

# HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.

NATIONAL BROADCASTING COMPANY  
GENERAL LIBRARY  
30 ROCKEFELLER PLAZA, NEW YORK, N. Y.  
FRANK E. MULLER

## INDEX TO ISSUE OF NOVEMBER 19, 1943

House May Restore Radio Subsidy; Industry Against It.....	1
Postwar Radio Planning Groups Get Down To Business.....	2
WMCA Sale Gets FCC Blessing; Davega Owns 41% Of Stock.....	3
Radio War Committee Studies Bendix Standardization.....	4
New OWI Production And Editorial Chief.....	4
Calls Patman Reply To Fulton Lewis "Political Tirade".....	5
Probers Hear Vinson Told F.D.R. Fly Held Up War Work.....	6
Priority Rating For Radio Maintenance Raised To AA-1.....	7
Wheeler Favors Law To Permit Reply To Slander On Radio.....	7
Canadian Army Has 100 Mile Range Walkie-Talkie.....	8
Noble Promises Blue Affiliates Stock Participation.....	9
Says Radio Can Supplement With 16mm Films.....	10
Sen. Byrd Has Women's Clubs Radio Resolutions Printed.....	10
Trade Notes.....	11

## HOUSE MAY RESTORE RADIO SUBSIDY; INDUSTRY AGAINST IT

Despite the fact that it was beaten in the Senate 54 to 21 and that the broadcasting industry has gone on record against such a subsidy, the amendment of Senator Langer (R), of North Dakota, will probably bring forth a fight to restore it in the House. The proposal was that a portion of the war bond advertising funds for smaller newspapers (which the Senate cut from \$30,000,000 to \$15,000,000) be spent with smaller radio stations and provided that:

"Five million dollars of the sum hereby appropriated for expenditure by newspapers of communities of more than 10,000 population shall be expended for distributing of advertising information, sales arguments, and appeals relating to and promoting or encouraging the sale of bonds, notes, and other obligations of the United States over radio stations in the United States and not less than half of said sum shall be expended with radio stations of 250 watts or less and which had less than \$50,000 of time sales in 1942."

Throughout the debate numerous Senators, who opposed the Government-paid newspaper advertising, warned that if Congress subsidized the smaller newspapers, it would only be a question of time until the small radio stations would also be in the breadline.

Senator Bob Taft (R), of Ohio, whose family owns the Cincinnati Times-Star as well as Station WKRC, opposed both the newspaper and radio subsidies. Senator Taft referred to an OWI statement that the radio industry is already contributing at the rate of \$103,000,000 in advertising time without charge for the various Government programs, bond selling, etc.

Senator Overton (D), of Louisiana, opposing the newspaper subsidy, asked if \$30,000,000 were appropriated for newspapers, why should not \$30,000,000 be appropriated for radio stations? The Senator saw no reason for paying either.

"Why should not the newspaper fall in line, as have other private agencies, such as the radio stations, for instance?" Mr. Overton asked. "During the War bond drives, and even after they were concluded, nightly and daily we heard over the radio appeals made to the people of the United States to invest in securities of our Government."

"I am wondering what will happen if the bill shall become a law", Senator McKellar (D), of Tennessee interjected. "Is it not already perfectly evident that it would be a case of the camel getting its head under the tent? Will not bills be introduced immediately or amendments offered to the pending bill, to include radio stations, magazines, billboards, and the like? The question is, Where are we to get the money with which to pay all these bills?"

"As was stated by the senior Senator from Louisiana (Mr. Overton), if we are to pass the pending bill for the benefit of newspapers, it should also be passed for the benefit of the small radio stations", Senator Langer said in introducing his amendment to appropriate \$5,000,000 to the broadcasting stations. "I made inquiry of the Federal Communications Commission, and I discovered that in America there are 911 radio stations, of which 604 are affiliated with the networks, and 307 are not affiliated with them. Four hundred and forty-eight of those stations have less than 250 watts power. According to the last survey made by the Federal Communications Commission, which was for the last fiscal year, 301, or roughly one-third, of the radio stations in the United States were losing money or were operating on a narrow margin, barely able to pay their expenses. Two hundred and twenty-seven of the 301 which were losing money were of 250 watt power or less. Forty-one of them were from 250 watts to 1,000 watts in power. Only 40 of the 301 which have been losing money had time sales of \$50,000 or more."

