

HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

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INDEX TO ISSUE OF MARCH 3, 1942.

Gives Alleged FCC Red Clean Bill.....	2
NBC And CBS Carry Monopoly Case To Supreme Court.....	3
Navy To Take Over Coastal and Marine Relay Stations.....	4
Overseas Radiophone Service Grows In Wartime.....	4
Radio All-Out For Victory.....	5
Would Make Law-Makers Read McDonald's Glider Book.....	6
NBC And CBS Granted Monopoly Fight Stay.....	8
Winchell Navy Status Probably Soon Decided.....	8
Hygrade Sylvania 43% 1941 Gross Sales Increase.....	9
Keep Every Radio Working - Radioman's Wartime Pledge.....	10
Pegler's Version Of Boake Carter's Silencing.....	10
Calls Influence Of S-W Broadcasts To S.A. Slight.....	11
Trade Notes.....	12

No. 1408

HEINL RADIO BROADCASTING COMPANY, INC.

HEINL RADIO BROADCASTING COMPANY, INC.
NEW YORK, N. Y.

March 3, 1942

GIVES ALLEGED FCC RED CLEAN BILL

Withdrawing charges with regard to a certain employee of the Federal Communications Commission, which he previously made, Representative Wigglesworth, of Massachusetts, offered the following correction to the House of Representatives last week:

"I included two tables received from the Dies Committee including the names of six people believed to be on the rolls of the Office of Civilian Defense and of five people believed to be on the rolls of the Foreign Broadcast Monitoring Unit of the Federal Communications Commission. The names of five other persons believed to be holding minor positions in the Foreign Broadcast Monitoring unit were omitted from the tables.

"Under each name appeared the Communist front organization or organizations with which the individual was reported to have been associated, the nature of the association and the authority for the association reported. Since making the remarks in question, I am advised that two of the names carried in the tables were wrongly included due to a confusion between similar names.

"I am advised by Mr. Landis that the name of George Saunders was wrongly included in the table referring to the personnel of the Office of Civilian Defense; that it is George P. Saunders and not George Saunders, who is a consultant without compensation on the rolls of this agency.

"I am also advised that the name of Mary Johnson was wrongly included in the list referring to the personnel of the Foreign Broadcast Monitoring Unit of the Federal Communications Commission; that Mary Dibrell Johnson and not Mary Johnson is employed as a translator by this agency; that Mary Dibrell Johnson has never even seen either of the publications to which it was reported she had contributed; that she comes from a family of high standing in the South, well known to our colleague, the gentleman from Texas (Mr. South).

"I regret very much to have contributed to these cases of mistaken identity. I should be the last to wish to reflect unfairly in this connection upon any loyal American citizen."

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NBC AND CBS CARRY MONOPOLY CASE TO SUPREME COURT

The National Broadcasting Company and the Columbia Broadcasting System are taking immediate steps to appeal from the decision of the U. S. District Court of Southern New York by asking the Supreme Court of the United States for a stay of the rules of the Federal Communications Commission pending the appeal. Stations of the two networks were so notified. William S. Hedges, Vice President in Charge of NBC Stations Relations, sent this telegram to affiliates of NBC:

"On Saturday, February 21, the Federal Court of New York by a divided vote dismissed our complaint in our action against the Federal Communications Commission on the proposed chain broadcasting rule solely on the ground that the Court did not have jurisdiction. The Court did not pass on the question of the Commission's authority to promulgate these rules. When the suit was commenced the Commission entered into a written agreement not to enforce or apply these rules for at least ten days after we are served with a copy of the Court's order. We intend to appeal immediately to the Supreme Court of the United States and ask for a further stay of the rule by that court."

In its appeal petition, CBS said: "A network system of broadcasting as presently operated by the plaintiff and based upon its affiliation contracts is essential to the public interest, convenience and necessity and indispensable to the fullest and most effective use of the radio facilities of the country."

