

HEINL RADIO BUSINESS LETTER

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ANOTHER LA GUARDIA DEFEAT IN WNYC NIGHTTIME REFUSAL

Having been forced to resign as National Director of Civilian Defense, and now facing a similar determined fight to dislodge him as New York City Civilian Director, Mayor LaGuardia was dealt another blow when the Federal Communications Commission turned down his request that WNYC, the New York City Municipal station be allowed to broadcast at night.

Evening hours were specially desired by Mr. LaGuardia, because he is in a bitter wrangle with the New York newspapers. As it is now, WNYC must sign off at 7:45 o'clock each evening to keep from interfering with WCCO of Minneapolis, a CBS affiliate. The Mayor wanted to go over the heads of the newspapers by reaching his constituents direct through WNYC during the desirable night hours. It is certain New York's peppery chief executive will make a vigorous court appeal. Also he has the active backing of Commissioner George Henry Payne, one of the hardest hitting members of the FCC. It was a 6 to 1 vote against LaGuardia's request, Commissioner Payne being the only one who stood by him. In a lengthy dissenting opinion, Mr. Payne said that it is perfectly clear from the record that WCCO is not interfered with in Minneapolis or Minnesota, and that the service of WCCO to that community and that State is not impaired. Mr. Payne declares that WCCO does interfere with WNYC in New York and because of these facts it is difficult indeed for him to see why Mayor LaGuardia's application for evening broadcasting hours were denied.

Mr. Payne stated further:

"The program service of WNYC, which has not been taken into consideration in the proposed findings in this case, is of the highest standard as to quality and is unique. It is a service presented by an agency of government for the benefit of its citizens and not for financial gain. No advertising whatsoever is carried by the station.

"I cannot emphasize too strongly the high quality of the programs broadcast by the New York City station and the general usefulness of its service to the city's own departments. There are many stations like WCCO. It is no better, no worse, than scores of others. It is a commercial station the main purpose of which is to earn money for those who own and operate it. The program service is, after all, a secondary matter to a station like this.

"Any abridgement of the service that WNYC suffers is a direct loss to millions of people - a loss which cannot be compensated

by other stations. Any loss in the service of WCCO is and will be compensated by a dozen stations of equal quality and having the same purpose.

"After all, a broadcast station is just a lot of meaningless equipment unless it renders a program service, and the better the program service, the better the station. Between the program service of the two stations we are now dealing with, there is no comparison, so superior is the New York station to the Minneapolis one. But, owing to the restriction on the operating time of WNYC which prohibits operation evening hours after sunset, Minneapolis, it is impossible for this station to be heard night-time by the millions of people it is designed to serve, who are employed in the daytime.

"Mayor LaGuardia pointed out that this service is entirely noncommercial, in character and the time of the station is devoted entirely to educational, governmental, cultural and other public service features. He especially emphasized certain advantages to be derived from the nighttime operation of Station WNYC, such as the dissemination of information concerning weather and motoring conditions and traffic matters. He also stated that unforeseen events, such as fires, the breaking of water mains or other sudden emergencies affecting an entire section of the city can be immediately transmitted to the public over this station whereas delays are necessarily entailed in making arrangements for broadcasting such matters over the commercially operated stations. Mayor LaGuardia further pointed out that a large portion of the population which is now served by Station WNYC is composed of persons who are employed during the day and who do not return to their homes until between 5 and 7 in the evening."

The FCC majority conclusions were:

1. The applicant proposes to operate Station WNYC daytime and nighttime until 11 P.M. Eastern Standard Time on the frequency 830 kc., with 1 kw power, simultaneously with Station WCCO, which is authorized to use the frequency 830 kc., unlimited time, with 50 kw. power. This proposal is inconsistent with the provisions of Section 3.25(a) of the Commission's Rules Governing Standard Broadcast Stations which provides that only one full time station may be assigned to the frequency 830 kc. and that the power of such station shall not be less than 50 kw.

2. The operation of applicant's station WNYC simultaneously with Station WCCO nighttime hours would result in interference limiting the service of Station WNYC to areas within its 10 mv/m field strength contour and in interference to the secondary service of Station WCCO extending, as an average condition, to approximately 32% of the area within the station's 0.5 mv/m (50% of the time) field strength contour and also extending to a large part of the station's service outside that contour. The areas in which interference would affect reception of Station WCCO would be subject to wide variations due to variations in field strength which characterize sky wave transmission.

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3. Operation of Station WNYC as proposed would not cause interference to operation of Station WGY as proposed in application No. B1-P-1417 or to operation of Station WHAS as proposed in application No. B2-P-1245.