"The distinguished Senator from North Dakota has very good reason for offering his amendment; but I should like to point out that it is the beginning of what I suggested yesterday would happen", broke in Senator Maloney (D), of Connecticut. "If we are to do something for newspapers, it is quite logical that we do the same thing for radio stations, and particularly small radio stations, as well as for outdoor advertising organizations, magazines, and other advertising media. While I point out that the amendment is quite proper, and just as fair as is the bill itself, it is too important to be acted upon without an opportunity for Senators to know what it is all about."

Whereupon Senator Maloney called for a quorum and the Langer amendment put to a vote and defeated.

X X X X X X X X X

## POSTWAR RADIO PLANNING GROUPS GET DOWN TO BUSINESS

Following their one-day organization conference last Wednesday in Washington, the 50 or so key Government officials and radio manufacturing people comprising the Radio Technical Planning Board seriously began to work on the technical postwar problems confronting them. The meeting was in response to an invitation issued by the Federal Communications Commission. Dr. W. R. G. Baker, Chairman of the RTPB explained that the Board had been formed to study the systems of standards and the frequency allocation for every service that the electronic industry will offer to the people of the United States. This, of course, will include television.

The Washington meeting was not open to the public but at its conclusion the FCC gave out the following statement:

"The necessity for complete cooperation between government and industry groups for the early study of technical problems involved in the future of radio, was generally agreed upon at a meeting held in



Washington today (November 17) by members of the Radio Technical Planning Board, representing industry; the Interdepartment Radio Advisory Committee, the Board of War Communications and the Federal Communications Commission.

"Subject to priorities of work related to the war, the studies should start as quickly as possible, it was felt.

"Government departments concerned with radio work will appoint observers to work with the Radio Technical Planning Board, it was decided.

"There will be an exchange of information between the government departments and the RTPB so that all concerned in this field can coordinate their work.

"The various panels of the RTPB and the government groups will study such problems as (a) Major changes which may be required with respect to each service, i.e., standard broadcasting, FM broadcasting, television, aviation (domestic and international), police and emergency services, international point-to-point, maritime and government; (b) Changes to be made in the Federal Communications Commission's present standards of good engineering practice and other technical rules and (c) The possibilities of utilizing frequencies above 300 megacycles."

X X X X X X X X

#### WMCA SALE GETS FCC BLESSING; DAVEGA OWNS 41% OF STOCK

The Federal Communications Commission has authorized the transfer of control of Station WMCA in New York City from WMCA, Inc., wholly owned by Edward J. Noble, to the Cosmopolitan Broadcasting Corporation. Nathan Straus and the Davega-City Radio, Inc. own approximately 59% and 41% respectively of the voting stock of the Cosmopolitan Company.

The Commission's Decision and Order found that "the Cosmopolitan Broadcasting Corporation is legally, financially and technically qualified to operate Station WMCA and that the proposed assignment is in the public interest."

At the same time, the Commission denied the petition of Donald Flamm, owner of WMCA prior to 1941, to intervene in the proceeding.

Mr. Noble, recent purchaser of the Blue Network, is sole stockholder of the American Broadcasting System, Inc., licensee of the Blue Network's key station WJZ in New York City. Mr. Noble's sale of WMCA is in accordance with the prohibition in the Commission's rules against multiple ownership by a network organization of stations covering substantially the same service area.

X X X X X X X X



## RADIO WAR COMMITTEE STUDIES BENDIX STANDARDIZATION

A study of "applied standardization" in the production of electronics parts and equipment was the purpose of a visit by interested prime contractors and representatives of the War Production Board and the Armed Services to the Bendix Radio Division plant of the Bendix Aviation Corporation near Baltimore, Maryland, last Wednesday and Thursday, November 17 and 18.

The War Committee on Radio, composed of members of the Armed Services, industry and WPB, held a meeting in Baltimore on Wednesday evening, November 17th.

