

HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.

NATIONAL BROADCASTING COMPANY, INC.
GENERAL LIBRARY
30 ROCKEFELLER PLAZA, NEW YORK, N. Y.

INDEX TO ISSUE OF FEBRUARY 29, 1944

FCC Probe Blow-up Embarrassing To F.D.R. At This Time.....	1
Don Lee Stations Apply For FM Stations.....	2
Ryan Praised As Fetzner, His Censor Successor, Is Named.....	3
Philadelphia Station Changes Hands.....	3
RCA Profit Increases A Million; War Output Doubled.....	4
Limited Sound Equipment For Industrial Plants.....	5
Mark Woods To Receive "Poor Richard Club" Citation.....	5
Newspapers Again Urged To Acquire FM Stations.....	6
Radio Included In U. Of C.'s Press Freedom Study.....	8
WMC Revises Essential List.....	8
Radio Makes Possible Connecting 95% Of World's Telephones.....	9
Tiny Tubes May Bring "Personalized" Postwar Radio.....	9
Trade Notes.....	10

No. 1606

February 29, 1944

FCC PROBE BLOW-UP EMBARRASSING TO F.D.R. AT THIS TIME

The blow-up in the Congressional Committee investigating the Federal Communications Commission couldn't have come at a worse time for President Roosevelt. It would seem just now the thing he would want to do most after the Tax Bill-Barkley reverse would be to smooth down the ruffled feathers of Congress. As a result of this, Chairman James L. Fly and the FCC may not get the support President Roosevelt no doubt intended to give when he backed up the FCC Chairman by refusing to allow certain witnesses to testify. This method of blocking the investigation was considered as much of an affront to Congress by some members as when Mr. Roosevelt hurled the "fraud" charges at them. It would hardly follow in the light of all this that the President is going to be enthusiastic about sticking his neck out for Congress to whack again even to refute the latest charges by Representatives Richard B. Wigglesworth, of Massachusetts, and Louis E. Miller, of Missouri, the Republican members of the Investigating Committee that the resignations of Eugene L. Garey, counsel for the Committee, and his three aides, was "one more result of the obstruction intimidation and sabotage resorted to by the White House, the Department of Justice, the FCC and the robed Richelieus of the Palace Guard, both past and present to conceal the pernicious activities of the FCC."

There may be further repercussions today (Tuesday) when Representative Wigglesworth and maybe Representative Miller are expected to lay the whole case before Congress possibly followed by submitting their resignations.

In accepting Mr. Garey's resignation, Representative Lea(D) of California, Chairman of the FCC Investigating Committee, rebuked the Committee counsel. The Californian's reply to Mr. Garey said:

"I regret that your talents were not better employed than in your letter which so intemperately reflects the attitude you have pursued in reference to the majority of this committee.

"Where, unhappily, the members of the Committee cannot agree, the majority must, of necessity, assume responsibility for the policies adopted. That has been done as to the particular matter involved in this controversy and in this acceptance of your resignations."

Donald Flamm, former owner of Station WMCA, charged in a letter to Representative Lea (D), of California, Chairman of the Investigating Committee that the Committee was "unfair, inequitable and unjust" in ending its inquiry into the station and its sale to Edward J. Noble.

Mr. Flamm said that Mr. Noble never was called to testify before the Committee, although he himself had revealed evidence before the Committee. Mr. Flamm said he had understood Mr. Noble would be called before the Committee and had agreed to testify on this basis.

But, he said, after he had laid his evidence before Mr. Noble's attorneys at the hearings, the inquiry was ended before Mr. Noble was heard. As a result, Mr. Flamm charged, Mr. Noble knows everything while Mr. Flamm knows nothing of the evidence Mr. Noble will present to fight a civil suit brought by Mr. Flamm.

The statement by Representatives Wigglesworth and Miller declared:

"When the truth is known, whether now, in the weeks and months that lie ahead, or when a new and fearless Congress calls for a complete investigation which cannot now be had because of Administration obstruction, the facts disclosed will not only interest but appall the public.

"The irresistible influences which forced the resignation of the former Chairman of the Committee have been used to drive Mr. Garey from his position and to deprive the public of the services of an able and conscientious citizen.

"It is a contemptible consummation sought, desired and plotted by those whose sordid activities cannot stand the piercing searchlight of an honest investigation."

"The resignation under pressure of the Chief Counsel to investigate the FCC is just one more result of the obstruction, intimidation and sabotage resorted to by the White House, the Department of Justice, the FCC and the robed-Richelieus of the Palace Guard, both past and present, to cover up the wrong-doing, and to conceal the pernicious activities of the FCC.

"The time has come when we feel impelled to make a full disclosure of the facts. The American people are entitled to know the truth regarding the tawdry tactics that have been employed by the Roosevelt Administration to cover up and conceal from the public the activities of an important agency of the Government."

