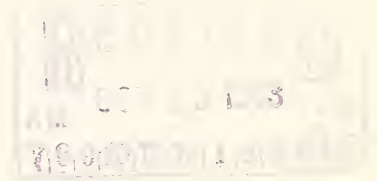


# HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.

*Handwritten:* 10-14-43



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October 12, 1943

## PHILIPS COUGH UP 500,000 TUBES; BIG SHORTAGE DENIED

Following a tremendous amount of talking in Washington about the scarcity of tubes in home radio receiving sets, and the number of radios throughout the country, which had been silenced on account of the lack of tubes, the Radio and Radar Division of the War Production Board created a small sensation by letting it be known that more than a half a million tubes which had been corralled by the Philips Export Corporation, late of the Netherlands, and the most powerful competitor of United States concerns, had been released for listeners in this country. Explaining this the WPB said:

"A total of 576,613 radio receiving tubes is in the possession of the Philips Export Corporation, P.O. Box 69, Grand Central Annex, New York, N.Y. These tubes had originally been held for export, but after discussions between representatives of the Foreign and Domestic Branch of the Radio and Radar Division and officials of the Philips Export Corporation, it was decided that WPB would authorize sale of the tubes without restriction to the domestic market.

"Distributors or dealers purchasing these tubes will be governed by Limitation Order L-265 in their resale. The authorization allows any person to receive tubes from the Philips Export Corporation without restriction as long as they are to be used domestically.

"These tubes are types that are generally used in home radio receiving sets. The number of tubes now available in the nation for maintenance and repair of household sets is below actual needs, and the release of these half million tubes is a step towards making more tubes available for civilian replacement uses."

Aroused by reports that 32,000 sets were silenced by lack of tubes and batteries in the District of Columbia alone, and that the shortage throughout the country was proportionate, a WPB spokesman, while admitting that though wartime restrictions on the manufacture of radio tubes have reduced the number available, the number of laid-up radios is really not very great.

The official asserted that a survey of Washington radio stores made within the last week showed two which still reported being able to fix any set, while a recent Nation-wide survey made for a broadcasting chain showed 4 to 6 percent of the Nation's 52,000,000 sets being repaired, a figure close to the peacetime average.

It is estimated that 92 to 95 percent of the Nation's families have radios and the average is 1.4 sets per family.

According to Frank H. McIntosh of WPB's Radio Division, the goal has been to keep one set in operation per radio family.

Mr. McIntosh said a program of increased tube production is being "very actively considered" and announced that he had just completed a day devoted to wrestling with the problem.

As yet, other than the "small" but unannounced number of so-called M-R (maintenance and repair) tubes ordered produced, WPB has reached no decision as to the number of tubes it will allocate for civilian use.

"We're trying for increased production, and we also hope that military requirements may be reduced", Mr. McIntosh said. "But we've yet to come to a decision."

The last available check in the District showed 173,445 homes with 162,446, or 93.7, having radios. Even if the number of silenced radios was as high as 10 percent, it was said few homes would be without sets because so many families have more than one instrument.

Dealers in Washington complain that patrons frequently accuse them of hoarding radio accessories when they tell their customers that no tubes for civilian use are being produced except those in the M-R category.

"If you can get me one of these tubes", said a dealer, specifying some of the more widely used types, "I'll pay you \$4 each. I don't like to encourage the black market, but when my existence depends on it, I have no other choice."

Comment from other radio merchants was in the same vein. Some accused jobbers, who also service and repair sets, of snapping up the M-R tubes themselves, leaving the retailer out in the cold.

Mr. McIntosh, asked if he'd heard of this practice, replied: "We've had just about every complaint there is in the book."

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#### SYLVANIA TO BUILD \$2,000,000 OFFICE AND LABORATORY

An application of Sylvania Electric Products, Inc., manufacturers of radio tubes and other electric equipment to construct a \$2,000,000 home office and research laboratory in the Beechwood section of the Borough of Queens, was approved last week by New York officials.

According to E. Finley Carter, a spokesman for the Sylvania company, work on the project will be started by the end of this month, unless legal obstacles are placed in the way, in which



case the entire project may be dropped. The first steps in the new project will be the remodeling of structures now standing on the tract. The construction of modern office and laboratory buildings and the landscaping of the entire tract will be started after the war and the whole project will be finished in from ten to fifteen years.

The company estimates that the completed project will provide employment for about 2,000 persons.

Because of zoning conditions there had been some objection to a commercial concern moving into the Beechwood section but when the character of the project was explained and certain concessions were made, the Park Commissioner Robert Moses and Edward A. Solmon, Chairman of the City Planning Commission, were reported to have changed their attitude.