4. The antenna system proposed to be constructed conforms to the requirements of Section 3.45 of the Commission's Rules Governing Standard Broadcast Stations.

5. The granting of the application under the conditions proposed herein would not tend toward an equitable distribution of radio service to the several States and communities as contemplated by the provisions of Section 307(b) of the Communications Act of 1934.

6. The granting of the application would not serve public interest, convenience and necessity and therefore the same should be denied.

Mayor LaGuardia, who has been delivering his principal addresses Sunday afternoons when his newspaper critics with whom he has been refusing to talk are taking a day off, has estimated these Sunday afternoon audiences at 100,000 persons.

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FEDERAL TO SUPPLY RADIO EQUIPMENT FOR 381 MORE SHIPS

The Federal Telegraph Company has been advised by the United States Maritime Commission that it has been awarded the contract to supply the radio equipment on 381 additional ships of the emergency Liberty Fleet. Federal Telegraph is a subsidiary of the International Telephone and Telegraph Corporation and received the original order last year to equip the first 312 Liberty ships as a result of producing equipment of a revolutionary design which has met the Commission's radio performance specifications and, at the same time, cut the installation time on the ships to one-fifth and brought additional savings in materials, labor, and in the precious shipboard space for which the Commission is applying every development the marine industry can produce.

A number of these installations has already been made and have set the general type standard for the radio equipment on the other Liberty ships yet to be constructed. The new contract with Federal is for the same installation which is being made on the first 312 vessels.

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LIBRARY RECEIVES MRS. ROOSEVELT'S RADIO RECORDINGS

Mrs. Roosevelt last Wednesday presented to the Library of Congress the scripts and recordings of the much discussed and highly controversial broadcasts which she has been making the past twenty-two Sundays under the sponsorship of the Pan American Coffee Bureau. There are four more yet to come.

According to the Congressional Library's announcement, these recordings will be added to the Library's archives where they will be available to any one who wants to go over them. Persons wishing copies of the records can obtain them through the Library, which maintains a recording laboratory where reprints can be made.

Taking exception to her last broadcast, Frank R. Kent, in his syndicated column, wrote in the Washington Star (February 24):

"Mrs. Roosevelt would have been better advised to have omitted the Sunday night radio defense of her recent O.C.D. activities which resulted in her being forced out of a position in that organization into which she had thrust herself and for which she clearly was unfitted. It seems to show that this lady does not know when to leave well enough alone.

"She had been permitted without comment to say that she had resigned voluntarily in order that a fine program should not be handicapped by personal attacks upon her, when the program was not fine and when no personal attack had been made. And James Landis had been permitted without comment to say in accepting her resignation that she had done immensely valuable work, which was not true, and that every farm and home in the country was impressed with her genius and nobility, which was not true either. And the newspapers which had been foremost in pointing out the obvious reasons Mrs. Roosevelt should retire bent over backward to praise her warm heart and humanitarian endeavors when she did retire. So far as known, not a single unpleasant word came from them - quite the contrary.

"But Mrs. Roosevelt was not content to leave it at that. On Sunday she felt it necessary to occupy the 10 minutes, for which she is paid \$2,000, in name calling and self-praise. She berated her critics, referred to them as 'unenlightened men' whom she pictured as favoring the 'privileged few' and against the downtrodden many, whose champion she asserted herself to be. In brief, she reacted against criticism of his acts since politics became a profession. The long accepted political device for such a situation is to abuse the critics, assume an air of injured righteousness, and make the age-old demagogic class appeal to the many as against the few. Politicians have been doing that for centuries. It was never done more according to the rules than on Sunday night."

And so on Mr. Kent wrote for another column length, the most critical article this writer has ever seen about Mrs. Roosevelt or any other First Lady of the Land.

RCA 1941 NET PROFIT IS \$10,192,716

The twenty-second annual report of the Radio Corporation of America for 1941 released by David Sarnoff, President of RCA, shows, after all deductions, a net profit of \$10,192,716, an increase of \$1,079,560, or 12% over 1940. After payment of all Preferred dividends, earnings applicable to the Common stock were equivalent to 50.2 cents per share, compared with 42.5 cents per share for 1940. Total gross income from all sources amounted to \$158,695,722 in 1941, compared with \$121,439,507 in 1940, an increase of \$37,256,215.

Operations for 1941 compared with 1940 show an increase in gross income of 31%, an increase in net profit of 12%, and an increase in the number of persons employed of 20%.

