

HEINL RADIO BUSINESS LETTER

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INDEX TO ISSUE OF JUNE 19, 1942

Sees Backward Step Splitting FCC As In Sanders Bill.....	2
Indiana Press-Radio Men Fete War News Chiefs.....	4
Colin B. Kennedy, Pioneer Radio Manufacturer, Dies.....	5
New RMA Members Reach High Record.....	5
Aeronautical Station Requirements For Operators Relaxed.....	6
Knowlson and Reed Hit In Senatorial Report.....	7
Don Lee Acquires KDB, Santa Barbara.....	8
House Backs Down On Watson, Alleged FCC Red.....	9
FCC Clears Applications Files For The Duration.....	9
Radio Manufacturers Set Up Military Standards.....	10
Fraenckel Appointed To G-E Radio, Television Dept.....	10
Colo., Nebr., Okla., Miss., Montana Radio Census Reports.....	11
Trade Notes.....	12

No. 1439

SEES BACKWARD STEP SPLITTING FCC AS IN SANDERS BILL

Testifying before the House Committee on Interstate Commerce, Chairman James L. Fly, discussing the proposals of the Federal Communications Bar Association made the following observations on the Sanders Bill to reorganize the Federal Communications Commission:

"As you know, the Commission now consists of seven members who function as a unit with respect to all matters. The proposed bill would force the Commission to divide itself into two independent divisions, one of which is to be known as the Division of Public Communications and the other to be known as the Division of Private Communications. Each division is to have three members. The Chairman is to be the executive officer of the Commission but may not serve on either division except in case of a vacancy.

"It seems to be the general idea that the Division of Public Communications will handle radiobroadcast matters and that the Division of Private Communications will handle all matters relating to telephone, telegraph and radio communications by common carrier or otherwise, which are addressed to a particular person. The full Commission retains jurisdiction over all other matters.

"To compel the Commission to split up in this way would be a long step backward in the effective performance of the Commission's business. To do so would be to disregard the lessons we have learned from experience and to nullify the important advantages which the creation of the Federal Communications Commission was designed to achieve."

"The proposed bill would compel us to adopt a system which we tried for three years and found to be unsatisfactory. In addition, it would remove the one stabilizing factor which existed under the old system. I am referring to the fact that under the system which the Commission tried between 1934 and 1937 the Chairman of the Commission was automatically a member of all three divisions. It was thus possible for the Chairman to attempt to coordinate the work of the three divisions. At least this was effective to some extent in securing coordination in the three branches. Under the proposed bill, however, the Chairman cannot sit in either division and is to perform functions largely of an administrative and of a ceremonial nature. Thus, the Chairman is declared (Section 3(4); Committee Print, pp. 9-10) to be the executive officer of the Commission who is to represent the Commission before Committees of Congress and in conferences with other government departments and agencies. I submit to you that there is no point at all in having a chairman of a commission if he is only to have the atrophied functions which this bill commits to him.

"Under the proposed bill the system of granting applications without a hearing is completely altered. In order to make a grant without a hearing, we are told that not only must we find that public interest would be served thereby but also that the grant would not aggrieve or adversely affect the interest of any licensee, applicant or other person. Moreover, even if we were to conclude from an examination of the application that public interest would be served thereby and that no person would be adversely affected by the grant, any interested person may, by filing a protest within thirty days, require the Commission to set aside the grant and to designate the application for hearing upon the issues set forth in the protest."

"One of the most far-reaching changes contained in the present bill is the provision that the filing of a protest or the filing of a petition for rehearing shall operate to postpone the effective date of the Commission's order. Under the proposed bill it is laid down as an inflexible rule that new stations cannot come into operation until after the conclusion of hearings which could be demanded virtually as of right by existing licensees and which they could protract almost indefinitely. This provision, it is submitted, practically gives to existing licensees the power to keep newcomers off the air for long periods, a power which the Congress has for more than 15 years expressly negatived. Existing licensees could advance their selfish interests by filing protests or petitions for rehearing which would automatically postpone the establishment of new facilities and thus result in the injury of the public."

"I have described in some detail the cumbersome and lengthy procedure which the Bar Association would have the Commission follow. They do not stop with making this procedure applicable to applications for such instruments of authorization as construction permits and licenses. They would make this procedure applicable to every application for an instrument of authorization regardless of the nature of the authorization requested. The effect of this can best be seen by describing to you some of the special authorizations which we issue.