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SAYS NEWS BROADCASTS BADLY OVERDONE; BECOMING NUISANCE

A loud protest against what he termed were entirely too many news broadcasts, which he declared were rapidly going from the stage of a public service to a public nuisance, was made last week by Earl Kelly, news broadcaster for the Vancouver Daily Province. Addressing the British Columbia Division of the Canadian Weekly Newspapers' Association, Mr. Kelly declared that from Vancouver alone 30 news broadcasts were sent out daily, and he multiplied this by total of stations across Canada. In contrast he said only four broadcasts daily were broadcast from London, England, for all the United Kingdom.

He said he was not criticizing the Canadian Press, the Canadian Broadcasting Corporation or individual radio stations, but was attacking the system which had been allowed to grow up. He felt the present system caused confusion. In the dark days of 1940 there were only half this number of news broadcasts in B.C., and he felt conditions today did not warrant the increase. He suggested a protest should be made against this multiplicity of broadcasts, and that the newsgathering and broadcasting bodies be asked to make a survey so that a system more in keeping with the needs of the people could be worked out.

Only one despatch originated daily from the headquarters of the various forces of the United Nations he said, and this served all four editions of the metropolitan papers in the same original form. For radio consumption it was reworded and redressed to appear as a different story many times daily. He also criticized the principle of commercial sponsoring of news broadcasts.

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CALLS FLY "FRESH"; RADIO INDUSTRY "CHICKEN HEARTED"

The broadcasting industry is just about the timidest and most chicken-hearted that ever developed in this country, Frank C. Waldrop writes in the Washington Times-Herald:

"Otherwise", he continues, "it would stand up and swap punches with James Lawrence Fly, Chairman of the Federal Communications Commission, while it still has a chance to save itself from full governmental domination.

"True, Mr. Fly and his six fellow-commissioners have the power of life and death over radio already. That is, they have it because radio let them take it. The law of Congress says the FCC may grant or take away broadcasting licenses according to its own judgment of public interest, necessity and/or convenience.

"That phrase, 'public interest, necessity and/or convenience', is so broad and meaningless that it can be, and is, used to alibi just about anything the Commission wants to do.

"And radio just continues to go around making beautiful noises and hoping to appease. People like Chairman Fly of the FCC don't appease. Mr. Fly is out to control the traffic that goes over the radio waves, and he knows just how he intends to do it.

"Here is a Government agent telling an institution of free speech - the most powerful in man's history - that he doesn't like the way it is using its freedom. Well, he has a right to do that. He even has a right to try to put the muzzle on radio and control its traffic according to his ideas. He has a right to TRY.

"But, the radio broadcasters also have a right to tell him to mind his own business - which he certainly is not doing today. The real job of the FCC is to hand out broadcasting licenses to American citizens in such a way that one program does not jam another at the listener's loudspeaker, and to protect all parties from one another as they battle out their place in life over the airways.

"Its job is not to meddle with the composition of radio broadcast traffic. That is between the broadcaster and the listener.

"Radio should tell Fly to shut up and stick to his job, which isn't so much when you consider what it really comes to.

"But will radio do that? Radio has always shown a chicken heart in its meetings with the FCC.

"So we may now expect Mr. Fly & Co., progressively, to move in and start editing radio to suit their own little plans. Said plans being - Government boss everybody, all the time."

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## FCC PROBE STILL UP IN THE AIR; GAREY IS ON HOT SPOT

For the moment at least, there appears to be nothing decided upon definitely as to when the House investigation of the Federal Communications Commission will resume. One theory was that Representative Clarence F. Lea, (D), of California, newly appointed Chairman to succeed Representative Eugene Cox (D), of Georgia, was trying to make up his mind as to whether or not Eugene Garey, New York lawyer, shall be retained as counsel for the Committee. Tremendous pressure is being exerted to make Garey walk the plank as did Cox. The latest attack was made by the Washington Post, which had so much to do with the ousting of the Georgia Congressman. As a result of this, the resignations of Mr. Garey and his entire staff are said to be in the hands of Chairman Lea.

The Post editorial follows:

"The Select House Committee to investigate the Federal Communications Commission is, at last, under the chairmanship it should have had from the outset. Representative Clarence F. Lea, who now heads the investigation, is known for his judiciousness and impartiality. As permanent Chairman of the standing House Committee on Interstate and Foreign Commerce, he has had broad experience in dealing with communications problems. He is, therefore, on all counts the logical member of the House to conduct an inquiry in this sphere.

