

HEINL RADIO BUSINESS LETTER

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No. 1578

PALEY MAKES DRAMATIC PLEA TO CONGRESS TO CURB FCC

"The danger is here and the time is late. The broadcasters ask your help. The whole public needs and deserves it." Thus William S. Paley, President of the Columbia Broadcasting System, concluded one of the most forceful and dramatic appeals yet made to Congress to reverse the effect of the Supreme Court's decision and restrain the Federal Communications Commission from "exercising absolute dictatorship" over the broadcasting industry. Mr. Paley, soon to go overseas on an important mission for the Office of War Information, was a star witness at a Senate hearing of the Wheeler-White Bill to reorganize and limit the powers of the FCC.

Mr. Paley said the bill goes a very long way in giving radio the protection it needs and should have.

"The one fundamental safeguard which is paramount if we are to avoid complete government control of radio is a straightforward prohibition by Congress against the Commission concerning itself with the program policies or business practices of radio stations", Mr. Paley declared.

"The Supreme Court said, in effect, that the power of the Commission under the present law are without discernible limits; that it can do whatever it wants in regulating the business practices of broadcasters and in regulating the programs which they put on the air - so long as the FCC makes its own determination that such regulation is in the public interest.

"Thus the court, in one stroke, granted the Commission unlimited authority over every aspect of this great medium of mass communication.

"The concept of absolute government-dictatorship over broadcasting, to whatever extent the Commission wishes to assert it, is plainly set forth in the opinion of Justice Frankfurter in such terms as these:

'The Act does not restrict the Commission merely to supervision of the traffic. It puts upon the Commission the burden of determining the composition of that traffic.'

"I hardly need to add that the composition of that traffic in radio means the programs which go over the airways, and can mean nothing else.

"We think that the regulations are unsound and destructive; but the core of the problem lies much deeper than that. The

question raised by the Supreme Court decision and the question which is squarely before Congress today is simply this: Do the American people want the government to have the power to tell them what they can hear on the air? I am firmly convinced that Congress never intended any such result.

"Nor do I believe that the American people want a radio system which in all its elements is under the ultimate control of a small bureau of men with seven-year appointments. The American people want the kind of radio they have known. And this can be assured only by the free and competitive play of the program judgments of hundreds of broadcasters throughout the country. Certainly, government must perform the necessary role of technical supervision over frequency assignments. But any crevice or cranny through which even the best intentioned board could extend its control into the program field is wide enough to let through the flood of government control over thought. We know from bitter experience how destructively this weapon of government control has been wielded by the Axis tyrannies.

"In short, the real question now before you is whether we are to have the American or European system of radio broadcasting. Let me add that we can have the European system of broadcasting without government ownership. Government control is enough. The American system has proceeded on the assumption that while private enterprise, like democracy itself, does not always function perfectly, its advantages far and away make up for any disadvantages. And right here and now let me meet head-on a question which is bound to be raised:

"What would I do about a licensee whose programs violated the law or the canons of good taste? Violation of laws entails its own penalty in broadcasting as in any other field. As to bad taste or lack of good programming, I answer flatly that I would much rather have two, three or a dozen stations misuse their facilities than have a single man or a single Commission tell 900 stations what they should broadcast and what the American public should hear.

"This does not mean that I wish to see either Mr. Fly or the Commission silenced. I think it a wholesome thing for our administrative officers to express their positions clearly and openly. What makes Mr. Fly's views harmful is neither their content nor that they are his views. It is only that he now has such authority that his mere expression of opinion will, in many quarters, be taken as a mandate. It has been said, 'Whoever can do as he pleases, commands when he entreats.' Certainly by re-establishing the principle that the Commission cannot do as it pleases, the Commission's arguments and suggestions can be received and considered on their merits. This will remove the Commission from the pedestal of dictation to the platform of debate.

