurisdiction in the broadcasting field, I may point out that the record indicates that 95 percent of the available nighttime power is now controlled by stations affiliated with networks.

"Furthermore, in spite of the licensing jurisdiction of the Commission, practices seem to have the Commission's approval under which the affiliates are compelled to turn over to the networks as much as 40 percent of their time and earnings obtained from charges for that time to the extent of from $62\frac{1}{2}$ to 100 percent."

* * * * *

"Several times on this floor I have advocated the imposition of a reasonable tax on those engaged in this industry who are making enormous profits out of franchises for which they pay not one red cent. A year ago, as the Members may recall, the Treasury Department made a study in this connection and as a result of that study it recommended an excise tax on the industry which would have amounted to about \$10,000,000. The House approved that recommendation but the Senate committee rejected it, after Mr. Fly had appeared before the committee in opposition to the proposed tax. It is my understanding that it was understood at the time that the Treasury and FCC officials would get together and recommend a tax in lieu of that which was deleted by the Senate committee.

"Mr. Fly, however, now apparently takes the position that it is entirely up to the Treasury, that it is hardly the job of the Federal Communications Commission to recommend revenue measures.

"In a recent letter received from Mr. Fly, he admits that the net profits of this industry for 1940 amounted to practically \$33,300,000 on an investment of present worth of about \$40,000,000. Therefore, even if the proposed tax of \$10,000,000 had been imposed, there would still have been a return to the industry of approximately 50 percent. It seems to me entirely illogical and unreasonable to allow this industry to continue to obtain any such return from licenses for which they pay nothing under present conditions in this country."

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"NEVER FORGET PEARL HARBOR" IS NEWEST SLOGAN

Going "Remember Pearl Harbor" one better, R.C.A. Communications, Inc. has coined its own slogan: "Never Forget Pearl Harbor". This appears for the first time in the January number of the company's bright little magazine Relay.

In the same issue are facsimiles of congratulatory radio-grams sent to Hawaii and the Philippines by William A. Winterbottom, Vice President and General Manager. The one to George Street, RCAC Superintendent at Honolulu read:

"It has always been a tradition that RCAC personnel rise to any emergency but the manner in which you and your staff in Hawaii have met the present situation is more than commendable it is magnificent. With Hawaii part of the United States it was vitally necessary that everything be done to maintain uninterrupted communication between Hawaii and the mainland and under your able direction supported by a loyal and efficient staff this has been done. Please accept for yourself and extend to all of your people my sincere congratulations for a job well done."

Mr. Street replied:

"Your kind and thoughtful message very much appreciated by all. Many thanks and the Seasons Greetings from all the Hawaiians."

Mr. Winterbottom radioed E. G. Baumgardner, Superintendent at Manila:

"The magnificent work performed by you and your staff during the past ten days has been an inspiration to the whole organization. That RCAC service between the Philippines and the United States despite a greatly increased traffic load has been maintained without interruption throughout a most

trying period is a tribute to the resourcefulness, stamina and loyalty of your whole staff and in congratulating you upon a fine achievement I also tender my sincere thanks."

Mr. Baumgardner answered:

"Entire staff appreciate your message and I know they will continue to do their best."

It is stated that to assist in moving the increased traffic over the Pacific, five men have been flown to R.C.A. Communications stations in Hawaii.

There are also two interesting articles in Relay, "RCAC Gears to the War Machine", and "The First Three Days" in which a writer lists his impressions of how the big news of Pearl Harbor hit the main office in New York that quiet Sunday afternoon and what happened thereafter.

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FCC ACTION

Applications Granted: KMJ, McClatchy Broadcasting Co., Fresno, Cal., granted construction permit to move transmitter to Madera and North Avenues, Kerman, Calif; install directional antenna system for day and night use; WJW, WJW, Inc., Akron, Ohio, granted construction permit to increase power to 5 kw., change frequency from 1240 to 850 kc., install a new transmitter and directional antenna for night use and move transmitter to Franklin Twp., Ohio; KGDM, E. F. Pfeffer, Stockton, Calif., granted construction permit to change frequency from 1130 to 1140 kc., subject to submitting proof of performance protecting XENT, Monterrey, Mexico, from interference; increase power to 5 KW night and day, change hours daytime to unlimited, install a directional antenna for night use and install a new transmitter; WOC, The Tri-City Broadcasting Co., Davenport, Iowa, modification of construction permit to increase power to 5 KW night and day, move transmitter locally, install new equipment and make changes in directional antenna system for day and night use;

Cleveland Broadcasting, Inc., Cleveland, Ohio, Designated for hearing application for construction permit for new station to operate on 1300 kc., 5 KW, unlimited night employing directional antenna day and night.

Applications Received: General Electric Co., New Scotland, N. Y., construction permit for a new television relay broadcast station to be operated on Channel #8, 162000-168000 kc., power 50 watts emission A5 (to be used with applicant's commercial television broadcast station WRGB); WJHL, WJHL, Inc., Johnson City, Tenn., construction permit to install new transmitter and increase power from 1 KW directional antenna night to 1 KW night, 5 KW day, directional antenna night (910 kc.).

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 ::: TRADE NOTES :::
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The Hosh Higgins Broadcasting Company of Waterloo, Iowa, has been granted a construction permit for a new 50 KW station to operate on 1540 kilocycles, 50 kilowatts, unlimited time, directional antenna day and night.

Guy C. Hutcheson of the CBS General Engineering Department, who has just returned from a 25,000 mile trip to South America, has been appointed engineer-in-charge of Columbia's international broadcasting.