X X X X X X X X

DON LEE STATIONS APPLY FOR FM STATIONS

Two Don Lee stations, KFRC at San Francisco, and KFRE at Fresno have made application to the Federal Communications Commission for frequency modulation stations. KFRC has made application for a 55 kilowatt FM station, and also for a television station.

X X X X X X X X

RYAN PRAISED AS FETZER, HIS CENSOR SUCCESSOR, IS NAMED

Byron Price, Director of Censorship, took the occasion of the announcement of John E. Fetzer, owner of WKZO at Kalamazoo as the successor to J. H. Ryan, to express his appreciation of the work Mr. Ryan has done as Assistant Director of Censorship.

Mr. Price said: "The outstanding service rendered to this war agency by Mr. Ryan is well known throughout the broadcasting industry. He came to us in the first difficult days just after Pearl Harbor, organized the Broadcasting Division, and has given unsparingly ever since of his time and rare ability. Great credit is due him for this patriotic effort to make voluntary censorship of radio a success.

"I have accepted Mr. Ryan's resignation with great regret. It is fortunate that Censorship has been able to command the services of so able and experienced a successor as Mr. Fetzer."

Mr. Ryan, who was recently elected President of the National Association of Broadcasters, will leave the Office of Censorship April 15, where he has served for more than two years, at which time Mr. Fetzer will take over.

Mr. Fetzer, long prominent in broadcasting circles, has served since 1938 as a member of the Board of Directors of the National Association of Broadcasters. He was reelected for another term at a recent district meeting in Indianapolis.

A native of Indiana, Mr. Fetzer studied at Purdue University, the National Radio Institute, Emmanuel College, the University of Michigan, and the University of Wisconsin. He holds degrees in liberal arts and engineering and has devoted his time since 1918 to research in radio engineering, construction of transmitting and receiving equipment, as well as to management of his own station, WKZO. The latter is a 5000-watt station, serving both Kalamazoo and Grand Rapids.

In addition to his directorship in the NAB, Mr. Fetzer has served on several industry organization committees, as President of the Kalamazoo Chamber of Commerce, and as President of the Alumni Association of the National Radio Institute and Emmanuel College. He is a member of the American Institute of Electrical Engineers and the American Society of Military Engineers.

X X X X X X X X

PHILADELPHIA STATION CHANGES HANDS

Originally owned by the defunct Philadelphia Public Ledger Company, and installed by them in the Ledger Building facing Independence Square, radio station WHAT has been sold to William A. Banks, a Philadelphian. For the past 12 years Mr. Banks has been sales representative for Station WIP, the Gimbel station, which broadcasts Mutual programs in addition to local features.

X X X X X X X X

2/29/44

RCA PROFIT INCREASES A MILLION; WAR OUTPUT DOUBLED

Production by the Radio Corporation of America of vital radio, sound and electronic equipment for the armed forces of the United States and the United Nations increased in 1943 more than 100 percent over 1942, David Sarnoff disclosed.

Net profit of RCA in 1943 was \$10,192,452, compared with \$9,002,437 in 1942. After payment of preferred dividends, earnings per share of common stock were 50.5 cents, compared with 41.7 cents per share in 1942.

Total gross income from all sources amounted to \$294,535,362, compared with \$197,024,056 in 1942, an increase of \$97,511,306.

In a joint message to stockholders, Lieut. General J. G. Harbord, Chairman, and Mr. Sarnoff, President, representing the Board of Directors, reported that the management of RCA is alert to the problems of reconversion, to the post-war application of war-time developments, and to the manufacture and distribution of peacetime products; they said that post-war planning is being conducted without interfering with the tasks of war. It was explained that the radio industry will have television, frequency modulation (FM), facsimile and many other new uses of electronics as potential fields in which to extend the service of radio to the public and to aid in preserving a high level of post-war employment.

Calling attention to the fact that 1944 is the 25th anniversary year of Radio Corporation of America, General Harbord and Mr. Sarnoff described the Company's achievements as "a quarter century of progress in the history of radio." Today, with the Nation at war, the Company's accomplishments in the broader fields of radio and electronics are evaluated as of surpassing importance.

Although impeded by shortages of material and technicians, television continued to hold the close attention of NBC staffs, and extensive plans for sight-and-sound broadcasting await only the war's end and the settlement of a number of technical questions, according to the report. Broadcasting on very high frequencies by FM was carried on, and it is disclosed that policies and plans developed in 1943 will make NBC's network programs available to listeners using FM receivers. In the post-war period FM transmitters again will be manufactured by RCA as well as standard all-wave broadcast receivers and FM receivers of high quality design at reasonable prices.

One of the outstanding wartime developments is described as a new type of frequency modulation receiver perfected by G. L. Beers, an RCA engineer. The home radio set of the future is envisaged as a combination instrument, including television, standard and short-wave broadcasting frequency modulation, and a phonograph.

