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NATIONAL BROADCASTING COMPANY, INC.
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June 16, 1942.

SERIOUS SITUATION SEEN IN STATIONS LOSS OF MAN POWER

The drain of the war on the man power of the broadcasting stations of the country is viewed with considerable apprehension by the Federal Communications Commission. Discussing this situation, Chairman James L. Fly said Monday:

"The problem of our employees in the broadcast industry - I am referring, of course, to engineers and technical experts - is rapidly getting no better. Naturally there has been a great drain on the personnel in the broadcasting industry due to opening up of other technical jobs and to a certain extent due to the desire to get into something which seemingly was more active in terms of war work. As you know, the Defense Communications Board has given this matter considerable attention and the Commission in particular has lowered its requirements for skilled personnel on two or three different occasions in order to get the greatest assurance of continuity of service from what we thought was the minimum requirements from the standpoint of technical skill and qualifications.

"We were hopeful that that would assist the small stations in particular. I find the small stations throughout the country are harder hit than the big stations. Very properly the Broadcasters Victory Council has been giving that some detailed attention. I think we've all got to bear that situation in mind. It will be too bad if we have a shortage in the industry and not at all fortunate that the little stations are going to be the ones hit worse. Particularly since the big stations are tending to draw those people from the little ones. I think the little stations are less in position to protect themselves in this situation than the big ones are.

"I hope to see that process of movement from one station to another slowed down if it can consistently be done. I think in back of the whole thing may be an assumption that broadcast industry is not essential in time of war - those of us at this end of the line and the industry feel that it is very essential in time of war. Something that affects the people in terms of mass communication, in terms of information, and perhaps fully as importunately in terms of existing morale. It can hardly be over-emphasized and I think it is clear that anyone that stays with the broadcasting station and does a real job toward keeping the station on the air is doing something affirmatively to aid in the war effort.

"I certainly don't want to discourage anyone moving toward an active part in fighting the war but this business of trying to nudge seemingly closer to the war I think may be based upon the superficial assumption that broadcasting industry is not doing a real job in the war. I think it is doing a real substantial job and is bound to continue to do a real substantial job. We have all got to

keep it going for that reason and the knowledge of the significance of broadcasting is a real reason why we have done all we could to keep it going - so it would keep going without any lowering of standards and without any lessening of service for the full duration, and I am hopeful that skilled personnel will think twice before leaving the industry and people in the lurch here.

"Anything we can do here on the problem we are going to do. We are going to make some special studies along with the War Manpower Commission and Selective Service people - try to make some surveys of the situation and assist in any way we can to see that the man power we have got available will do the best job possible for all concerned. I don't know whether Selective Service will want to establish any policy of deferments or not but I should think that in any balancing of the interest of different activities that broadcasting ought to stand pretty high in the list. I think that the BVC is entirely right in pressing the matter and certainly all of us want to try to do what we can about it."

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STATION OWNERS WARNED TO GO SLOW ON WFAA DECISION

L. Metcalfe Walling, Federal Wage-Hour Administrator in New York, warned employers that his office took a limited view of the applicability of the 5-to-4 Supreme Court decision authorizing the A. H. Belo Corporation, publisher of the Dallas Morning News and operator of radio station WFAA, to make individual contracts with employees whose hours were irregular. Under the individual contracts the workers receive a fixed weekly salary, although they work more than forty hours in some weeks.

As a general rule, Mr. Walling said, the wage-hour division would "continue to be guided by the broader interpretation" contained in the Court's 8-to-1 decision that the overtime provision of the law required the Overnight Motor Transportation Company to pay its employees 150 per cent of the "regular, not the minimum wage."

"It is expected that a considerable amount of litigation will be necessary before the contours of the Belo decision are fixed, since the Court stated that it could not 'provide a rigid definition of regular rate when Congress has failed to provide one', Mr. Walling said. "I believe it only fair to warn that the Court in the Belo decision was passing on the particular state of facts before it and that generally the division will continue to be guided by the broader interpretation contained in Overnight Motor Transportation Company v. Missel."

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AMATEUR JUNK TO PROVIDE OCD EMERGENCY SERVICE

Radio amateurs who were silenced at the beginning of the war will stage a grand comeback by providing emergency two-way short-wave radio systems for Civilian Defense use in our cities in event the telephone service is disrupted by bombs. Furthermore, these resourceful amateurs will build much of their equipment from discarded material. It was said that thousands of radio stations could be constructed of junk.