"For fifteen years radio has served one master - the public. Public needs and public desires have been, inevitably, the guiding principle of every successful radio operation. Since the May 10 decision we have learned we have a second master - the Commission."

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NEWSTYLE FCC PRESS CONFERENCE ATTRACTS RECORD CROWD

If the way the boys turned out for the first one is any indication, and if Mr. Fly can come through each time with some real news, the new type of press conference adopted by the Chairman of the Federal Communications Commission will prove quite an improvement over the past "dull" (as Mr. Fly himself put it) routine weekly affairs, the agony of which the Chairman and the press had to go through with whether there was any news or not. The principle of the newstyle conferences is very simple - it is, call in the boys only when there seems to be worthwhile news to give them.

A record breaking crowd responded to the first call.

Mr. Fly, who had with him FCC Chief Engineer E. K. Jett, told those assembled press representatives that the FCC had called a meeting in Washington for next Wednesday, November 17, of Government officials and the Radio Technical Planning Board as a preliminary step to post war allocation of radio frequencies.

What Chairman Fly and Mr. Jett had to say at the press conference, together with the answers to questions, covered 12 single-spaced typewritten pages, so those who responded to the call had plenty to write about - if indeed, not too much was handed to them at one time - and if the subject was not too technical for some of them to understand.

Speaking on the general subject of post war allocations, Mr. Fly said:

"I want to tell you that it is not a short job, and it is not an easy job. It is very difficult and it is one of those enduring things. I think all of you have seen some of the stories regarding the many varied and significant uses of radio. Those uses, both actual and potential, spread across a very broad field. The Government makes extensive use of radio. The naval and military forces have far-flung and very extensive radio communications systems, and in addition to that, of course, radio is used in various other ways in the war effort. Television, frequency modulation, and the cathode-ray tube, to take some of the more common of those, are put to various uses by our forces. The various radio location devices and related devices are used extensively.

"Now, we have come to a juncture where two important things have happened; one is, that with the research during recent years, including tremendous expansion of wartime research, different uses of radio have been developed. Then, too, improved methods in the use of radio have been developed. The practical utility of radio, not only in the communications field but in other fields, has tended to broaden.* * *

"The Commission has invited the various Government bodies and the industry representatives who are concerned with this work to join in an informal conference here on November 17th for the purpose

of discussing organization and procedural matters with respect to plans for the technical future of radio. And particularly participating in that meeting will be the Board of War Communications and the members of one of its committees; that is, the very significant committee known as Interdepartmental Radio Advisory Committee, sometimes called IRAC.

"Joining with those various Government representatives in this conference will be the representatives of the Radio Technical Planning Board and its Panel Chairman, which is the industry group which was recently organized to make studies in the field of radio and lay plans for the most effective standards for various uses and to study the matter of radio frequency allocation and assignments in cooperation with the Government authorities. * * *

"The Radio Technical Planning Board is organized under the leadership of the Institute of Radio Engineering and the Radio Manufacturers' Association. That was accomplished recently. Dr. W. R. G. Baker, Vice President of General Electric, is Chairman of that Planning Board."

Chief Engineer Jett was questioned about the future of FM and television, as follows:

"Q: Does it look as though the post-war radio manufacturer is going to make an FM radio instead of the present type? What are the possibilities going to be?

"Jett: I think there will be various types; for example, a combination television, FM and standard band receiver. I think, too, that we will be able to buy individual television, FM and standard band receiving equipment; and, too, some sets will combine only FM and television. There will be all types.

"Q: What price? Will it be reasonable?

"Jett: "Of course, like anything else, the more you want the more you will have to pay. Prices for television sets will vary depending upon the size of screen and the quality of the instrument. Those people who will be content with the smaller screen, say 8 by 10 inches, will be able to buy a set cheaper than one with the 20 inch screen. The 20 inch or larger screen will be available; it has been developed. And I am told that a screen about that size when used in the average home will give about the same viewing possibilities as you get in the middle of a theatre orchestra when looking at a large screen.