Standardization of electrical indicating instruments alone has resulted in reducing the number of kinds of meters from 20,000 to 1,200, Sidney K. Wolf, Assistant Director of the Radio and Radar Division of WPB and Chairman of the War Committee on Radio, revealed. In view of the current manpower situation additional standardization appears to be the most effective tool to meet the requirements for an increase of 30 to 35 percent in radio equipment indicated for 1944 with available manpower, Mr. Wolf said. Application of these standards to all radio factories would be necessary.

American war standards have been completed for ten components, Mr. Wolf said. This covers perhaps 50 percent of the total number of components used in electronic equipment, since these are the ones that repeat themselves most frequently in electronic assemblies. Work on 15 or 20 other components is well advanced. These standards are being developed under the supervision of the American Standards Association for WPB and the Armed Services.

The program also should be extended to bring about unified standards for all services, according to Mr. Wolf.

The visits to the Bendix Radio plant were intended to point out the merits of the application of standardization in radio components.

X X X X X X X X

## NEW OWI PRODUCTION AND EDITORIAL CHIEF

Philip H. Cohen, Chief of the OWI Domestic Radio Bureau, announced Wednesday that George Zachary has resigned as Chief of the Production and Editorial Division. His position will be taken by John A. Mullen, formerly Vice President of Benton and Bowles, and since June Copy Chief of the OWI Domestic Radio Bureau.

Mr. Mullen's new assignment will include supervision of all Radio Bureau copy, as in the past, and in addition he will supervise all production and editorial functions of the Domestic Radio Bureau.

X X X X X X X X

## CALLS PATMAN REPLY TO FULTON LEWIS "POLITICAL TIRADE"

Judging from the caustic comments of fellow members, Representative Wright Patman (D), of Texas, didn't come out so well when Fulton Lewis, Jr. and Mutual gave him an opportunity to reply to Mr. Lewis.

"Some radio history was made last night over the Mutual Broadcasting System, although unfortunately all of it was not good", said Representative Karl E. Mundt (R), of South Dakota. "I think the gentleman from Texas was precisely correct in requesting the Mutual Broadcasting System and Fulton Lewis to grant him permission to speak, as his name had been used on the radio and his statements had been criticized. I congratulate him on his persistency in getting that permission. I congratulate the Mutual Broadcasting System and Fulton Lewis on doing the fair thing and giving him the opportunity. It was exactly the kind of fairness we would expect from Fulton Lewis, as he is generally recognized as the fairest and most accurate news commentator in America.

"I think when private citizens or public officials are attacked or criticized on the air they should have the right of rejoinder. I believe that the Chairman of the Senate Interstate Commerce Committee is intending to write such a provision into the new radio code.

"It is extremely unfortunate, however, that the gentleman from Texas should pervert this opportunity by making a political tirade out of his talk instead of answering Mr. Fulton Lewis as he was advertised to do. However, that should not invalidate the principle that private citizens and public officials should have the right on the air to answer columnists and commentators who attack them in person. Unless some such opportunity is provided freedom of speech on the air becomes a farce instead of a fact."

Representative Carl T. Curtis (R), of Nebraska, said that when anyone attacks the Republican party as did Mr. Patman in his "reply" to Fulton Lewis, he is attacking "a majority of the American people". Representative Clare E. Hoffman (R), of Michigan, declared that if he were given time on the radio everytime Walter Winchell "went after you, you would not hear much else."

X X X X X X X X X X

Craig Lawrence, KSO Manager, has received a letter from the Board of Trustees of Broadlawns Polk County Hospital, crediting the Des Moines station with supplying two hundred wool blankets for use in the treatment of poliomyelitis. The blankets were contributed by Des Moines residents in answer to two KSO announcements, and have enabled every child under the Kenny treatment to leave the hospital without signs of paralysis, the letter stated.

X X X X X X X X X X



## PROBERS HEAR VINSON TOLD F.D.R. FLY HELD UP WAR WORK

The sharpest charge yet made in the House investigation of the Federal Communications Commission, headed by Representative Lea, of California, was when a letter was read to the Committee from Chairman Carl Vinson (D), of Georgia, of the Naval Affairs Committee, to President Roosevelt last March in which Mr. Vinson charged Chairman James L. Fly with partial responsibility for the Pearl Harbor disaster.