An experimental system will be set up in the National Capital which is expected to be a model for the other cities of the United States. An official statement of the plan follows:

"Two-way radio communication in air raid emergencies, employing the skill of civilian technicians, including radio amateurs, was envisaged by the Office of Civilian Defense and the Federal Communications Commission which announced a new War Emergency Radio Service. The two agencies are collaborating their activities relative to proposed emergency civilian defense radio systems to be available in the event air raids damage or destroy other means of communication.

"Thousands of compact radio stations to be constructed and operated under prescribed restrictions largely by persons who have had amateur radio experience are expected to augment the services of the OCD organizations throughout the nation. According to radio engineers the two-way radio stations can be constructed of the unused 'junk' material which amateurs and radio repairmen usually accumulate in their 'storerooms'. The transmitters will use not more than 25 watts input power, which will tend to limit their effective communicating range to approximately ten miles - the longest distance ordinarily necessary for this type of service.

"Persons holding commercial radio operator licenses, including radio engineers employed in broadcast stations, qualified repairmen, and others interested, are expected to join the civilian defense communication system. Printed manuals designed to facilitate administrative operation will be distributed by the OCD, through its regional offices.

"Officials at the Communications Commission explained that blanket licenses for all civilian defense radio stations within a civil defense operations area would be granted to an 'instrumentality of local government' when the equipment is in the possession or control of the local government. A 'radio aide' for the local instrumentality must be certified and appointed in accordance with FCC rules. Separate operator licenses designated 'War Emergency Service Operator Permits' will be issued to persons assigned to operate each radio station. However, it was emphasized at the FCC that no individual operator permit of this special class will be issued unless the applicant first holds a regular FCC operator license or permit, and only after the FCC has been satisfied in regard to the integrity and loyalty of each applicant for a War Emergency Service Operator Permit.

"James L. Fly, Chairman of the Defense Communications Board and the Federal Communications Commission declared that:

"This gives thousands of amateurs an opportunity to employ their radio skill in their local protection services. The new emergency service may be described as a stand-by facility to be used when other means of communication fail. We have assigned certain bands of frequencies above 112,000 kilocycles for the use of the OCD organizations, and provision has been made for testing during blackouts and other mobilization trials."

"Since the United States has been at war, all amateurs have been banned from the air by the FCC as requested by the Defense Communications Board. Since that time a representative amateur organization of national scope, the American Radio Relay League, has been cooperating with the OCD and the FCC to the end that radio amateurs will be made available to assist in alleviating the damaging effects of possible air raids on this country. The FCC acted immediately after the Japanese attack on Pearl Harbor last December to 'silence' all amateur radio stations in this country, but soon thereafter permitted some of the amateurs to operate when they were needed for 'local defense'. However, on January 9th the FCC issued an order stating that because of events subsequent to its December 7th Order and because of military requirements all amateur radio operation must be suspended."

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TAX INCREASED ON RADIO AND WIRE COMMUNICATIONS

The Ways and Means Committee recommended last week a substantial rise in the tax rates for telephone, telegraph and radio messages.

On telephone and radio telephone toll service charges of more than 24 cents, it was decided to impose a flat tax of 20 per cent as recommended by experts of the Treasury and the Joint Committee on Internal Revenue.

For telegraph, cable and radio messages, on which the tax is now 10 per cent, it was voted to levy 15 per cent.

No change was made in the tax for leased-wire services, but the present tax of 6 per cent on local telephone service was raised to 10 per cent of the monthly bill. The expected additional yield on telephone and radio calls was put at \$26,800,000 and on local telephone bills at \$36,800,000, or a total of \$63,600,000.

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GALVIN HANDS ORCHIDS TO RMA WAR LEADERS

There was praise for his associates for their wartime conversion of the radio industry with so little dislocation from Paul V. Galvin, President of the Radio Manufacturers' Association, speaking at the Chicago convention last week. Mr. Galvin, who was re-elected, said:

"Throughout the epic-making period of transition, it fell to the lot of the Radio Manufacturers' Association to supply industry leadership in all of the various negotiations. Evidence as to how well prepared RMA was for this industry responsibility and how well the industry fared under the leadership is to compare our experience to that of other industries, such as automotive or refrigeration. The record speaks for itself.