"First, I want to describe some of the special authorizations which we issue to common carriers. I have told you that companies engaged in sending messages by radio are authorized by their licenses to communicate only with designated points. Such restrictions in the license are essential, both for competitive reasons and to prevent interference. However, it is occasionally necessary that a radio common carrier be immediately authorized to communicate with points not covered by its license. Such authorizations are important in time of peace. They are absolutely essential in time of war. Let me give you an example.

"When the Japs took Manila all commercial radio communication with this country was cut off. However, in Cebu, just south of Manila, there was still an R.C.A. circuit in American hands. A request by R.C.A. to use this circuit came to the Commission in the middle of the night, was examined and granted at once. In

fact, we have set up a night staff to handle just such matters. Likewise, upon the fall of Batavia and the loss of the station at Bandoeng, circuits were authorized between the United States and low-powered Dutch station in the mountains near Medan in northern Java, thus providing communication with the remaining isolated forces in Java. At the specific request of our armed forces temporary communication was established with Noumea, New Caledonia, through the issuance of special temporary authority. On another occasion a new circuit was authorized to points at the Chinese end of the Burma Road when communication was cut off to a point captured by the Japs. In many such cases the station at the foreign point is low powered and makeshift and it is difficult to contact it or maintain communication with it. Consequently, when the contact is made it is necessary that the Commission be in a position to immediately issue authorizations.

It is also essential that the Commission be in a position promptly to grant special authorizations to licensees in what we call the safety services."

"Special authorizations are also important in the broadcast field. As you know, many stations are authorized to operate only in the daytime. However, on occasions of great national or local importance, they frequently request, and are granted, authority to operate at night. An excellent example is the speech of the President to the Nation on December 9, 1941. Another instance where it was necessary to grant authority promptly was when the President postponed a broadcast because of the death of his mother."

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INDIANA PRESS-RADIO MEN FETE WAR NEWS CHIEFS

Newspaper and radio men with an Indiana background will give a dinner Thursday night, June 25th, to greet the three Hoosiers now in command of the war news. They are Elmer Davis, Director of the new War Information Board; Byron Price, Director of the Office of Censorship and Lowell Mellett, Director of the Office of Government Reports.

The Committee in charge of the dinner is Mark Thistlethwaite, of the Indianapolis News, Chairman; Paul Wooton, New Orleans Times-Picayune, Treasurer; Representative Louis Ludlow, of Indiana; Labert St. Clair, formerly of the Associated Press; Robert D. Heintz, Heintz Radio News Service; Everett C. Watkins, Indianapolis Star, and Daniel M. Kidney, Indianapolis Times.

All newspaper or radio men who are from Indiana or who have worked there are invited. Early reservations are suggested.

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COLIN B. KENNEDY, PIONEER RADIO MANUFACTURER, DIES

Colin B. Kennedy, a pioneer among the radio manufacturers, died in Chicago last Tuesday. At the time of his death, Mr. Kennedy was in the war service as an OPM engineer assigned as Civilian Advisor to the Army Signal Corps. Mr. Kennedy's first radio factory was in St. Louis. Later he operated in South Bend, Ind., backed by the Studebaker interests.

At that time the slogan of Mr. Kennedy's sets which, if this writer remembers correctly, was "The Royalty of Radio" with a royal purple background was known the country over.

Mr. Kennedy, slight of figure, always very youthful in appearance and who had a very attractive personality, was a Canadian by birth. He had a host of friends in the industry, among them Commander E. F. McDonald, Jr., who paid him this tribute:

"The death of Colin Kennedy marks the passing of another of radio's original pioneering spirits. When, back in 1921, I became associated with Chicago Radio Laboratory, which two years later became Zenith Radio Corporation, to me the two great names in radio were Grebe and Kennedy, both of whom now have passed on.

"Colin Kennedy, back in those days, headed the radio company bearing his name with St. Louis as its headquarters. He was a pioneer radio engineer, a quiet, modest man, who sought no glory but contributed much to the early days of radio. He was one of the first holders of a license to manufacture home radio under Armstrong patents. When he died, Mr. Kennedy was doing his stint for his country in the Army Signal Corps."

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NEW RMA MEMBERS REACH HIGH RECORD

The addition of fourteen manufacturers as new members of the Radio Manufacturers' Association at the Association's annual convention in Chicago, brought the membership to its highest roster in over twelve years, following expansion of the Association's war production. Following are the new companies elected by the Board of Directors at Chicago to membership:

American Condenser Corp., Chicago, Ill.; Browning Laboratories, Inc., Winchester, Mass.; Communication Equipment & Engineering Co., Chicago, Ill.; Dumont Electric Co., Inc., New York, N.Y.; DX Crystal Corporation, Chicago, Ill.; Electronic Products Mfg. Corp., Ann Arbor, Mich.; Espey Manufacturing Co., Inc., New York, N.Y.; The Hallicrafters Co., Chicago, Ill.; John Meck Industries, Plymouth, Ind.; Mission Bell Radio Mfg. Co., Inc., Los Angeles, Cal.; Philharmonic Radio Corporation, New York, N.Y.; Premax Products Division, Chisholm-Ryder Co., Inc., Niagara Falls, N.Y.; Radio Electronics Laboratory, Inc., Brooklyn, N.Y.; Radio Specialties Division, Isolantite Inc., Belleville, N.J.