"Q: What about theatre television?

"Jett: In all probability we will have theatre television after the war, but how soon I don't know.

"Q: Will it replace motion pictures?

"Jett: No, I think television will first come on the theatre screen for special events; football games, for example, where the stadium can not accommodate all the people who could see it on the screen. Also, for people in other cities who would prefer to see it on the screen rather than travel a considerable distance to a crowded

stadium. That type of thing will appeal to the public. Those programs will also be available for the home set.

"Q: The possibility of combining those facilities for the one set was discussed rather extensively before. That possibility has been mentioned already.

"Jett: Yes, but I don't think they have been sold. To my knowledge, television receivers marketed prior to Pearl Harbor were merely for television, including the synchronous sound channel. I don't believe many were manufactured which included the standard band or FM broadcasting band. Only about ten thousand television sets were sold - at least that seems to be the opinion of responsible people with whom I have discussed the matter.

"Q: But the feasibility of it is there, isn't it?

"Jett: It has been feasible from the time television was first marketed to incorporate the standard and FM, but production did not get started in this direction before the war. The cost factor is something to consider but the scientific phase of this thing is also very important because of wartime developments. In other words, there have been many new developments in the electronic art and as a result of this research the type of television that the public will get after the war will be much better than was possible before the war. But we must remember that that information is still secret, that is, with respect to electronic devices developed during the war, and can't be handed down to the committees at this time. However, there is a lot of preliminary work to be done and the sooner we get started the sooner we'll be prepared to handle the more complex problems to follow."

Mr. Jett said that the Radio Technical Planning Board Conference November 17th would probably be concluded in one day and that the public would not be admitted.

When Chairman Fly was asked if he anticipated any trouble in the new allocation of frequencies, he said:

"It will be a struggle from beginning to end. The very first time you get around a table, that is necessarily inherent in this problem. Television will compete for this space - and FM - to take some of the new things that you are more familiar with. You have seen some of the try-outs for this sort of service. Those were modest as compared to the extent and scope of conflicts that will have to be considered and ironed out. Take one single example: Radio and aviation go hand in hand, right together, and wherever the airplane goes, there goes the radio. The uses of aviation will be expended ten and one hundred fold. Bear in mind the various radio uses that are essential to the physical operation of the planes for safety purposes, location purposes, for weather, etc. And, of course, as your travel and trade move out, communications must move along with them. Now the demands of aviation, both domestically and in the international field, are bound to be extremely great, and that is an important use. That need must be met and must have full consideration. That is a great challenge to the people and must be worked out."

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RILEY FCC PROBE RESIGNATION SEEN AS GAREY FORERUNNER

The reported resignation of Hugh Riley, Assistant Counsel of the House Committee investigating the Federal Communications Commission is believed to foreshadow the withdrawal of the head Committee Counsel Eugene L. Garey. Representative Lea (D), who succeeded Representative Eugene Cox (D), of Georgia, as Chairman of the probe group, was quoted as saying that he knew of no other reason for Mr. Riley's departure than the latter's desire to return to the private practice of law in New York. Mr. Riley was in charge of the Fraud Bureau at Albany before joining the Committee staff and had not figured prominently in the Committee tilts with the Commission.

Representative Lea said Mr. Riley's position probably will not be filled, and that the Committee has not considered displacing Mr. Garey. In another quarter it was reported that Mr. Garey is now preparing for the Committee a synopsis of his findings to date. One Committee member said there will be no determination of Mr. Garey's future role until this task is completed. He said Mr. Garey "may not wish to remain with the Committee".

The first Committee hearing under Representative Lea's leadership will be held next week when three witnesses who testified in last Summer's New York hearings will be heard again. The witnesses will be called back under the Committee's new rule that at least one member be present when testimony is taken. The old Cox Committee had heard several witnesses with only Mr. Garey present.

Later the Committee will call back Commissioner T.A.M. Craven of the FCC, to complete his testimony before calling other members of the Commission.