"As members of RMA and the radio industry, you are deeply indebted to a number of individuals, and I hereby pay honorable mention to some of them who gave of their time and talents so willingly to the industry problems of this last year. I lead off with Jim Knowlson who so ably led us through the first four months of this year - the early months when things were shaping up. There wasn't a lot of fanfare as to what Jim was doing, but I was in a position to know what was going on and saw the master strokes.

"Bond Geddes and the entire paid staff turned in the best year in his entire RMA career. Many of you not in a position to observe will never realize the splendid job that was done by Bond in ably keeping on top of a rapidly changing picture. The things that were prevented by his vigilance, things many of you never heard of, were as important as the things you know about.

"You will never realize the weeks and weeks of effort put in by Fred Williams on RMA and industry matters. Roy Burlew was almost constantly on the job in Washington on industry tube problems. Sylvester Thompson - Dr. Baker - Henry Bonfig - Abe Bloom - Al Wells - Ben Abrams - Ray Sparrow - Jerry Kahn - Hal Osman - Jim Quam - Les Muter - your Executive Committee and your entire Board of Directors were ever ready and willing.

"I wonder how many of you really realize the importance radio is and will play as a major deciding factor as to who is going to win this war. What is it that gives the vicious efficiency to vehicles of destruction in modern mechanized warfare? It is radio.

"What is it that is today revolutionizing aircraft, naval and anti-aircraft tactics and strategy? It is radio and radar.

"It is our job - the industry's job - to deliver these precious and important instruments. Have we lots of time in which to accomplish this task? No - the time is altogether too short. But let that not be an excuse. We must not fail. How will it be done most successfully? By every last one of us having an assignment of some specific part of the job, and, come what may, overcome all obstacles.

"Your Association membership today is the highest it has been in numbers in the last twelve years. We have practically 100 per cent of the set and tube manufacturers, and a great preponderance of the parts manufacturers. We are, at the present time, developing and establishing a division for transmitter manufacturers which will round out the activities of the Association for greater effort in the war and after the war. The great expansion of the electronics field as a result of war activities will bring on new horizons after the war. Your Association is cognizant of this and is approaching these problems in a progressive fashion. Your Association is ever vigilant of the importance of governmental relations to an industry, and we are progressively active in these matters in the interest of the industry.

"A short-sighted person might ask unthinkingly, 'Do we need an association during the war?' To him I will suggest that he go to Webster's Dictionary and look up the word 'association', and he will find therein - 'Association, a union of persons in a society for some common purpose'.

"If we ever had a common purpose to bind us together into an association, it is now."

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CENSUS REPORTS ON VERMONT AND NEW MEXICO RADIOS

Two widely separated States were heard from last week in the canvass of radio sets - Vermont and New Mexico. According to the census report, of the 92,435 homes reported on in Vermont, 80,253 had radios; 10,316 had no radio and 1,866 did not report. Of the 35,164 rural-nonfarm dwelling units, 30,213 were equipped with radio, 4,273 had no radio and 678 did not report. As to rural-farm dwelling units, out of the 24,806 total, 19,636 had radio, 4,627 had no radio and 543 did not report. In Burlington, the largest city, 6,732 out of 7,138 had radios.

Out of the total of 129,475 homes in New Mexico, 66,609 were found to have radio sets, and 58,525 had no radio, while 4,341 did not report. Of the 43,097 rural-nonfarm dwelling units, 19,824 were equipped with radio, 21,835 had no radio and 1,438 did not report. Of the rural-farm dwelling units, 39,665, those with radio were 14,105 and 24,310 had no radio while 1,250 did not report.

In Albuquerque, the only big city in New Mexico, out of a total of 9,884, 8,073 had radios, 1,235 had none, and 576 did not report.

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ROOSEVELT NOMINATES FLY FOR ANOTHER 7 YEARS

President Roosevelt last Monday nominated Chairman James L. Fly for another seven years on the Federal Communications Commission. It was evidently this subject that the President and Mr. Fly discussed when the latter visited the White House a few days before.

The reappointment of the New Deal Democrat who has made it so hot for the networks, who is making newspaper publishers fight for the right to own a station, who blocked television until they did it his way, and who made an all out defense of Goodwin Watson, alleged Red on the FCC payroll, is apparently the President's answer to Mr. Fly's critics. The only hope his enemies now seem to have is that he may be transferred to some other position. Mr. Fly has been mentioned for Solicitor General and other important posts.