"In taking hold of this new assignment, Mr. Lea declared: 'I trust the investigation will not rest on a plane of personal controversy but rather on the important question as to whether or not this agency and its personnel have been and are now properly performing their duties, their public duties, to the country.' It is clear that this trust has no chance of realization so long as Mr. Eugene L. Garey is retained as the Committee's counsel. For Mr. Garey has behaved not as an investigator but as a prosecutor - and as a prosecutor with very little regard for fair play or for the dignity of the investigatory process.

"Throughout his connection with the Select Committee, Mr. Garey has conducted its affairs wholly on a plane of personal controversy. It was he, it will be remembered, who instructed the members of the Committee in how to capture newspaper headlines and how to prevent 'the opposition' from being heard. Like Congressman Cox, who selected him, he has an axe to grind. Mr. Lea can best reassure those who desire a full and fair inquiry into the FCC by dispensing with Mr. Garey's services forthwith. The activities of the FCC are complex and will, in any case, require a much higher degree of competence than Mr. Garey has ever demonstrated.

"There is real need for a full and fair study of the FCC - not merely because its integrity has been assailed by the reckless allegations of Messrs. Cox and Garey, but because it exercises very broad powers over an industry the regulation of which intimately affects one of our essential freedoms. Technological developments



in the communications field have been so rapid, moreover, that our present communications law may be inadequate or require modification. These are matters which a congressional investigation should discover. It should be pointed toward constructive legislation. The study of national problems, and particularly of the handling of those problems by responsible executive agencies, is one of the most important functions of Congress. In this situation the function was so burlesqued under Congressman Cox that Chairman Lea can fulfill it only with a fresh staff and a fresh start."

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#### EASING OF WEATHER RESTRICTIONS SEEN AS HOPEFUL SIGN

There was considerable gratification among the broadcasters at easing the ban on weather reports not only because it would restore that service to listeners but because it was an indication that war conditions were evidently improving.

Effective today (Tuesday, October 12), newspapers no longer are required to restrict official weather forecasts, reports of weather conditions and temperature charts to any designated area.

Radio stations, at the same time, will be permitted to resume broadcasting of official weather forecasts and other weather data except wind direction and barometric pressure.

In announcing the new policy, the Office of Censorship said:

"The diminishing benefits from weather restrictions now appear to be overbalanced by the inevitable handicaps imposed on farming, aviation, shipping and other essential activities by inadequate weather information."

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#### BARRING AURELIO FROM FREE RADIO TIME RAISES QUESTION

The plan of Mayor LaGuardia of New York City to refuse free radio time on the municipal station WNYC to former Magistrate Thomas A. Aurelio, candidate for election to the New York Supreme Court, has caused some debate in Washington. One argument was that the Mayor, as head of WNYC, had the same right to turn down applicants for free time as any other station owner so long as he kept within the law - which says that equal opportunities be given to rival candidates. This argument also maintains that the Mayor has the same right to take notice of any charges against an applicant as any other station owner. Nevertheless, it is believed LaGuardia's action may be questioned and may even find its way into the courts.

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## MBS TO DISMISS RCA-NBC MONOPOLY SUIT; CBS CASE QUASHED

The Mutual Broadcasting System made it known yesterday (October 11th) that, when the Federal Communications Commission approves the transfer of the Blue Network, Inc., from the Radio Corporation of America to the American Broadcasting System, Inc., it will instruct its counsel to request a dismissal of the anti-trust proceedings which the network instituted in January, 1942, in U. S. District Court, Chicago, against the Radio Corporation of America and the National Broadcasting Company. This announcement was made by Alfred J. McCosker, Chairman of the Board, and W. E. Macfarlane, formerly President of Mutual and now Chairman of the network's Executive Committee.

"We believe that when this transfer takes place", stated the two executives, "it will effectively and satisfactorily solve what had been the principal remaining issue and source of controversy in national network broadcasting, namely, the operation and control of two out of four national networks by one concern."

Mutual stockholders and affiliates who were parties to the suit including WGN, Inc., Chicago, WOR of the Bamberger Broadcasting Service, Inc., New York, and the Don Lee Network of the Pacific Coast, through its Vice President and General Manager, Lewis Allen Weiss, are joining in this request for dismissal which will be made at as early a date as will be permitted by court decision.

Federal Judge John P. Barnes in Chicago yesterday dismissed the Government's anti-trust case against the Columbia Broadcasting System on motion of Daniel D. Britt, Assistant Attorney General in charge of anti-trust prosecution. Mr. Britt pointed out that the Supreme Court ruled recently that the FCC has authority to apply a remedy in the case. The Government had charged CBS, RCA and NBC with monopoly over broadcasting.