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AERONAUTICAL STATION REQUIREMENTS FOR OPERATORS RELAXED

The Federal Communications Commission on June 16th, through its Order No. 102, upon recommendation of the Defense Communications Board, modified certain of its rules for a period of five years or until further order of the Commission, to provide a relaxation of its operator requirements for aeronautical stations utilizing telegraph transmission. (These are ground stations used in connection with aeronautical operations.) This action permits operation of an aeronautical or an aeronautical fixed station by the holder of a radiotelephone permit or radiotelephone license bearing an endorsement attesting to the holder's ability to transmit and receive at least 16 code groups, International Morse Code, per minute.

This action is designed to relieve the rapidly growing shortage of skilled operators being caused by war time conditions and the requirements of the military forces for radio operators. It specifically looks forward to the possibility of training women to assume these duties by providing for such operation without the detailed technical qualifications necessary for the more technical grades of licenses.

It will be necessary, however, at each station where holders of the restricted radiotelephone operator permits are employed as operators, that at least one first or second class radiotelegraph or radiotelephone operator, or, in lieu thereof, in a station using type A-1 or A-2 emission only, a holder of a restricted radiotelegraph operator permit, be assigned to the station at all times for the purpose of making proper adjustments to the equipment and who shall be responsible for the proper operation of the station. This provision, however, will not relieve the station licensee of his responsibility for operation of the station in accordance with the Rules and Regulations of the Commission.

Holders of radiotelephone operator permits or licenses may obtain the required radiotelegraph endorsement by appearing at any of the Commission's District Field Offices or at the Washington D.C. office and demonstrating their ability to transmit and receive at least 16 code groups per minute in International Morse Code. The endorsement will then be written on the face of the permit by the examining officer.

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The American Society of Composers, Authors and Publishers has given over the complete facilities of its organization and offices to cooperate with the War Bond Pledge campaign.

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KNOWLSON AND REED HIT IN SENATORIAL REPORT

Philip D. Reed, a dollar-a-year man on leave as Chairman of the General Electric Company, and James S. Knowlson, former President of the Radio Manufacturers' Association, and President of Stewart-Warner Corp., Chicago, were among those criticized in the report of the Truman Senate Committee investigating the National Defense program, which charged that "dollar-a-year" men were slowing down war work. The report was of such a sensational nature that certain Senators, construing it to be a reflection on the work of Donald M. Nelson, declared that it should not be made public.

Among the conclusions of the investigation of charges by Robert R. Guthrie, a former official of the WPB, that conversion of the consumers' durable goods and textile industries to war production had been resisted by "representatives of these industries serving with the War Production Board on a dollar-a-year basis" were as follows:

Primary responsibility for formulating policies regarding the conversion of industry lay in the Division of Industry Operations and was shared by the Bureau of Industry Branches within that division.

Philip D. Reed, Chief of the Bureau of Industry Branches, a dollar-a-year man on leave from his position as Chairman of the Board of the General Electric Company, it was said, "did not take the necessary action to obtain the maximum conversion of private industry to war production in the shortest possible time."

The report went on:

"The Committee has not been impressed with Mr. Reed's ability or accomplishments, either in the field of conversion or in the field of copper, lead and zinc, where the Committee, in its report of Jan. 15, 1942, had occasion to criticize his failure, when he was Deputy Director of the Materials Division of the Office of Production Management, to recognize that a shortage of these metals was imminent or to take proper action with respect thereto.

"Insofar as Mr. Guthrie is critical of Mr. Reed and certain other dollar-a-year men, and of the slowness with which curtailment orders were issued by the Bureau of Industry Branches, the Committee believes that Mr. Guthrie was correct."

With regard to Mr. Knowlson, the report said:

"In view of the paramount importance of war production and the vital necessity in that connection for conserving critical materials, the committee believes that the delay of this Bureau in issuing orders curtailing civilian production is most unfortunate. The record does show that James S. Knowlson, Director of the Division of Industry Operations, took effective action on March 17, following Mr. Guthrie's resignation, to assure that civilian

production would be curtailed and conversion of industries accomplished. The Committee, however, believes that an investigation should have been instigated by Mr. Knowlson for the purpose of establishing exactly which individuals were responsible for the delays and causing them to sever their connections with the War Production Board."