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WJW, BLUE'S NEW CLEVELAND OUTLET, GOES ON AIR SUNDAY

Station WJW, Cleveland, will begin operations as a basic affiliate of the Blue Network Sunday, November 14th. Marking its first operation with a power of 5,000 watts on a frequency of 850 kilocycles, the Blue's new Cleveland affiliate will begin carrying the full Blue program complement the following day.

On hand for the dedication ceremony will be the following Blue Network executives: Mark Woods, President; Keith Kiggins, Vice-President in Charge of Stations; Phillips Carlin, Vice-President in Charge of Programs; Robert D. Swezey, legal counsel; and John H. Norton, Jr., Station Relations Manager.

Following the inauguration of WJW operations, the same group will proceed to Chicago where representatives of all Blue Network affiliates will meet with Edward J. Noble on Monday and Tuesday November 15th and 16th.

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ICKES STALLS IN LOVETT OUST; FCC OFFICIALS ON BRINK

With November 15th almost at hand, the day Congress says they must go if not renominated by the President and confirmed by the Senate before then, Dr. Goodwin Watson and William Dodd, Jr., of the Federal Communications Commission were interested observers of the tactics used by Secretary Ickes in saving Dr. Robert Morss Lovett, the third member of their group. Mr. Ickes, seeing the handwriting on the wall appointed Dr. Lovett as Executive Assistant to the Governor of the Virgin Islands after Congress, in an appropriation bill had denied funds for his employment as Government Secretary of the Islands.

Called on the carpet by the House Insular Affairs Committee to explain this move, Secretary Ickes characteristically blew up. He declared that Congress had enacted "un-American legislation and committed an injustice of a peculiarly damaging sort" and that he (Ickes) had deliberately reappointed Dr. Lovett to force a court test.

"I have taken every legal means open to me to retain Mr. Lovett for the functions that he has performed so well", Secretary Ickes said. "I have done so in order that the validity of this purported exercise of legislative power may be examined by our courts.

"It may do no harm to remind this Committee that neither the Congress nor the Secretary of the Interior has final authority to interpret the Constitution. That function is for the courts."

It was understood if ousted the three officials Lovett, and Watson and Dodd of the FCC would bring Court action to collect their salaries after November 15th.

The case came up on the floor of the House in connection with the OWI appropriation when Representative Johnson (D), of Oklahoma, speaking of Elmer Davis, said: "If Mr. Davis is not the man for the job, if he is not doing the kind of a job he ought to do, then I would say that he ought to be fired."

To this Representative Mundt (R), of South Dakota, replied:

"I wonder how the gentleman can say that with so much assurance in view of the fact that as to those three gentlemen, Mr. Watson, Mr. Dodd, and Dr. Lovett, the Dies Committee recommended that they be kicked off, the Kerr Committee recommended that they be kicked off, the Appropriations Committee, including the vote of the Chairman of the Appropriations Committee, voted with only one dissenting vote that they be kicked off, the House of Representatives voted that they be kicked off, the United States Senate voted that they be kicked off, and the President signed the bill saying they should be kicked off, and Mr. Ickes put them back on. How are you going to get them off? * * *

"The dead line is November 15 but Secretary Ickes has already said, 'I am not going to be bound by those mere Congressmen, I am going to appoint Mr. Lovett to a new position.' The appointment has been made."

Representative Johson said:

"Dr. Lovett happens to be on the pay roll of the Interior Department. That Committee has advised the Secretary of the Interior of our action. If an attempt is made to keep one of those gentlemen on the pay roll after the 15th of November, it will be done over the vigorous protest of our Committee. I may say further that if it is done or attempted, I think I can speak the sentiment of that Committee and of the distinguished gentleman here in front of me representing the minority on that committee, that there will not be any appropriation for the salary of that gentleman next year, even though that is a poor and sloppy way to legislate.

"But the only way we have under the circumstances", Representative Mundt interjected.