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## CAPITAL UNFURLS BANNERS FOR BIG RADIO RETAIL DRIVE

In Washington this afternoon (Tuesday, October 12th) at a big blow-out at the Statler will be the formal launching of the great drive for radio retail advertising subscribed to by 400 stations. High Government officials will see the premiere of a moving picture "Air Force and the Retailer" which after being seen in the Capital today will be shown in 125 cities. The central theme of the picture is reducing retail distribution costs - and how radio advertising can help.

The presentation includes talking motion pictures in which more than ninety actors took part. A great part of the program presents facts and ideas which originated through exhaustive studies by the radio industry in cooperation with the NRDGA.

Among the important sections are: (1) "The History and Development of Retailing" (2) "Distribution Tomorrow" (3) "America Takes to the Air" (4) "Why Radio Works" (5) "Retailing's Future in Radio".

Sheldon R. Coons, business counselor, former Executive Vice-President of Gimbel Brothers, New York, and Lord and Thomas Advertising Agency, directed the studies and assembling of material. Dr. Julius Hirsch, widely known economist and author of the standard text books on distribution costs and Dr. Paul Lazarsfeld, of Columbia University's office of Radio Research, were among Mr. Coons' corps of assistants.

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### MRS. EDWARD KLAUBER DIES

There comes to the radio industry the news of the death of Mrs. Gladys G. Klauber, wife of Edward Klauber, who only recently retired as Executive Vice-President of the Columbia Broadcasting System.

Mrs. Klauber died at the Doctors Hospital in New York City last Saturday after a long illness. She was born in New York City forty-three years ago, a daughter of Mr. and Mrs. Anton N. Gustafson.

Until her illness Mrs. Klauber was an active worker for Bundles for Britain, as Chairman of the Women's Clothing Committee. Earlier she had engaged in volunteer social work for Roosevelt Hospital. Besides her husband, who was a former night city editor of the New York Times, she leaves her parents, and a sister, Mrs. Gerhard Esperson. Funeral services were held on Monday morning from the Campbell Funeral Church in New York City.

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### SEES CUT-OFF NEWSPAPER SUBSCRIBERS TURNING TO RADIO

Jack Estes of the Dallas News, in a discussion on circulation at the Southern Newspaper Publishers' Association meeting at Hot Springs warned publishers not to cut or "freeze" circulation to the point of permanently weakening newspaper service. Mr. Estes asserted it is better for publishers to ration advertising than to drastically curtail reader service and cut circulation to the bone. He pointed out that radio is only too eager and willing to step in and take over the subscribers arbitrarily cut off by newspapers.

"God has given radio 24 hours a day and radio stations are using every hour they can to reach the public", declared Mr. Estes. "Instead of talking about freezing circulation you should warm it up and let it trickle through the veils of your territory."

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## RADIO APLENTY BUT NONE WOL'S BILL DOLPH CAN LISTEN TO

Even if he had a radio in every room, he couldn't come home from work, tune in the proper station, and settle down in a comfortable chair to enjoy his favorite programs.

"And it's not because he dislikes radio", Eileen Etten writes in the Washington Times-Herald. "Far from it. William B. Dolph is a radio enthusiast, and the Vice President and General Manager of Station WOL, besides.

"It's just, as he says, 'I can't enjoy programs because I'm always listening with a critical ear. When you're in the business, you listen for errors all the time and you're so conscious of them, you can't enjoy what you hear.'

"Having a talent company of his own makes it even tougher for Bill, for it spoils his favorite kind of program, news commentators.

"You see, I'm the personal manager of Fulton Lewis, Jr., Leon Henderson, Walter Compton and others', he explains with a sigh.

"Bill came to Washington 10 years ago to handle radio publicity for the NRA, and before then he was 'on the fringes of broadcasting for a long time.' He's been at WOL and has acted as Washington representative of the Mutual Broadcasting System for eight years. His job, he claims, is no tougher or easier than that of any other business executive. It's just a matter of coordinating the activities of all the departments of the station.

"Details are his pet peeve. He just doesn't like them at all. He won't talk business at home or out of shop hours, and he has an 'aversion to swing'.

"For relaxation the Kansas-born radio man likes golf. He and Mrs. Dolph have a farm at the foot of the Blue Ridge Mountains where they raise Aberdeen Angus cattle 'with a lot of steaks on them.' "

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STATIONS SOAKED 1ST CLASS POSTAGE ON RADIO SCRIPTS

Here is something the highly paid officials of the National Association of Broadcasters might look into. Claude Mahoney, news broadcaster on Blue Net Station WMAL in Washington the other morning told of the trouble he had mailing a radio script. Though it had already been broadcast the postal clerk insisted that because it was typewritten it had to go first class.