The Columbia System, in a statement as to the jurisdiction, pointed out further that stations with which it had "affiliation" contracts fear the loss of their broadcasting license because of the FCC regulations. These affiliate station, it added, will not renew their contracts and have threatened to cancel existing ones.

CBS also held that the Court had erroneously failed to consider the merits of its application for a preliminary injunction.

The New York Federal Statutory Court recently held it had no jurisdiction in a decision recently.

The National Broadcasting Company and the Columbia Broadcasting System contested the FCC order barring exclusive network affiliate station contracts and prohibiting any company from owning two networks, as an unauthorized attempt to enforce the anti-trust laws.

In its appeal petition, NBC asserted the Statutory Court had erred in dismissing its complaint and in failing to hold that it (the court) had jurisdiction.

The Mutual Broadcasting Co. intervened as a party with the Government and the FCC in the suits.

NAVY TO TAKE OVER COASTAL AND MARINE RELAY STATIONS

The following order has been issued:

"Whereas, The Defense Communications Board has by Executive Order No. 8964 of December 10, 1941, been authorized, if the national security and defense and the successful conduct of the war so demand, to prescribe classes and types of radio stations and facilities or portions thereof which shall be subject to use, control, supervision, inspection, or closure, in accordance with such prescription, by the Department of War, Department of Navy, or other agency of the United States Government, designated by the Board;

"Now, Therefore, By virtue of authority vested in the Board under the aforementioned Executive Order, the Board hereby directs that all coastal and marine relay radio stations, as defined in the Rules and Regulations of the Federal Communications Commission, within the jurisdiction of the United States shall be subject to such use, control, supervision, inspection, or closure by the Navy Department in accordance with the terms of the said Executive Order as may be deemed necessary for the national security and defense and the successful conduct of the war by the Secretary of the Navy, under such regulation as he may prescribe."

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OVERSEAS RADIOPHONE SERVICE GROWS IN WARTIME

Overseas telephone traffic, as a whole, continued to grow rapidly during the year despite the decline in European messages due to the war conditions, President W. S. Gifford, of the American Telephone and Telegraph Company reports. New record levels were reached in transpacific, Caribbean, and South American traffic and telephone calls with Hawaii, Panama, Puerto Rico and the Philippines increased several fold.

During 1941, direct circuits to Europe were in operation with London, Berne, Madrid, Berlin and Rome, and in June direct radiotelephone service was established to Portugal, formerly reached via Madrid. Upon the outbreak of war with the Axis powers, in December, the circuits to Berlin, Rome and Tokyo were discontinued. Upon the occupation of Manila, early in January, 1942, the San Francisco-Manila service was suspended.

To meet the increases in traffic and to strengthen important routes, radiotelephone facilities are being improved and augmented. During the summer of 1941, additional circuits were provided to Panama, the Philippines and The Netherlands Indies. Two additional circuits to Honolulu are being installed for completion early in 1942. An additional circuit to San Juan, Puerto Rico, and a second circuit to Rio de Janeiro, Brazil, are planned for the middle of 1942.

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RADIO ALL-OUT FOR VICTORY

One of the most comprehensive compilations of radio's great part in the war is a 36-page handsomely illustrated brochure, "Radio All-Out For Victory" just issued by the Radio Corporation of America. Stating that the story of radio in National Defense is the story of radio's great advance from World War I to World War II, the introduction to the brochure reads:

"Research and invention have put radio in the first line of America's defense. The services of the Radio Corporation of America in research, manufacturing, communications, and broadcasting are geared to the all-out effort for Victory.

"Research and engineering developments in radio and electronics continually are strengthening the bulwarks of communications on land, sea and in the air. At Princeton, N. J., the new RCA Laboratories - the foremost center of radio research in the world - are under construction.

"International circuits operating on short and long waves make the United States the communication center of the world. Today, R.C.A. Communications, Inc., conducts direct radiotelegraph service with more than forty countries.