Nelson A. Rockefeller, Coordinator of Inter-American Affairs, has appointed Joseph C. Rovensky Assistant Coordinator. For many years Mr. Rovensky was with the Chase National Bank of New York, from 1928 on as Vice-President in charge of the Foreign Department.

At the request of Howard Hughes, noted aviator and industrialist, head of the Hughes Tool Company of San Francisco and Los Angeles, who pleaded that national defense activities necessitated confining his broadcast activities to television stations which he is erecting in those cities, the Federal Communications Commission cancelled construction permits for the Hughes high frequency (FM) broadcast stations K45SF and K49LA, and deleted call signals, thus making frequencies 44,500 and 44,900 kilocycles available in San Francisco and Los Angeles respectively to other FM applicants.

Meeting with opposition from the House of Commons, Winston Churchill has withdrawn his proposal that an electrical transcription be made of part of the proceedings in Parliament so that the debate could later be broadcast to the nation and the world. Critics argued that such an arrangement would give the Prime Minister the lion's share of the radio time, thus placing the opposition at a disadvantage.

The Federal Communications Commission ban on all radio amateurs for the duration of the war, has isolated at least four Idaho mining communities, the United Press reports from Boise. Until the war began, the mining camps relied on short-wave sets to send requests for supplies, medical aid and other necessities.

After serving as Director of Ohio State University's Bureau of Educational Research since 1928, Dr. W. W. Charters will retire next August. One of his educational contributions has been the establishment at Ohio State of the annual Institute for Education by Radio, held there annually since 1930 to bring together hundreds of representatives of radio and education for a discussion of common problems.

The Columbia Broadcasting System is conducting regular courses in Spanish and Portuguese for its employees in New York. A total of 182 registered for the primary and advanced studies.

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A NEW FOUR POUND RADIOPHONE AND TRANSMITTER

A completely self-contained radio telephone combination transmitter and receiver weighing only four pounds, and not much larger than the handset of a "French" telephone, has been announced by the Weltronic Corporation, Detroit, Michigan. The unit is being made available to governmental agencies and services, including municipal divisions, public utilities, fire and police departments, railroads, and other transportation agencies, as well as individuals, subject of course to licensing by the Federal Communications Commission where required, as well as priority rating.

Although the "Trans-Ceivers" are designed for operation on a single wave length, their frequency range is adjustable from 112 to 300 Megacycles through an externally accessible screw adjustment.

In operation, when the toggle switch is thrown into the "on" position, the unit is receiving. To talk through the unit, it is necessary merely to pull the selector finger level down against light spring pressure. Releasing the selector lever switches the unit to receiving again.

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USE AIR MAIL TO SAVE RADIO AND TELEGRAPH, P.O. ADVISES

The wartime instructions to postal employees which the Post Office Department has issued includes these paragraphs:

"Because of war conditions, tremendous burdens have been imposed upon the telephone trunk lines, wire systems, telegraph, and radio facilities. The Nation demands that the military and naval forces and war industries have first call on these services.

"Each postal official must see to it that the use of such services is held to an absolute minimum in order that the burden on these systems may not be increased. Do not use long-distance telephone, telegraph, radio-telegram, or Army-Navy communication facilities except in case of the most urgent emergency. Ordinary mail is rapid enough for most communications. Air-mail schedules are such as to give less than 24 hours' service between most points in the continental United States for communications of a more urgent character.

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CBS CLARIFIES WAR REBATE SITUATION

A detailed memo on war news broadcasting in commercial program time and continuation of CBS rebate policy, has been issued by Paul W. Kesten, Vice-President of the Columbia Broadcasting System.

Mr. Kesten, after outlining the situation since the attack on Pearl Harbor, the interruption of programs caused by war news bulletins, says in conclusion:

"Some advertisers have asked if we would include news bulletins within their programs at their own expense, so that credit for bringing the news might go to the sponsor. Other advertisers have asked if we would take a regular and pre-determined amount of time at the start of every program on the network to broadcast news - even though this would 'force' the broadcasting of news at 15-minute intervals in many cases. And from the Association of National Advertisers has come the request that we enunciate at this time a policy both as to our handling of news and as to rebates for time so preempted.

"As to our general policies in handling and scheduling the news, we contemplate no change from our present practices. These have been based on rendering a maximum news service to the public, but have resulted, as the foregoing summary indicates, in minimum interference with commercial programs. * * * *

"As to rebates to advertisers for time preempted for war broadcasts, we believe that any policy, to be sound, should be sufficiently flexible to recognize the new fact of our being at war and the further fact that the extraordinary extra costs of news coverage at peak periods during a war fall uniquely upon radio. This latter is true because only radio, in extreme news crises, is ever forced to substitute news broadcasts for entire advertising programs. For the privilege of rendering an urgent public service, radio is called upon to sacrifice its own advertising revenues.

"This extra burden falls upon radio for another and equally compelling reason: news has become so important a part of radio broadcasting that 65% of our population (even in normal times) depend primarily upon radio for news. In times of crisis, radio is the universal medium, the only medium in fact, through which listeners can get instantaneous information. Our responsibility is thus redoubled. Our audience may in fact be redoubled, but unlike the newspapers, we must voluntarily forego expected revenue to do the job and we can collect no compensating revenue from 'extra newsstand sales'.

"CBS accepts this paradox as one of the problems of broadcast operation and as a patriotic privilege in keeping America informed. It is therefore our present intention to continue without change our time and talent rebate policies, although these were formulated for days of peace, not days of war. Should recurring news crises, or continuous news crises, or other unforeseen developments in network broadcasting require modification of these policies, we are confident that mutually acceptable arrangements can be worked out between our advertisers and ourselves."

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