"The military communications are too important and too secret to be administered other than through the tightest control with such assistance as they may request by the Federal Communications Commission", Representative Vinson wrote the President.

Mr. Vinson suggested that Mr. Fly's Board occupy an advisory position such as that set up for the FBI in connection with Army and Navy Intelligence.

"Without any question as to the integrity of Chairman Fly", wrote Mr. Vinson, "I seriously question his ability and judgment. Because of his successful opposition to the wire-tapping bill and to eliminating the foreign language broadcasts in Hawaii, he must share in the circumstances surrounding Pearl Harbor; and his opposition to H.R. 5074 (a measure aimed at disloyal ship radio operators) delayed its passage until after Pearl Harbor, and may have resulted in some losses."

The FCC Chairman was also responsible, Representative Vinson asserted, for refusing to turn over the finger-prints of communication company employees to the FBI from September 1941, three months before Pearl Harbor until seven months after Pearl Harbor.

"His (Fly's) principal advisor from labor, is reported to be a Communist. Also, some of his staff are under fire for radical tendencies. Naval secrets are not safe with labor members on the Committees.

The Lea Committee will meet again next Tuesday (November 23).

The Washington Post still hammering away for the removal of the Committee's general counsel said:

"The House Committee investigating the Federal Communications Commission is seeking an additional appropriation of \$75,000 to carry on its work. Enough money to complete its inquiry should certainly be granted. A careful study of the FCC is a prerequisite to any legislative changes Congress may make in the regulation of the communications industry. But there is one important step which the Committee should take in order to give assurance that the money it seeks will be wisely and usefully expended. That step is to rid itself of its present general counsel, Eugene L. Garey.

"Fifty-eight thousand dollars has already been spent to investigate the FCC. It is fair to say that this sum was largely wasted. It was wasted because of the star chamber tactics which Mr. Garey pursued. These tactics were permitted, and even encouraged, when the Committee was under the chairmanship of Congressman Cox. The new Chairman, Congressman Lea, has already made it clear that he will not tolerate procedures of this sort. He can best avoid them by securing a counsel who does not think of himself as a prosecutor. Mr. Garey has demonstrated an animus toward the FCC which wholly disqualifies him as an investigator. The House Committee can do its important job far more effectively without him."

X X X X X X X X

#### PRIORITY RATING FOR RADIO MAINTENANCE RAISED TO AA-1

The priority rating of persons engaged in the radio broadcasting business for obtaining radio maintenance, repair and operating supplies was raised from AA-2 to AA-1 and permission to use the "MRO" symbol was continued by the War Production Board through issuance of an amended Preference Rating Order P-133.

Commercial sound recording, which had a rating of AA-5 under the previous order, was assigned an AA-2 preference rating and is entitled to use the symbol "MRO".

Tube inventory restrictions in the amended order, clause 1 of Section (e) of which reads:

"To buy or repair a tube, unless he has first operated a similar tube to failure, and has in stock less than one new and one rebuilt or two rebuilt spare tubes for each active tube socket. All operable tubes which have not been rebuilt shall be counted as new tubes. All power tubes of 250 watts or more (plate dissipation), which have been operated to failure and are not to be repaired, shall be returned to the manufacturer."

X X X X X X X X

#### WHEELER FAVORS LAW TO PERMIT REPLY TO SLANDER ON RADIO

Senator Burton K. Wheeler (D), of Montana, at the hearings on the White-Wheeler Bill to reorganize the Federal Communications Commission said he would seek inclusion in the bill of a requirement that persons slandered by radio commentators be afforded an equal opportunity to answer on subsequent programs.

He contended that while slander may be made the basis of a suit, damage often is done that cannot be offset unless the same listeners are reached with the answer - a circumstance he said seldom occurs now.



As he gauges the temper of the Committee, Senator Wheeler said he believes it is ready to recommend legislation that will give detailed guidance to the FCC in its future regulation of the industry. He predicted these rules would permit stations on one chain to take programs from another broadcasting organization and in general would "relieve individual stations from domination by the chains."