During 1943, new direct radio circuits were established by R.C.A. Communications between the United States and Ecuador, French West Africa, and Chengtu (China). Also, supplementing the New York-Panama circuit, direct communication was established between San Francisco and Panama. New radiophoto services were inaugurated between the United States and Sweden and Switzerland. Recently R.C.A.C., with the cooperation of American military authorities, began operating with its own personnel in Southern Italy a complete commercial radio station for the purpose of providing efficient communication between the Italian theater of war and the United States. This is the first all-American-owned and operated commercial radio station in Europe.

X X X X X X X X

LIMITED SOUND EQUIPMENT FOR INDUSTRIAL PLANTS

Public address system sound equipment will be made available to a limited number of industrial plants engaged in essential war work by the War Production Board.

The industrial sound systems have a wider use than merely providing music as a stimulus to workers during fatigue periods, the Radio and Radar Division of WPB said. They are also used to page personnel in a plant, to distribute "bulletin board" information to workers, and to give emergency warnings.

The plan to increase war production by use of additional industrial sound equipment was discussed at a recent meeting of the Industrial Sound Equipment Industry Advisory Committee.

An applicant seeking industrial sound equipment must file Form WPB-617, the Radio and Radar Division said. WPB will control the number of installations under Limitation Order L-41, governing construction. Production of industrial sound equipment units will be authorized only by such firms as have facilities and manpower to produce them without interfering with other war production.

X X X X X X X X

MARK WOODS TO RECEIVE "POOR RICHARD CLUB" CITATION

Mark Woods, President of the Blue Network, will receive a citation from the Poor Richard Club at the annual dinner of that organization in Philadelphia on Wednesday, March 15th, for "his contribution to radio". The award and the acceptance speech by Mr. Woods will not be broadcast.

However, during the course of the dinner, Dunninger, famed thought reader, will do his Blue network program at 9:00 P.M., EWT, before 200 guests.

This program will be part of the Club's "Salute to the Blue Network".

X X X X X X X X X X

NEWSPAPERS AGAIN URGED TO ACQUIRE FM STATIONS

Following a similar plea recently made to 2,500 newspaper publishers by Commander E. F. McDonald, Jr., President of the Zenith Radio Corporation, the Editor & Publisher (Feb. 26) in its leading article captioned, "FM Offers Opportunitites to Newspaper Publishers" called attention to the unusual chance for all newspaper publishers, large and small, to have their own FM radio stations. The article is written by Robert U. Brown and carries estimates of capital investment, operating expenses and prices for FM stations prepared by General Electric.

Mr. Brown writes:

"Many small town publishers have already applied to the Federal Communications Commission for a license to build and operate low-power FM stations when the restrictions on construction are lifted.

"Because of the comparatively low cost of construction and maintenance of FM stations, and in view of the tremendous future of FM networks, publishers are missing a bet if they do not immediately obtain an option covering the use of the roof on the highest building in town or the top of highest hill or mountain in their vicinity.

"According to Paul Chamberlain, Manager of sales for the Transmitter Division of the General Electric Electronics Department, three big changes may be expected after the war:

"First, hundreds of FM stations will be built, within a relatively short time following the war. FM stations will be built in most cities now having AM stations. FM is also expected to prove economically sound in cities which have not previously supported a broadcasting station.

"This expansion will result from the fact that FM is the solution to the problems of fading, interference, and static that have hampered low-power AM stations. FM stations can build an audience and deliver it to advertisers day in and day out regardless of weather or other conditions that frequently affect AM reception.

"To the listener, FM means virtually static-and-interference-free reception plus music in "full color" that far surpasses any reproduction by conventional radio.

"Second, many AM stations will modernize and others will switch to FM.

"Third, television will grow into an important separate broadcasting enterprise."

"According to C. M. Jansky, Jr., consulting engineer for FM Broadcasters, Inc., and a member of the engineering firm of Jansky and Bailey, Inc., Washington, the superior potentialities for sound broadcasting which FM possesses over AM all stem from two basic differences between the two systems:

"First, Radio carrier frequencies in the FM band are approximately 40 times as high as those in the AM band. The laws

of radio propagation are radically different at these higher frequencies and better adapted to broadcasting.

"Second. The use of frequency modulation rather than amplitude modulation greatly reduces the power necessary to overcome noise or interference at any given point."

"The AM band extends from 545 to 1605 kilocycles, thus providing 106 channels, each 10 kc wide. The present FM band extends from 42 to 50 megacycles and provides 40 channels, each of which is 200 kc wide. The necessary signal to noise or signal to interference ratio for clear reception on AM is approximately 100 to 1 and the corresponding ratio on FM is about 2 to 1.