"If that makes sense", the irate Hoosier, who hails from Mr. Willkie's Elwood town declared, "my name is Frank C. Walker."

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 ::: TRADE NOTES :::  
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The possibility of new grand operas being introduced to the public by radio was foreseen in the world premiere of Montemezzi's opera "L'Incantesimo" over NBC last Saturday afternoon with the composer conducting. "This is by far the most representative opera by a contemporaneous composer which has been introduced on the air", Olin Downes, famous music critic said. "It is a work especially adaptable to broadcasting. It is beautiful music."

Postal authorities have given instructions on the mailing of swing records to soldiers overseas and advised the sending of 10 inch records because of the size limitation on overseas Christmas packages. Modifying its previous ban on the sending of records abroad, the Army Censorship Office has decided to permit the mailing of standard phonograph recordings issued by recognized manufacturers to servicemen overseas. The mailing of recorded personal messages is prohibited.

Charles Smith, CBS Assistant Director of Research, has been named to the post of Supervisor of Research for Radio Sales and Columbia owned stations.

As a service to the soldiers in the hospitals in and around New York City, NBC has installed television receivers in these institutions. Sports events at Madison Square Garden will be televised for the boys. Servicemen within a radius of 75 miles will be included.

Special enlarged Fall edition of "Dial Tones", merchandising organ of the Des Moines Cowles Stations, have been issued to advertisers and agencies. For the first time in the publication's four-year history, KSO and KRNT listeners were also given an opportunity to request copies.

Station KMPC, Station of the Stars, Inc., has asked the FCC for a modification of their license to change location of the main studio from Beverly Hills, to Los Angeles, California.

The opening World Series game last week was the first to be broadcast play-by-play, via short wave, to American soldiers overseas. It was made possible by the prompt cooperation of the Gillette Safety Razor Company, who paid \$100,000 for the baseball rights and approximately \$150,000 for the Mutual facilities, when the razor firm official heard that Gen. Dwight D. Eisenhower had asked the War Department to provide complete accounts for the fighting forces under his command. All commercial announcements were confined to between innings and deleted from the play-by-play action. All the games were short-waved in their entirety to the troops.

Sutherland G. Taylor has joined the Legal Department of the Columbia Broadcasting System. For the past year and a half Mr. Taylor has been a member of the firm Breed, Abbott & Morgan, of New York City, with which he specialized in tax work.

A thing Senator Kilgore's War Mobilization Committee may probe, according to Drew Pearson, is the payment of royalties by the Government on patents developed with taxpayers' money.

"For instance", Mr. Pearson writes, "the Government is supposed to have free access to the patent pool of the Radio Corporation of America, but some war contractors who deal in the RCA pool charge royalties to the Government under cost-plus contracts."

Howard W. Bennett has been made Manager of the Specialty Division of the General Electric Company's Electronics Department. In this capacity, Mr. Bennett, who hails from Michigan and who has been with GE since 1930, will be responsible for the engineering, manufacturing, and sales operations of that Division.

Continuing an uninterrupted rise in the number of accounts using WOR, a recent survey reveals that 253 advertisers were on WOR's sponsor list during the first six months of 1943, 18 percent more than in the same period of 1942, the previous high with 215 advertisers.

The Federal Communications Commission designated for hearing the application of Station KQW, Pacific Agricultural Foundation, Ltd., San Jose, Cal., for modification of license to move main studio to San Francisco.

First of Howard Langfitt's (KRNT, Des Moines, Farm Editor) "Good Neighbor" certificates, have been awarded to thirteen business men of Gilmore City, Iowa. Recipients of the first certificates shocked 92 acres of oats in Humboldt County after business hours, when it was impossible to find regular farm labor.

Dick Dorrance has joined the Columbia Broadcasting System as Director of Promotion Service for CBS-owned stations. He was most recently Special Assistant to Palmer Hoyt, Director of the Domestic Branch, Office of War Information. Mr. Dorrance was formerly General Manager of F.M. Broadcasters, Inc. Previously he had been associated with the Broadcasters Victory Council and with Station WOR, New York.

The application of the Rock Island Broadcasting Co., Rock Island, Ill., has been placed in the pending files of the FCC without action at this time, pursuant to the policy adopted on February 23, 1943, application for new high frequency (FM) broadcast station to operate on 44,500 kilocycles.

Twenty-five Netherlanders have been fined and given prison sentences for failing to comply with a recent German decree ordering the surrender of all radio sets, it was learned recently. The German-controlled Amsterdam paper, Algemeen Handelsblad, said a German court in Holland had imposed jail sentences of from two weeks to four months and fines up to approximately \$325 on those held guilty of the offense.