"Radio manufacturing machinery and production have national defense as the No. 1 program, with radio apparatus, second to none in the world, being produced to give the 'Arsenal of Democracy' a voice unsurpassed in range and efficiency. Thousands of workers in the RCA Manufacturing Company's plants have pledged themselves to 'beat the promise' in production and delivery dates of radio equipment for war and civilian defense.

"The Radiomarine Corporation of America has equipped more than 1,500 American vessels with radio and is completely engaged in the all-out war effort.

"Radio broadcasting is keeping the American people informed accurately and up-to-the-minute; it is the life-line of communication that reaches 55,000,000 radio sets in homes and automobiles. * * * The National Broadcasting Company and the Blue Network Company and their associated stations are fully organized for the coordination of wartime broadcasting.

"New radio operators and technicians must be trained for wartime posts. R.C.A. Institutes, the oldest radio school of its kind in the United States, has more than 1,200 students enrolled in its New York and Chicago classrooms."

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WOULD MAKE LAW MAKERS READ McDONALD'S GLIDER BOOK

Capt. Eddie Rickenbacker, endorsing "Youth Must Fly", the new book on the subject of gliders, by E. F. McDonald, Jr., President of the Zenith Radio Corporation, said:

"It is my hope that this book will become compulsory reading for the law-makers and defense builders, as well as every student-aged citizen of this country."

"Youth Must Fly", published by Harper & Brother, makes clear how gliding and soaring, long a hobby of Commander McDonald, can be the invaluable and comparatively expensive method of preliminary training for young men who are to become wartime aviators.

"American youngsters are the most air-minded people on earth", Mr. McDonald writes. "There are more than two million teenage kids in the United States today who spend their spare time and pocket money in building and flying model airplanes. Their interest and enthusiasm have made the model business a \$7,000,000 industry. A boy will start with a flying toy, progress to constructing models powered by rubber bands, and finally produce a gasoline-powered model which will stay in the air much longer than the Wrights' first flight at Kitty Hawk. Sometime in his later teens he will begin to lose interest in models. They have served their purpose, taught him a great deal about the theory of flight, and led him to an intense interest in real planes. But they are only toys.

"Unfortunately, the great majority of these youngsters are lost to aviation as soon as they outgrow the model-building stage. They go as far as they can with their models, but then they stop. Most of them are too young to qualify for the Civilian Pilot Training Program sponsored by the Civil Aeronautics Administration, and many of them never belong to the select minority who attend college and are eligible for these courses. Private flying lessons are too costly for many purses, and in some localities are not obtainable at any price. Parents frequently object to power flight because of possible danger, and it is true that a powerplane presents many hazards for the average immature youngster. The few boys who do get flying lessons usually find the purchase of a power airplane difficult or impossible. As a result, most of them lose interest."

Glider training, the author contends, provides the ideal method of bridging the gap between model building kid and power flying young men thereby keeping our youth interested in aviation.

Commander McDonald says we have seen the crushing air power with which Germany entered the war and the startling suddenness of the glider conquest of Crete, and observes that the Germans found glider training so valuable that they considered it as a vital part of the national aviation program. He quotes Captain Rickenbacker as saying, "You are one hundred percent right. Teach our youngsters to soar and the future of aviation will take care of itself."

Concluding Commander McDonald says:

"Our problem is to get our boys into gliders now, to keep them in aviation, to bring them a marvelous new sport, to make better pilots for the future needs of civil and military aviation. The future of soaring is unlimited, but in this period of emergency, which may endure for years, we should accelerate its development by encouraging it in every possible way. I believe that there should be a government subsidy to get glider clubs started, possibly flowing through such organizations as the Boy Scouts, the Y.M.C.A., the Catholic Youth Organization, and others. Locally sponsored clubs should multiply. Free instruction in both flying and construction should be made available for high school youngsters everywhere. We should make it easy for Young America to spread his wings; then we can safely entrust the future to his care."