Mr. Fly, who is a graduate of the Naval Academy and hails from Texas, is now 44 years old. He received an L.L.B. degree at Harvard, served as a Special Assistant U. S. Attorney General acting as Government counsel in actions involving restraint of trade under Federal anti-trust laws. In 1934, Mr. Fly became General Solicitor and head of the Legal Department of the Tennessee Valley Authority and served in this capacity until 1937 when he became General Counsel of TVA.

The new seven-year term of the Chairman, who was appointed September 1, 1935, begins July 1st. The salary is \$10,000. The next Commissioner's term to expire will be George Henry Payne, who will be up for reappointment next year.

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FCC RULES ON APPLICATION INVOLVING MARSHALL FIELD

The Federal Communications Commission has granted the petition for reconsideration of application for consent to the transfer of control of Hammond-Calumet Broadcasting Corporation, licensee of Station WHIP at Hammond, Indiana, from George F. Courier to John W. Clarke. WHIP, located as it is just outside of Chicago, is the station Marshall Field began negotiations with sometime ago to acquire.

The Commission explains its ruling, in which Commissioners Craven and Wakefield dissented, thus:

"On June 2, 1942, the Commission considered this application and designated the same for hearing. At that time it appeared that Marshall Field, the owner of newspapers in Chicago and New York, had purchased debenture bonds of the licensee corporation in the principal sum of \$75,000, and that an additional \$75,000 in debenture bonds would be sold, probably to the same individual; and that there appeared to be some question as to whether or not the proposed trans-

fer of control involved the acquisition of interests in a broadcast station by one holding interests in newspapers.

"In connection with the petition for reconsideration and grant of the application, it is shown that Mr. Clarke, the transferee, has agreed to purchase the additional \$75,000 of the licensee's bonds and has stated in his affidavit that he will assume and retain actual control of the station in the event the instant application is granted.

"Based upon the representations and assurances of the transferee, the Commission finds that the proposal does not involve the acquisition of broadcast station interests by one associated with newspapers, and that its present policy of placing applications of that type in the pending files until the determination of the issues involved in the proceedings under Order No. 79 is not applicable in this instance. The licensee corporation is in a grave financial condition and the contemplated transfer will place it in a much sounder position financially, thereby giving assurance of improved quality of broadcast service to the public. Accordingly, the Commission finds that public interest will be served by the granting of the instant application, subject to the condition hereafter set forth.

"Accordingly, It Is Ordered this 9th day of June, 1942, that said petition Be, and It Is Hereby, Granted; that the hearing on said application Be, and It Is Hereby, Cancelled; and that said application Be, and It Is Hereby, Granted, upon the express condition that:

"Nothing contained herein shall be construed as a finding upon or with respect to an approval of any future transfers (including relinquishments) of control of the licensee which might arise out of further stock transfers, the exercise of voting privileges thereon, or otherwise or the future exercise of control over the station by anyone other than the licensee."

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EARL GAMMONS NEW DIRECTOR OF CBS WASHINGTON OFFICE

The Columbia Broadcasting System announced yesterday (Monday) the appointment of Earl H. Gammons, as Director of its Washington office. He succeeds Harry C. Butcher, recently called into active service by the Navy and on leave of absence from the company for the duration.

Mr. Gammons has been with the CBS for 13 years as Manager of WCCO, Minneapolis, and has been in radio broadcasting since 1924. Since his association with WCCO and CBS, Mr. Gammons was increasingly prominent in industry affairs and several times served as a Director of the National Association of Broadcasters. He saw active service in France in the last World War.

Mr. Gammons will assume his new duties in Washington about July 1. His successor as Manager of WCCO will be announced shortly.

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NEW WAR INFORMATION OFFICE TO REVAMP S-W SET-UP

One of the first things affecting radio in the consolidation of press and radio services in the new War Information Office just created by the President and headed by Elmer Davis, CBS ace commentator and former New York Times star reporter, will be a clarification of the foreign short-wave situation which, up to now, has been in the hands of Col. William J. Donovan, Coordinator of Information, and Nelson Rockefeller, Coordinator of Latin-American Affairs.

Speaking of this at his press conference yesterday, Chairman James L. Fly said:

There was one provision in the directive from the White House which called for collaboration with the Defense Communications Board and the War Information Office on foreign shortwave - I think it's what it is called for, and it has been our plan heretofore to have a foreign shortwave set-up by a separate Executive Order.