"It may be the only way we have", Representative Johnson replied, "if so I will say to the gentleman that my Committee will not run from or dodge the issue. I assume the gentleman understands what I mean."

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LOUDSPEAKER PROVES VALUABLE WAR WEAPON

Recent reports to the Signal Corps from fighting theaters abroad and military camps in this country attest that the loudspeaker is not only doing important combat duty with American troops but has become almost indispensable to the training program at home.

Long associated with sports events and other peacetime spectacles, the loudspeaker has emerged in many new roles since the war began and special public address equipment is now being developed and procured by the Signal Corps and utilized in virtually every zone of operations.

During the last days of organized enemy resistance on Guadalcanal, when the front lines were somewhat stabilized and the opposing troops were close to each other, an American officer who spoke Japanese used a loudspeaker to induce the enemy to surrender. One such broadcast brought in twenty Japanese with their hands up.

In the recent landing operations which resulted in driving the Japanese from the island of Attu, loudspeakers were used in transmitting orders from shore to landing parties and they are being utilized for the same purpose in the present operations in the Mediterranean theater.

On all fronts the loudspeaker is employed on air fields in connection with air raid warnings when immediate dispersal of personnel and equipment is demanded, particularly when radio silence is imperative. On docks and piers or wherever substantial construction is under way, some form of public address equipment is usually in operation.

In the camps at home the loudspeaker has become a standard item of communications equipment. Beginning at reveille the public address system is busy a great part of the day with bugle calls and other military demands. It is employed by commanders and instructors in addressing large classes of troops and to aid in conducting exercises in the field and on the rifle ranges. Public address equipment has also proved of real value in the reproduction of battle sounds to accustom soldiers to the noises they will hear in actual combat.

In Signal Corps laboratories, public address apparatus is frequently employed to determine the efficiency of highly sensitive instruments and equipment by recreating the severe noise conditions of modern battle.

While standard commercial public address equipment is being widely used by the Army for general service, the Signal Corps is developing special types for military purposes besides procuring modified instruments through commercial channels.

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CREATES PRECEDENT BY ANSWERING CRITIC ON OWN PROGRAM

Representative Wright Patman (D), of Texas, is believed to be among the first to demand not only equal time to reply to a commentator but to do it on the latter's own time. This came as a result of Representative Patman sending the following telegram to Miller McClintock, President of the Mutual Broadcasting System:

"Fulton Lewis, Jr., last night made a personal attack on me in connection with subsidies. I demand his time at an early date to answer him. Please advise me at once whether or not this will be arranged."

"If the time is not arranged, as suggested", Representative Patman declared, addressing the House of Representatives, "I expect to appeal to the Federal Communications Commission for an order requiring it."

It was not necessary for the Congressman to take the matter up with the FCC as Mr. McClintock immediately agreed to allow Representative Patman to appear on Mr. Lewis' program Monday night, November 15th at 7 P.M. E.W.T.

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William E. Drips has been renamed NBC Director of Agriculture, Frank E. Mullen, Vice-President and General Manager of the National Broadcasting Company, announced this week. Mr. Drips resumed the post after serving the Blue network in a similar capacity since 1941. With headquarters in Chicago, Mr. Drips will act as the company's liason man with the Nation's farming interests.

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CIVILIAN RADIO TUBE SUPPLY TO DECLINE, McINTOSH SAYS

Although 1,600,000 radio tubes were manufactured for civilian consumption in October, a record for the year, darker days are ahead for radio fans, Frank H. McIntosh, Chief of the Domestic and Foreign Office of the War Production Board's Radio Division, was quoted as saying.

Military demand for electronic equipment is increasing so rapidly that it will take the end of hostilities to determine the peak, Mr. McIntosh said, indicating that civilian supplies of radio tubes will continue to decline throughout the war.