All the way through Mr. McDonald compared the development of gliding with how amateurs pioneered in radio saying: "Everything we have in this country in radio today is due to the youths of the United States."

"Youth has already contributed mightily to aviation but, unfortunately, the youngsters in this country have not been given the opportunity to perform the marvels they have done for radio. There are probably twenty teen-age kids building and flying models for every one that burns his fingers soldering wire to condensers, but there are nearly as many licensed radio amateurs as there are licensed airplane pilots of all types, amateur and professional."

"The parallel between radio and aviation is not, of course, perfect. There is a great deal of difference between shifting the connections of a few wires on a radio chassis and taking the air in an untried flying machine. We cannot encourage or permit our youngsters to leave the ground in gadgets of original design which may or may not have sufficient structural strength or stability to maintain flight. But we must not permit ourselves to fall into an attitude of smug complacence and dismiss the thinking of uneducated, untried youngsters simply because they cannot write a string of letters after their names."

"At Zenith we figure we have a research staff of 54,000 engineers, because we regularly advertise to America's 54,000 licensed hams in their magazine QST for ideas. Most of those which come in are impracticable, but every new suggestion is carefully studied by our engineering laboratories. It occasionally happens that we are able to purchase valuable ideas from this source. Incidentally, not a single one of our engineers has yet reached forty, and some of our best men came to us directly from ham ranks with no intervening pause in the college classroom."

Commander McDonald makes interesting references to his short-wave radio trail-blazing when he was with MacMillan in the Arctic, and to numerous noted associates in the radio world such as Marconi, Maj. Edwin H. Armstrong, and Admiral S. C. Hooper. Also the electrical wizard Steinmetz.

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NBC AND CBS GRANTED MONOPOLY FIGHT STAY

(See earlier Story on this in this issue)

A temporary advantage was gained by the National Broadcasting Company and the Columbia Broadcasting System when the Federal Statutory Court in New York on Monday, which had previously ruled it had no power to restrain the Federal Communications Commission permanently from enforcing anti-monopoly rules granted a temporary stay until May 1st. In so doing the Court gave this opinion:

"Considering on the one hand that if the regulations are enforced the networks will be obliged to revise their whole plan of operations to their great disadvantage, and on the other that the Commission itself gave no evidence before these actions were commenced that the proposed changes were of such immediately pressing importance that a further delay of two months will be a serious injury to the public, it seems to us that we should use our discretion in the plaintiffs' (the networks') favor, to stay enforcement of the regulations until they can argue their appeal."

Should the United States Supreme Court hear argument on the appeal before May 1, the temporary stay will become inoperative on the date of such argument. Any stay beyond May 1, however, will have to be obtained from the Supreme Court itself.

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WINCHELL NAVY STATUS PROBABLY SOON DECIDED

It is expected there will be an early decision as to whether or not Walter Winchell, radio commentator, charged with being a New Deal apologist, may continue to broadcast while on active duty as a Lieutenant Commander in the Naval Reserve.

Mr. Winchell said recently that he had twice asked to be placed on the active list but that the Navy Department had given him the assignment of publicizing the big drive in New York for funds for the relief of Navy families in need of assistance.

The name of Mr. Winchell came up in Congress in connection with the debate on whether or not Lieut. Franklin D. Roosevelt, Jr., had been accorded favoritism in connection with his recent operation for appendicitis.

Addressing the House, Representative Hoffman, of Michigan, who said, addressing Representative of Georgia:

"The distinguished gentleman from Georgia, Chairman of the Committee on Naval Affairs, has just rendered us a very noteworthy service in quoting the record with reference to Lieutenant Roosevelt. There is another topic on which he can give us some information. I

want to ask him if he will be so kind as to inform us about Lieutenant Commander Winchell, who, it is reported, gets \$5,000 a broadcast once a week on a radio program, advertising a hand lotion and peddling dirty gossip, and does it in the uniform of a Lieutenant Commander in the Navy. Now, I may be wrong about that, and I wish the gentleman would give us information on his record tomorrow.