"We have had one drafted and that was held up pending development of the War Information set-up, and I would presume that the Executive Order will be gotten out now and get some sort of business and engineering set-up to handle the business and engineering end of shortwave broadcasting. The only reason that has not been done thus far is because the information end of it was in doubt."

It is believed that the radio structure as regards domestic broadcasting will remain pretty much as it is. W. B. Lewis, in the Office of Facts and Figures, who has most of this work, like Mr. Davis is a former CBS executive. The appointment of Mr. Davis puts Columbia in the front seat but nobody in Washington believes he will play any favorites in this respect.

At one swoop President Roosevelt consolidated in the new War Information Office, the Office of Facts and Figures, the Office of Government Reports, the Division of Information in the Office of Emergency Management controlling the press services, the War Production Board, the Office of Price Administration, the War Labor Board, and the Office of Coordinator of Information. The only thing that escaped was Nelson Rockefeller's Inter-American Affairs office.

Mr. Davis, the new Director, was authorized, among other duties, to do these things in which radio was concerned:

"Use the press, radio and motion pictures for information programs designed to form an intelligent public understanding of the war.

"Review, clear and approve Federally-sponsored radio and motion picture programs."

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One view taken of the appointment of Mr. Davis was that in drawing a man directly from the ranks of radio that the President was indirectly taking a slap at the press and thus endeavoring further to subordinate the printed word which the Government couldn't control to the spoken word which it could control. The answer here was that Mr. Davis was formerly a newspaper, as well as a radio, man.

The former radio commentator, who will have sweeping powers to clip red tape and to co-ordinate the information services of Federal agencies, said in an interview that he would not criticize the Government information setup of the past, but made it clear that he had some opinions of the operation of the information services.

When asked to express his critical opinions, Mr. Davis said the conflicting statements on gasoline and rubber and the scarcity of information in some fields could be considered among the subjects calling for adverse criticism.

Mr. Davis, who is 52 years old, is from the little town of Aurora, Indiana, which oddly enough was likewise the home of Edwin C. Hill, also a famous radio commentator and newspaper man.

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INVENTS "RADIO COAT" FOR SOLDIERS

A complete radio transmitter and receiver is built in the coat or "two-way radio garment" which is the subject of a patent (No. 2,285,083) granted to Berkley E. Cover, Sr., of Chicago, Ill.

The radio coat is designed for wear by troops or policemen, since it leaves the hands free and eliminates the carrying of separate packs of equipment.

The earphones are mounted on the collar and the microphone on the sleeve. The transmitting and receiving equipment is in compartments inside the coat. Earphone and microphones are connected to the equipment by wires in an insulated conduit.

The radio coat can be quickly slipped on and off and is intended to permit soldiers to maintain communication with one another and their commanding officers in the field or in battle.

The patent is assigned to the Electra-Voice Corporation, Wilmington, Del.

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TRADE NOTES

Jo Ranson, Radio Editor of the Brooklyn Eagle, has joined the press staff of the National Broadcasting Company.

Mr. Ranson is an authority on that Mecca of the millions - Coney Island and was co-author of the best seller, "Sodom by the Sea", a picturesque history of that famed resort at the tip of Brooklyn.

According to a report filed with the Securities and Exchange Commission, William S. Paley, as President and Director of the Columbia Broadcasting System, in 1941 was paid \$202,155, including \$160,186 as bonus or share in profit. CBS also paid \$102,400 to Edward Klauber and \$62,543 to Paul W. Kesten, Vice-Presidents.

Sydney H. Eiges has been named Assistant Manager of the National Broadcasting Company's Press Department. Mr. Eiges has been on the NBC press staff for more than a year, coming from International News Service, by which organization he was employed for eleven years, latterly as Night Editor and Cable Editor in the New York office.

Philco has just elected three new Vice Presidents - David Grimes, Chief Engineer of the Philco Corp., Philadelphia, since 1939, elected Vice-President in Charge of Engineering of the Radio and Television Company; Joseph H. Gillies, Works Manager of the company since 1939, named Vice President in Charge of Radio Production; and Robert F. Herr, Manager of the Parts and Service Division, made Vice-President in Charge of Service.

The Sponsoring Committee of what is expected to be the largest and most spectacular Fourth of July celebration in the history of Washington, includes among its members A. D. ("Jess") Willard, Jr., Manager of WJSV, Kenneth Berkeley, Manager of Station WMAL, and William Dolph, of WOL.

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