"England has been at war longer than we have and their military demand has never leveled off", Mr. McIntosh said in an interview. "The new uses for radio tubes seem to be endless. I wish I could tell you the new developments which are coming out of the laboratories. You never can tell, one of them may win the war."

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MR. PALEY GETS CHAIRMAN FLY'S GOAT

As had been expected, the charges made by William S. Paley, President of the Columbia Broadcasting System, that Chairman James L. Fly and the Federal Communications Commission were trying to grab everything in sight, got a big rise out of Mr. Fly.

Testifying before the Senate Interstate Commerce Committee, which is considering the White-Wheeler Bill to limit FCC jurisdiction, where Mr. Paley had appeared earlier in the week, Chairman Fly declared in his third appearance before the Committee that "what the shooting is all about" is that the networks don't want any regulations that would interfere "with going back to their old monopoly."

"What Paley wants for the broadcasters is the status of legalized outlaws", Mr. Fly, the whip-cracking Communications czar, retorted. "He told you that control of business practices meant program control. He's wrong. That whole business (of program control) was dragged in by the tail in an effort to restore monopoly."

"The networks in twenty years have come to control every station in the country. They resent any attempt at control."

Mr. Fly also took a whack at the "soap operas" which he said are monopolizing a large part of the daytime programs.

"You can get oral leg shows and West Forty-second Street burlesque on the air to draw large audiences. But if that is the kind of standard we are going to have for radio, I think it is time Congress looked into it."

Mr. Fly said there has been a tremendous growth in the gambling programs which get listeners by offering gifts of money to those who prove they have been listening to the programs.

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 ::: TRADE NOTES :::
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Donald S. Shaw, formerly manager of the New York Radio Division of the Coordinator of Inter-American Affairs, has been appointed Commercial Program Sales Manager of the Blue Network effective November 15th. Mr. Shaw's appointment to this newly-created position marks another step in the gradual development of the Blue's Commercial Program Department, set up in September, 1942, according to Edgar Kobak, Executive Vice-President.

Melvin P. Wamboldt was recently appointed to another new post, that of Commercial Program Supervisor, while C. P. Jaeger carries over with him into his new post as Network Sales Manager, the supervision of program sales, which division Mr. Shaw will head.

Word has been received that Niles Trammell, President of the National Broadcasting Company, and John F. Royal, the network's Vice-President in Charge of International Affairs, arrived in Italy Saturday, November 6th, from England. Their itinerary calls for later stops in Africa and the Middle East. Plans of the executives include reopening NBC offices in the occupied countries as quickly as key cities are freed by Allied armies.

Looking to postwar television, Thomas F. Joyce of the Radio Corporation of America, declared this week, according to Associated Press report, that within five years after resumption of commercial programs, visual radio should be available to 60 per cent of the people. This, he added, would be possible through a network of stations in 157 key cities.

Stations WTJS, Jackson, Tenn., and KPRO, Riverside, Cal., will become affiliated with the Blue Network in the near future, bringing the total number of Blue affiliates to 171.

E. H. Fritschel has been named Sales Manager of Transmitting Tubes, and H. J. Mandernach, Sales Manager of Receiving Tubes in the Tube Division of the General Electric Company's Electronics Department. Both men are located in Schenectady.

The AFL Commercial Telegraphers Union was disclosed this week to have filed with the National Labor Relations Board a bid for jurisdiction over 70,000 employees of the Western Union Telegraph Company - an action growing out of the company's recent merger with the Postal Telegraph Corp., completely absorbing Postal.

The FM Broadcasters will meet on November 17th in Chicago, making the fifth FMBI meeting since last April. On the agenda is discussion of existing standards by which FM broadcasting is guided. The FMBI Engineering Committee will deliver a report on its studies since the last get-together of the Association. One of the major questions is the present FCC method of assigning FM coverage areas on the basis of square-mile trading areas. There are other problems, such as elimination of noisy ignition systems in post-war automobiles, the use of "booster" stations to supplement FM coverage, etc.

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