In his testimony before the Committee, Mr. Knowlson expressed the opinion that the employment of dollar-a-year men was a matter of the personal integrity of the individual. The Committee does not wholly concur in this conclusion. It believes that the Guthrie case points to the conclusion that certain dollar-a-year men within the Bureau of Industry Branches are unable to divorce themselves from their subconscious gravitation to their own industries."

Defending Mr. Knowlson, Senator Lucas of Illinois said:

"I notice the Truman Committee report says 'Mr. Knowlson consistently advocated a policy of temporizing, moderation, and delay.'

"Many a United States Senator has interviewed the War Production Board and discussed with them the possibility of saving some small business from complete demolition as a result of the war effort. I have talked with Mr. Knowlson many times myself, and I agree with the Committee that he has temporized on some important matters in which small business was involved. I know he gave careful consideration to cases wherein it seemed inevitable that employees, anywhere from 20 to 500, were about to be thrown out of employment because the war effort demanded the strategic and critical materials their companies had been using in peacetime.

"Mr. Knowlson, through temporizing, through some delay was attempting to save a small business in many instances. He may have temporized on some of the larger questions of conversion. However, I am willing to give him the benefit of the doubt, in view of the almost impossible task we have thrust upon him and his associates."

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DON LEE ACQUIRES KDB, SANTA BARBARA

A dispatch from Hollywood states that the Don Lee network acquired its fourth station last week when license of KDB, Santa Barbara, was transferred to the company. Transmitter was originally owned by the late Don Lee and was the property of the estate, being operated as an affiliate of the Coast network of 33 stations.

Other sites owned by the Lee outfit are KHJ, Hollywood; KFRC, Frisco, and KGB, San Diego.

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HOUSE BACKS DOWN ON WATSON, ALLEGED FCC RED

In a conference report on the Independent Offices Appropriation Bill, the House threw up the sponge in its fight to cut off the pay of Dr. Goodwin Watson of the Federal Communications Commission, former Columbia professor, and alleged Red, strongly defended by Chairman James L. Fly.

The House, by unanimous consent, wrote into the Appropriations Bill a prohibition against keeping Watson in his job after the end of the present fiscal year, but this clause was knocked out in the Senate after an hour's debate.

When the Senate amendment went back to the House without debate, the House insisted upon its prior refusal and for a time the fate of Dr. Watson blocked the bill. Had the House prevailed, Watson would have been dropped from the FCC payroll June 30th.

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FCC CLEARS APPLICATIONS FILES FOR THE DURATION

The Federal Communications Commission cleared its docket Wednesday of applications for the construction or expansion of broadcasting stations, through dismissal, without prejudice, of twenty-two applications for new standard broadcast stations; seventeen for new frequency modulation stations, and nine petitions for increases to 500 kilowatts power.

A spokesman for the FCC said that the action removed from the files all such applications as had but slim prospect of being granted for the duration of the war.

It was indicated, however, that they may be reinstated after the war.

Stations that sought increases to 500 kilowatts and the licenses included:

WJZ, National Broadcasting Company, New York; WGN, WGN, Inc., Chicago; KFI, Earl C. Anthony & Co., Los Angeles; WJR, The Goodwill Station, Detroit; WSM, the National Life & Accident Insurance Company, Nashville, Tenn.; WOR, Bamberger Broadcasting Service, MBS, Newark, N. J.; WGY, the General Electric Company, Schenectady, N. Y.; WSB, the Atlanta Journal Company, Atlanta, and WHO, the Central Broadcasting Company, Des Moines, Iowa.

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RADIO MANUFACTURERS SET UP MILITARY STANDARDS

Following the decision to resolve the activities of the Radio Manufacturers' Association from the peace time commercial field to direct contribution to the war effort, its Engineering Department has been continuously studying the problems of the complete conversion of its efforts. It is now felt that a suitable organization has been developed for military standardization required by the war effort and, accordingly, the peace time organization and methods of operation are being subordinated to this work.

The Engineering Department now comprises five sections, as follows:

Military Components Section, Military Tube Section, Military Receiver Section, Military Transmitter Section, Military Electronics Application Section.

These sections work under the direction of Dr. W. R. G. Baker, Director of the RMA Engineering Department, and L. C. F. Horle, Coordinator of Military Standardization.