Provision for Federal income taxes was \$16,373,600, an increase of \$12,128,302 or 285% over the preceding year. These taxes were equivalent, in 1941, to \$1.18 per share on the outstanding Common stock, compared with 31 cents in 1940. In addition to Federal income taxes, the total of State, local, social security and other taxes paid or accrued in 1941 was \$3,417,250, compared with \$2,685,903 in 1940.

Capital additions and improvements during the year in plant facilities and equipment for manufacturing, broadcasting, communications and research, including additions to the patent capital account, amounted to \$8,138,627, compared with \$4,469,285 during 1940.

At the year-end the total number of employees was 30,461, an increase of 5,423 over the preceding year.

The year-end financial statements contained in the report show that: After providing for all dividends and other deductions from the surplus account, the total earned surplus at December 31, 1941, amounted to \$27,963,975, an increase of \$4,310,961 over surplus at the end of 1940.

Year-end inventories were \$29,382,450 (valued at the lower of cost or market), compared with \$16,841,037 at the close of 1940. The increase was due largely to requirements in connection with Government orders.

Total current assets at the year-end amounted to \$77,578,132, compared with \$49,249,607, at the end of the previous year.

Total current liabilities were \$39,863,293, compared with \$22,554,602 at the close of 1940.

Calling attention to the fact that the personnel of RCA, to the extent of more than 30,000 workers in every phase of radio activity, is responding whole-heartedly to the war effort, Maj. Gen. J. G. Harbord, Chairman, and David Sarnoff, President, representing the Board of Directors, stressed the important part of radio in the

war, ashore, afloat and aloft. To expand and speed this war work in every possible way, the report to stockholders indicates how RCA's research, manufacturing, communications and broadcasting are geared to operate with maximum efficiency in the interest of the armed forces and civilian defense of the United States.

While RCA is concentrating on the immediate demands of war, General Harbord and Mr. Sarnoff said that the company is mindful of its responsibilities in the post-war period, when the machinery of war will be turned to the service of peace. The wartime developments of science, they stated, hold promise of spreading into the days of peace. It is recalled that radio broadcasting emerged from the first World War to become a new industry of great national significance.

The gigantic task that confronts the radio industry in equipping the United States and its Allies for swift and efficient radio communication on land, sea and in the air, is revealed in the review of RCA's operations for 1941. Radio is described as a strong protective arm in modern warfare; a lifeline of the Army, Navy and Air Corps.

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ARMY AND NAVY COME TO AMATEURS' RESCUE

The Federal Communications Commission, at the request of the War and Navy Departments, has resumed the issuance of new amateur radio operator licenses.

The Commission is advised that the classification of men for Navy and Army radio duty is facilitated greatly if such persons who are qualified to hold a radio operator license are in a position to verify this fact by exhibiting their license.

When cessation of amateur station operators was ordered following the outbreak of the war, the Commission followed a policy of not issuing any new amateur operator licenses or amateur station licenses, although examinations for the former have continued to be conducted. As a result, there are approximately 1500 applicants who have successfully completed the examination for operator's license and have complied with the provisions of Commission Order No. 75 (proof of U. S. citizenship) and are now qualified to receive new operator licenses.

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Philco Distributors, Inc., in New York have bought the Ed Fitzgerald program on WOR Mondays, Wednesdays and Fridays from 11:15 to 11:20 P.M. to advertise maintenance and servicing of their radio sets.

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INDUSTRY "OVER HUMP" BY FALL KNOWLSON PREDICTS

J. S. Knowlson, Director of Industry Operations for the W.P.B., former President of the Radio Manufacturers' Association, predicted that the Nation's industrial strength would be substantially converted to armament production by late Fall and that conversion of the automobile industry would be completed by September 1.

"Smugness throughout industry is all over", he told a press conference. "They know, more and more every day, that it's a question of 'root hog or die'."

But Mr. Knowlson added, "There is no use in trying to kid ourselves that this can be made a very comfortable transition from a peacetime to a wartime economy."

"There is no royal road", he asserted. "There are going to be casualties in business - the suffering isn't going to be in the trenches alone."

Mr. Knowlson said it was probable that the conversion drive would not affect manufacturers as severely as retail trade outlets which will be hard hit by stoppages of many civilian production lines. However, he observed, the personnel of these establishments eventually could be absorbed in war industries.

Mr. Knowlson said he based his predictions that conversion would be "over the hump" by late Fall on his "great faith in the American businessman's ability" and on indications that the program is much farther advanced than is generally realized.

He estimated that 90 per cent of the industries called in for consultations by the W.P.B. had some war business. He emphasized that the Government itself could not and does not convert an industry.