Neville Miller, President of the National Association of Broadcasters, made the point that the present Communications Act was 16 years old and that because of the great growth and development of the broadcasting industry it was about time to bring it up-to-date.

Mr. Miller said the interpretations of this old law may be summed up in one word - uncertainty; uncertainty of rights, uncertainty of remedies and uncertainty of the future. He asked for clarification, and argued that there was much confusion in existing procedure.

Specifically, Mr. Miller asked that the new bill give broadcasters the right to intervene when they are adversely affected by the FCC. "There are rights for the applicant in a petition", said Mr. Miller, "but none and no regular procedure to those who may oppose an application and whose rights may be harmed by the granting of a new application."

Mr. Miller said the May 10th decision of the Supreme Court gave the FCC much too broad powers and urged that the law be changed to limit those powers to ensure that the FCC cannot step in and control the program content.

Leonard Reinsch, Managing Director of former Gov. James M. Cox's stations at Dayton, Miami and Atlanta, said that pending a ruling by the Commission on newspaper ownership, which it has had under consideration for more than two years, stations like his own were unable to take advantage of such advancements in radio as frequency modulation.

He advocated the proposed limitation of the powers of the Commission not so much because of its network regulations, which he said had not affected his stations, but to relieve the industry of "the fear of the unknown" arising from administrative practices of the FCC.

X X X X X X X X

#### CANADIAN ARMY HAS 100 MILE RANGE WALKIE-TALKIE

Canada has become a major source of United Nations supply in the field of instruments and communications equipment, according to a Canadian press bulletin. It is responsible for seven major developments in the field of signals material, including a "walkie-talkie" and a field radio station with a range of more than 100 miles. Canadian electrical factories are turning out every type of communications material which is needed for ships, planes and military vehicles.

X X X X X X X X

## NOBLE PROMISES BLUE AFFILIATES STOCK PARTICIPATION

Concrete plans for participation in the ownership of the Blue Network Company by affiliated stations and management will be announced "as soon as our thinking crystallizes", Edward J. Noble, Chairman of the Board of the Blue Network and sole owner, told one hundred and seventy station owners and managers in Chicago earlier in the week.

Meeting with the representatives of Blue affiliates for the first time since final approval was given to the sale by the FCC, Mr. Noble said:

"The ideal operation of a broadcasting network would see the stock held by 130 million Americans. Unfortunately, this is not practical. Other than saying that I would like to see affiliates and management holding stock, I don't want to outline a plan at the present. Within a year I will be able to come to you with more concrete plans."

Meeting with the members of the Blue Network Advisory and Planning Committee, Mr. Noble said that the Blue Network will not follow outmoded rules and policies that, merely because of age, have become constitutional with broadcasting, phrasing his thoughts on the matter as follows:

"There are many policies now observed by broadcasting that no longer have merit. We are making a thorough study of freedom of speech, censorship and the regulations concerning the sponsoring of programs. At the conclusion we may revise many old policies and create new ones. However, none of our policies will be sacrosanct. As conditions change so will these policies. It is our intent to keep pace with changing times and not let ourselves be governed by regulations that were passed to meet conditions that no longer exist."

Mr. Noble, with Mark Woods, Blue Network President, and Edgar Kobak, Executive Vice President, were also speakers at the Committee meeting.

Other highlights of the meeting were:

A report on time sales showing an increase of 61 percent in the past year;

A recommendation that all Blue affiliates immediately file application for frequency modulation transmitter licenses;

For the first time, a station owner operator will be added to the Board of Directors; and

A recommendation that all Blue affiliates in major cities file applications for television stations. The Blue soon will file applications for F-M television in New York, Chicago, San Francisco and Los Angeles.

X X X X X X X X X X



## SAYS RADIO CAN SUPPLEMENT WITH 16MM FILMS

An intensified use of non-theatrical motion pictures and complete mobilization of all 16mm film projectors in the nation for the war information program were recommended by the National Advisory and Policy Committee on Non-Theatrical Films which has just closed a two-day meeting with the Bureau of Motion Pictures of the Office of War Information.