In view of the need for speed in formulating and adopting standards for these purposes, the slowly moving standardization procedure of peace time operations is revised to permit final approval by a Military Standards Committee composed of the Chairman and Vice Chairman of the five above-mentioned sections, as well as representatives from the armed forces, the N.D.R.C. and the W.P.B.

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FRAENCKEL APPOINTED TO G-E RADIO, TELEVISION DEPT.

V. H. Fraenckel will have charge of the coordination of commercial engineering of all product lines of the General Electric Radio, Television and Electronics Department. G. F. Metcalf, formerly in charge of this work, has entered the U. S. Army with the rank of Lieut. Col., Signal Corps.

A native of Illinois, Mr. Fraenckel attended L'Ecole Polytechnique. Later he took graduate work in physics at the University of Chicago and the University of Michigan.

He was employed by the General Electric Company in October, 1937, working in the Vacuum Tube Engineering Department. In October, 1939, he was transferred to the Research Laboratory where he was engaged in research on electronics and television problems until his recent appointment.

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COLO., NEBR., OKLA., MISS., MONTANA RADIO CENSUS REPORTS

The Census report shows the following radios in homes for the following States:

OCCUPIED DWELLING UNITS WITH RADIO FOR STATE AND CITIES
OF 25,000 OR MORE: 1940

(A dwelling unit was enumerated as "with radio" if it contained a usable radio set or one only temporarily out of repair)

Area - Colorado The State	Total	With Radio	No Radio	Not Reporting Radio
Total Dwelling Units (including urban)	316,000	258,573	47,251	10,176
Rural-nonfarm dwelling units	77,956	59,231	16,623	2,102
Rural-farm dwelling units	63,285	45,187	16,307	1,791
Colorado Springs	11,842	10,661	835	346
Denver	96,777	86,621	5,855	4,301
Pueblo	13,941	12,279	1,359	303
Area - Nebraska The State				
Total Dwelling Units (including urban)	360,744	298,790	53,872	8,082
Rural-nonfarm dwelling units	89,390	72,446	14,986	1,958
Rural-farm dwelling units	125,095	93,916	28,491	2,688
Lincoln	24,633	22,887	1,281	465
Omaha	62,135	56,757	3,564	1,814
Area - Oklahoma The State				
Total Dwelling Units (including urban)	610,481	405,754	184,165	20,562
Rural-nonfarm dwelling units	139,605	87,273	47,889	4,443
Rural-farm dwelling units	216,097	114,069	95,739	6,289
Enid	8,353	7,084	1,095	174
Muskogee	9,309	6,995	1,959	355
Oklahoma City	59,494	49,854	7,341	2,299
Tulsa	41,344	35,927	4,034	1,383

6/19/42

Not
Reporting
Radio

	Total	With Radio	No Radio	Not Reporting Radio
Area - Mississippi				
The State				
Total Dwelling Units (including urban)	534,956	205,613	309,756	19,587
Rural-nonfarm dwelling units	95,920	47,177	45,515	3,228
Rural-farm dwelling units	318,676	87,147	219,554	11,975
Jackson	16,423	11,527	4,187	709
Meridian	9,648	5,486	3,903	259
Area - Montana				
The State				
Total Dwelling Units (including urban)	159,963	134,503	21,521	3,939
Total Rural-nonfarm dwelling units	49,737	40,924	7,556	1,257
Rural-farm dwelling units	46,078	36,465	8,498	1,115
Butte	11,881	10,396	1,108	377
Great Falls	9,125	8,311	638	176

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:::: TRADE NOTES ::::

"Control operators at WRVA in Richmond, Va., have made a pact among themselves whereby any man who muffs a cue or otherwise mishandles a program will voluntarily buy a War Stamp for every other member of the control room staff on duty at the time", the Broadcasters Victory Council reports. "I hope", write WRVA General Manager C. T. Lucy, 'no one will wisecrack that such a plan would not be worthwhile in their establishment because of the scarcity of mis-cues, because we all have them and perhaps this more-or-less unique plan will not only make the boys more efficient, but also contribute to the sale of War Stamps and Bonds.'"

General Electric has shipped an FM broadcast transmitter to New York City's newest FM station, W75NY, to be operated by Metropolitan Television, Inc. It is owned jointly by Bloomingdale's and Abraham & Straus department stores. Construction of the station, atop the Hotel Pierre, was begun in mid-March.

Bruce Barton, former Congressman from New York and President of the advertising firm of Batten, Barton, Durstine and Osborn, Inc., speaks over Columbia network on the subject of wartime advertising Monday, June 22 (CBS, 3:30 to 4:00 P.M., EWT). Barton delivers the keynote speech at the convention of the Advertising Federation of America in the Commodore Hotel, New York City.

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