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FCC SIDESTEPS 100 BUCK DINNER

Among the names conspicuous by their absence in the published list of those who attended the \$100-a-plate Democratic Dinner in Washington on Washington's Birthday, were the members of the Federal Communications Commission. The name of Chairman James L. Fly, whose present term expires in June, and who is said to be very nervous about not being reappointed, was nowhere to be found on the list. In fact, the only one who apparently fell for what was commonly regarded in the Capital as a political shakedown, was Commissioner Paul A. Walker, supposedly the least politically minded member of the Commission.

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ROOSEVELT FIELD RADIO DENIALS

The Federal Commission denied two applications by George W. McCauley, doing business as Aeronautical Radio Co. - one for renewal of license for airport station WQEB at Roosevelt Field, Long Island, N. Y., and the other for construction permit to add ultra high frequency 130,400 kilocycles for the same station.

The applicant failed to file proposed findings of fact and conclusions following hearing on his applications December 1, 1941, and it further appears that the applicant does not have adequate facilities to operate an "airport control station" as defined by Section 9.9 of the Commission's Rules and Regulations; that Roosevelt Field has no present use for an "airport control station"; that the applicant does not care to assume the responsibility of operating such a station; that he has no intention of complying with the certified airman requirements of the Civil Aeronautics Administration; that he has no use for the ultra high frequency requested; and, that the station has not provided, in the past, the service for which it was licensed. Consequently his special temporary authorization granted January 29, 1942, is cancelled.

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DCB IN CLASS 2 IN DEFENSE PRIORITY RATING

In defense priority ratings for each government bureau, Budget Director Harold D. Smith announced that the Defense Communications Board was in Class 2, second only to the War, Navy and War Production Board. The Federal Communications Commission defense activities were also in this class but the FCC otherwise was placed in Class 5, the least essential insofar as war activities are concerned.

The classification was made in connection with the setting up of machinery for the conversion of the Government to a total war footing by the transfer of thousands of employees to war jobs instead of loading down the Government payrolls with an entirely new crowd as has been the practice up-to-date.

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I. T. & T. ADDS BOLIVIA

Direct radiotelegraph service between the United States and Bolivia was established yesterday (Thursday) by the Mackay Radio and Telegraph Company and the International Telephone and Telegraph Corporation radio subsidiary at La Paz, capital and principal city of Bolivia.

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WORK BEGUN ON 100,000 WATT SAN FRANCISCO S-W STATION

O. F. Walker, radio engineer of the General Electric Company, has arrived in San Francisco by air from Schenectady, N. Y., to supervise installation of a 100,000-watt short-wave transmitter, which will be another gun in a kilocyclic battery "shooting" from the United States across the Pacific in the propaganda war with Japan.

The powerful transmitter, built by General Electric and operated previously at Schenectady for short-wave broadcasts to Europe and Latin America, will be operated in San Francisco under call letters KWID. Operators of the station will be Associated Broadcasters, Inc., operators of long-wave station KSFO. General Electric is completing another 100,000-watt transmitter at Schenectady and meanwhile is on the air there with two other short-wave transmitters.

KWID, which will have studios and offices at the Hotel Mark Hopkins, will render additional short-wave service to that now being given by General Electric's 50,000-watt San Francisco station KGEI, with studios and offices at the Fairmont Hotel. KGEI has been broadcasting to Latin America, Asia, the Antipodes, and Africa for more than three years, and is at present the only United States short-wave broadcasting station west of the Mississippi. KGEI is now broadcasting in eight languages and two foreign dialects.

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ADVISES RADIO AND PRESS TO DECLINE DRAFT EXEMPTION

Advising radio and the press to refuse to accept draft exemption, Gen. Hugh S. Johnson writes in his column:

"Here is something that is not getting much attention, but it had better get it.

"A few days ago Selective Service announced that labor leaders were subject to deferment from the draft as essential men in an industry essential to the prosecution of the war.* * *

"Next came a ruling that employees of the press and radio are also subject to similar deferment.

"It is true that it was pointed out that this was no blanket exemption; that the final decision is in the hands of the local board, to whom it must be proved that the industry is necessary in war production or for the national safety, health or interest; that what the man is personally doing is essential to its functioning, and that there is no replacement supply.

"But what good is that when Washington headquarters itself 'advises' that the press, radio and labor leadership are essential to the national interest? That certainly takes away that particular decision, reposed by law in the local boards, and lodges it in headquarters.

"William Green of AFL has denied any desire for them on the part of labor. We should like to hear the same from Mr. Hillman. On the contrary, he has pressed for them. Radio and the press would do well also to decline."