Representatives of eight national organizations met with Stanton Griffis, Chief of the Bureau of Motion Pictures, and C. R. Reagan, head of the Bureau's Non-Theatrical Division. Promising the fullest possible effort in the forthcoming Fourth War Loan Drive, the Committee passed a series of resolutions and suggestions indicating ways and means in which 16 mm films can supplement press and radio in bringing war information to the people.

The Committee urged, among other things, the full utilization of the existing mass media - print, radio, and motion pictures - to meet the demands of the general public for complete and detailed information on the progress of the war.

X X X X X X X X

## SEN. BYRD HAS WOMEN'S CLUBS RADIO RESOLUTIONS PRINTED

Although the meeting took place sometime ago, Senator Byrd (D), of Virginia, had two resolutions adopted by the General Federation of Women's Clubs printed in the Congressional Record of November 9th. They were:

"Resolved, That the Board of Directors of the General Federation of Women's Clubs, in meeting assembled in Swampscott, Mass., ask that Congress thoroughly review the legislation governing the regulation of radio, and specifically limit the power of the Commission to regulate the physical aspects of communication by radio; and that specific provisions be written into the law to the end that no Government agency shall be clothed with any power whatsoever over the program content of this greatest of all systems of mass communication."

"Resolved, That the Board of Directors of the General Federation of Women's Clubs, in meeting assembled in Swampscott, Mass., hereby urges the Director of the United States Conciliation Service to certify this (Petrillo record and transcription) dispute to the National War Labor Board for appropriate disposition if conciliation fails to bring settlement within a reasonable time; and be it further

"Resolved, That the Board of Directors of the General Federation of Women's Clubs urges the National War Labor Board to give prompt consideration to this prolonged strike, if and when it is certified to the Board."

X X X X X X X X X X

:::  
 ::: TRADE NOTES :::  
 :::

Edward J. McCrossin, Jr., attorney in the Legal Division of NBC's New York office has been assigned to Chicago to handle legal work in NBC's Central Division, Judge A. L. Ashby, NBC Vice-President and General Counsel, has announced.

Philco Corp. Directors declared a dividend of 20 cents a share on the common, payable December 13 to holders of record November 27. Previous dividends this year were 15 cents a share March 12 and 20 cents a share June 12 and September 13.

J. W. Whiteside has been appointed buy in the Tube Division of the Electronics Department, General Electric Company. Mr. Whiteside, who was born in China and who has been with G.E. since 1929, will be responsible for all purchases, including subcontracting for the Division.

A total of 23,571 telephones, 220 teletypewriters and three teleprinters have been surrendered by Government agencies for use in war plants or by war workers as the result of an appeal to Federal departments made by the Board of War Communications last June. In addition, approximately 1,000 Government-owned telephones were turned over by the agencies for use in essential war work.

Station KMPC, The Station of the Stars, Inc., Beverly Hills, Cal., has been granted a modification of license by the Federal Communications Commission to move main studio from 9631 Wilshire Blvd., Beverly Hills, to 5939 Sunset Blvd., Los Angeles, Cal.

Of the 5,000 television receivers in the New York area, more than two-thirds are reported to be in excellent operating condition with only 11% out-of-commission, John T. Williams of NBC's Television Department told members of the American Marketing Association in a luncheon address this week.

R. P. Whitmyre has been appointed Assistant to R. J. Bahr, Purchasing Agent of the General Electric Company's Electronics Department. In this capacity, Mr. Whitmyre long with G.E. and a native of Schenectady, will assist Mr. Bahr in the general administration and co-ordination of purchasing and procurement activities for the department.

Contents of the Bell Laboratories Record for November include: Philadelphia Adopts Automatic Toll Switching, B. C. Bellows; Historic Firsts: The Thermophone; Locating Buried Cables Electrically, R.M.C. Greenidge; Pulsing Between Dial and Manual Offices, H. C. Caverly; Drop-Wire Painting Tool, C. C. Lawson; Molecular Orientation in Molded Plastics, W. O. Baker; Communication and Invasion.

X X X X X X X X X