"I can tell the gentleman about that now", Representative Vinson replied. "I have advised the Navy Department either to call him to active duty or disenroll him."

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HYGRADE SYLVANIA 43% 1941 GROSS SALES INCREASE

The best year in the company's history was reported by Hygrade Sylvania Corporation in its annual report for 1941. The growth of fluorescent lighting and an unprecedented demand for radio tubes were held accountable for a 43 percent increase in sales during the year, producing a total volume of \$20,561,000 as compared to \$14,358,808.88 for the previous year.

Net income before Federal income or excess profits taxes was \$2,402,186. This is an increase of 83 percent over the \$1,307,625 figure for 1940.

Of this increased net income before Federal taxes \$908,000, or 83%, will go to the Federal Government as increased Federal income and excess profits taxes on the increased earnings, and \$186,561, or 17 percent, will remain for the stockholders.

After deduction of preferred dividends of \$1.80 a share, this amounted to \$1.78 per share on the 514,368 shares of common stock outstanding December 31st. The figure is not directly comparable with dividends of the preceding year, since the stock was split on a two-for-one basis and an additional 100,000 shares issued in September of 1941, but figured in terms of the current status of the common stock, 1940 dividends can be computed as equivalent to \$1.79 a share.

"During this trying period, it is the No. 1 objective of the officers and directors of Hygrade Sylvania Corporation to conduct the business of the company so that it will be the greatest aid to our country in its efforts to bring the war to a victorious conclusion", a statement of policy contained in the report states. "The peace-time fundamentals of providing a useful service to the public and of contributing to higher standards of civilian life must occupy a secondary place."

The report added that the company continued to be the second largest manufacturer of radio receiving tubes, the third largest manufacturer of lamp bulbs, and one of the largest and foremost manufacturers of fluorescent lighting, with only three other manufacturers producing fluorescent lamps in substantial quantities

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KEEP EVERY RADIO WORKING - RADIOMAN'S WARTIME PLEDGE

Stressing what he describes as the radioman's wartime pledge "Keep Every Radio Working", O. H. Caldwell, Editor of Radio Retailing, advises:

"Servicemen should band together in each community and work in close cooperation with the local defense organization. A Community-wide check-up of radio sets should be arranged at once. This will mean each household getting a visit from a radio man, who should examine all sets, filling out a card for each home, showing make of radio, operating conditions, etc. If set is not working, repairs can be offered at an agreed-upon price schedule.

"Such a community-wide inspection should get the support of the local defense authorities. Home-defense leaders could be quoted in home-town newspapers emphasizing the importance of each household having dependable radio reception in case of emergency.

"Here is a move which should be started in your town without delay!"

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PEGLER'S VERSION OF BOAKE CARTER'S SILENCING

Explaining that the reason his letters were not appearing just now was that he was on his vacation, and denying that there had been any effort to silence him, Westbrook Pegler made a reference to Boake Carter, Philco commentator, whose disappearance from the air has been more or less of a mystery.

"I never have been conscious of any attempt by the New Deal to shut me up", Mr. Pegler writes. "This may sound self-important, but several editors have said that when I took my vacation in recent years they received letters from persons who thought the sacred American right to make a nuisance and/or an ass of one's self in print had been violated and I want the benefit of no such unfounded and harmful suspicions.

"Such a situation arose a few years ago when Boake Carter, a reporter gone cosmic like me, who had been broadcasting a rather aggressive line of personal opinion along with the news, suddenly went off the air. Of course, radio is less independent than the press, but I never shared the suspicion that Carter was gagged. Frankly, to me, Carter's broadcasts were affected, unconvincing and a bore and I felt that an advertising sponsor might have released him for reasons having nothing to do with his politics.