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 ::: TRADE NOTES :::
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Due to the paper shortage, and the necessity for curtailing distribution of releases, the Federal Communications Commission deleted from Section 1.196(b) of its Rules and Regulations the provision that notice of filing of all applications under Part 1 of Title III of the Act that such lists shall be mailed to all persons who, in writing, request this service."

 Rufus C. Maddux since 1940 Director of Sales, has been elected Vice-President in Charge of Sales for Station WOR. Prior to entering the sales field in radio, Maddux was Managing Director of the New Jersey Council. Born in Virginia, he is a graduate of Washington and Lee University and the Harvard Graduate School of Business Administration.

 The Federal Communications Commission has granted the application of Station KPMC, Bakersfield, California, to change frequency from 1600 to 1560 kc. KPMC will at a later date renew its request for an increase in power from 1 to 10 KW.

 The Federal Communications Commission announced adoption of final order granting a construction permit to Western Gateway Broadcasting Corporation for a new broadcast station at Schenectady, N.Y., to operate on 1240 kilocycles with power of 250 watts, unlimited time, and denying an application by Van Curler Broadcasting Corporation for the same facilities.

 Ken Rad Tube and Lamp Corporation - For 1941: Net profit \$338,505, equal to \$2.01 each on 168,450 shares of Class A common stock, excluding 6,550 treasury shares, compared with \$72,302, or 41 cents each, on 175,000 shares of Class A common stock in 1940.

 Physicians Electric Service Corp., Los Angeles, manufacturer of a short-wave diathermic device designated "Pescor Shortwavatherm and The May Department Stores Co., which sold the device at its Los Angeles store, have filed answers to a Federal Trade Commission complaint charging them with disseminating false advertisements concerning the device.

 The Columbia Broadcasting System network sales since the first of the year show an increase over cancellations. Since January 1, CBS has sold 5-3/4 hours of time, a net gain of 1-3/4 hours.

As the economic life of the nation approached more closely the all-out mark and restrictions on manufacturing and priorities developed shortages in consumers goods, some observers predicted that networks were due for a sales lull. The opposite has been the case at CBS.

Of the total of 5-3/4 hours of new time, 2 1/2 hours have been sold to new CBS clients; 1-3/4 hours have been sold to sponsors who are returning to CBS; and sponsors already on the network have bought 1 1/2 hours in additional time.

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COURT RULES AGAINST ASCAP IN BROADCASTING RIGHTS

Supreme Court Justice Louis A. Valente refused last Tuesday in New York to dismiss a suit brought by Broadcast Music, Inc., and the Edward B. Marks Music Corporation against the American Society of Composers, Authors, and Publishers and five individual composers, involving the question whether the publisher or the composer of a song controls the broadcast and performance rights. Defendants asked dismissal on the ground that a copyright question was involved and only the Federal courts had jurisdiction.

Justice Valente overruled this contention, declaring that the case presented no question of infringement of copyright or of the validity of copyright statutes, and that any copyright question involved was incidental to a dispute over contract rights. The Marks Company, publishers of the songs, after withdrawing from ASCAP, granted broadcast and performance rights to BMI, but the composers, remaining as members of ASCAP, signed contracts continuing for ten years the broadcast and performance rights previously held by ASCAP. The court must decide whether the composer or publisher had power to grant these rights.

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SAY NEWS BROADCASTS CREATE EMOTIONAL FATIGUE

"Radio fatigue" is a new mental disease forecast editorially by The American Sociological Review, Science Service notes.

If it develops as a mass affliction of the American radio public, it will be from an excessive listening to emotional broadcasts of war news, and ranting of misguided propagandists who stir up "ephemeral emotion which cannot build tanks, but does disturb digestions and impair mental and physical efficiency."

"The first news of the bombing at Hawaii probably released enough energy", the editorial stated, "caused enough emotion, to build thousands of tanks and bombers - if it could have been directed into proper channels."

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Maxim Litvinoff's first public address since his arrival in this country as Russian Ambassador to the United States, was broadcast from New York City last night (Thursday) when speaking before the Overseas Press Club, all over the world. Heard over 180 American stations of the Mutual Broadcasting System, this and other speeches were translated into Spanish or Portuguese for broadcast to South America over the short-wave stations of the Columbia Broadcasting System. Summaries were to be translated later into other languages for broadcasts to Europe and the Far East, so that people in every country, occupied as well as free, might hear his suggestion that the United Nations launch simultaneous offensives against the Axis this Spring on two or more widely separated fronts.

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