"Lately I have found myself in controversy with Mrs. Roosevelt.* * *

"In her radio address on the O.C.D. controversy, Mrs. Roosevelt said she spoke as 'a private citizen', when everyone in the advertising business knows that she was delivered as a commercialized political attraction at a high price because she partook of the Presidency of the United States, and wouldn't even have got an audition as a private citizen. I don't get her reasoning at all, but I want to study it over."

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CALLS INFLUENCE OF S-W BROADCASTS TO S.A. SLIGHT

A reader of the paper signing himself Luis Alcivar has addressed the following letter to the New York Times:

"Several days ago I read an article in your paper to the effect that the Government, through the Donovan and Rockefeller committees, was endeavoring to arrange with the owners of short-wave transmitters in the United States to purchase all the available time for propaganda purposes.

"As a citizen of Ecuador and manager of Radiodifusora del Ecuador in Guayaquil, it is my opinion that this action would be a great mistake. I am thoroughly acquainted with all the countries in Latin America and can speak with no little degree of authority upon their customs, particularly with reference to listening habits in the particular countries.

"If Hitler tomorrow were to build 100 new short-wave radio stations in an effort to influence thinking in the United States, he would be sure to fail in his purpose, for the simple reason that in this country it has been my observation that people do not listen to short-wave direct, but prefer to get any foreign programs by means of their local long-wave stations.

"I can assure you that exactly similar conditions exist in Latin America, where a very small part of the radio audience tunes in on direct short-wave.

"It is therefore my contention that any programs destined for Latin America will be relatively valueless unless they are re-broadcast locally by the local long-wave stations.

"It is my further belief that the programs which may be sent to us in our language will be much more believable and convincing if we feel that they represent free American public opinion on hemisphere matters rather than mere propaganda."

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The National Broadcasting Company has gone on a war-time basis, with all departments operating on Saturday mornings. The departments have been operating on a five day week.

 The Federal Communications Commission has denied the petition of Station KWK, Thomas Patrick, Inc., St. Louis, Mo., to grant it an application for construction permit to change frequency from 1380 to 680 kc., and increase power from 1 KW night and 5 KW day to 25 KW night and 50 KW day, and to require KFEQ, St. Joseph, Mo., to change frequency from 680 to 1380 kc., or some other suitable frequency. Also KWK was denied its request for special permission to eliminate transcription identification in connection with a particular daily broadcast.

 Considerable work has been carried on during the past year in developing ultra-short-wave radio systems to serve as adjuncts to land lines, W. S. Gifford, President of the American Telephone & Telegraph Company reveals in his annual report.

 Arabic takes its place as the twelfth language on the Columbia Broadcasting System's roster of service to the rest of the world with the addition to its shortwave staff of Dr. Clement Dorra, eminent Egyptian physician and publicist.

 The National Broadcasting Company has applied to have the completion dates of its television stations in Philadelphia and Washington extended to March 3, 1943.

 Establishment by the National Broadcasting Company of a radio transcription service on world events and educational subjects, for use in America's schoolrooms was explained in San Francisco to a meeting of members of the American Association for Education by Radio.

 Station KOL, of Seattle, Wash., has applied for a construction permit to install a new transmitter, make changes in directional antenna for day and night use, change frequency from 1300 to 880 kc., increase power from 1 KW night, 5 KW day to 10 KW and move transmitter.

 Station WBOE, the school-owned station in Cleveland, has been designated to give the air raid warning signal to all schools of Cuyahoga County, the Federal Radio Education Bulletin reports. Suburban parochial and private schools have purchased FM radio sets and at each school continuous listening makes possible an emergency warning within a few seconds. According to William B. Levenson, director of the station, a recent visitor from London, in Cleveland, to suggest civilian defense procedures, remarked that he thought this was a function that other school stations might well assume.

 The restriction of the advertising content of London morning papers to a maximum of 40 percent of total space and to 45 percent for evening newspapers was announced. Weekly, biweekly and tri-weekly publications will be allowed a maximum of 55 percent advertising. The major Sunday newspapers will come under the 40 percent rule.

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