"In other words, because of the vagaries of day and night AM broadcasting, for good clear reception conditions at a given location, an AM signal must be at least 50 times as strong as an equivalent FM signal.

"Expressed in terms of power, it takes approximately 2,500 times as much power at an AM station to deliver clear reception at a given receiving point as it would for an FM station operating on the same frequency at the same place. Insofar as the ability to overcome noise and interference is concerned, a 200-watt FM station is the equivalent of a 500 kilowatt AM station on the same channel.

"We all know that AM radio broadcasting is more powerful at night than in the daytime. This fact produces a large amount of interference in the perimeter areas of stations operating on the same frequency, particularly at night."

"Regarding FM receivers, it is estimated there are now in operation about 600,000 with the war having interrupted manufacture of all receivers. Mr. Chamberlain states:

"It is estimated that AM broadcast receivers are failing and going out of service at the rate of 14,000 per day. At the close of hostilities there will exist a tremendous pent-up demand for receivers and we may expect a production of approximately 5,000,000 FM receivers for the first full year of production following the lifting of all restrictions on manufacturing.

"At least 15,000,000 FM sets should be in the hands of the public at the end of five years. We believe that it should be possible to produce FM receivers with excellent performance to retail at \$60 based on pre-war prices."

X X X X X X X X

"Those happy days are gone forever", John O'Donnell writes in the Washington Times-Herald, "when the golden voice in the White House could intone that honeyed, 'My friends . . . you know and I know', radio appeal and so bind the radio audience - and their representatives in Congress - into one big happy family, where ever-trusted Papa knew best and children shouldn't ask too many questions."

X X X X X X X X

RADIO INCLUDED IN U. OF C.'S PRESS FREEDOM STUDY

Radio will be one of the subjects considered when the new Commission under the auspices of the University of Chicago undertakes its two year study of the present status of the freedom of the press in this country. The expenses for the inquiry have been underwritten by the publishers of Time, Life and Fortune but they will not be connected with the Commission. According to the prospectus:

"The function of the Commission is to begin an inclusive inquiry into the nature, function, duties and responsibilities of the press in America - using the word press in its broadest sense to include not only everything that is printed but also the radio, the newsreel and the documentary film. Moreover, the Commission will consider the press and radio - in their wholeness - news, editorial expression, columnists, departments, features, advertising, etc. - and not news content only"

Members of the Commission will be Zechariah Chafee, Jr., Professor of Law at Harvard University; John M. Clark, Professor of Economics at Columbia University; John Dickinson, General Counsel of the Pennsylvania Railroad; William E. Hocking, Professor of Philosophy at Harvard University; Robert M. Hutchins; Harold D. Lasswell, Library of Congress; Robert D. Leigh, Director of the Foreign Broadcast Intelligence Service of the Federal Communications Commission and Chairman of the United Nations Monitoring Committee; Archibald MacLeish, Librarian of Congress; Charles E. Merriam, Professor of Political Science at the University of Chicago; Reinhold Niebuhr, Professor at the Union Theological Seminary; Robert Redfield, Dean of the Division of Social Sciences at the University of Chicago; Beardsley Ruml, Chairman of the Federal Reserve Bank of New York; Arthur M. Schlesinger, Professor of History at Harvard University; George N. Shuster, President of Hunter College.

X X X X X X X X X X

WMC REVISES ESSENTIAL LIST

A revised list of essential activities released by the War Manpower Commission includes:

"Production of Communication Equipment - Radios and radio equipment; radar; telephone, telegraph, cable television, signalling apparatus; electrical sound equipment; vinylite transcriptions; telautograph.

"Communication Services - * * * Protective signal systems which supplement fire and police protection to military, public, and private industrial and commercial establishments; radio broadcasting; radio communications (radio-telephone and radiotelegraph); cable service (land or submarine); telegraph; telephone; television;"

X X X X X X X X

RADIO MAKES POSSIBLE CONNECTING 95% OF WORLD'S TELEPHONES

Since 1927, when the first overseas radio telephone service was established to England, Walter S. Gifford, President of the American Telephone and Telegraph Company reports, telephone service has been extended to include over seventy countries so that today, except for the war, any Bell telephone can be connected with any one of 95 per cent of the telephones in the world.

Overseas telephone service was extended during 1943 to the Union of Soviet Socialist Republics by means of a radio telephone circuit established between New York and Moscow. Service was also inaugurated between this country and Curacao in the Netherlands West Indies over a New York-Wilemstad circuit. To meet further growth, additional facilities were provided to Brazil, Venezuela, Central America and Hawaii.

In addition to the important task of providing overseas message service to the public, the Company is furnishing a considerable part of its radio facilities to the armed forces and other branches of the Government for their use on special overseas projects of vital importance to the conduct of the war.

X X X X X X X X X

TINY TUBES MAY BRING "PERSONALIZED" POSTWAR RADIO

Tiny radio tubes, smaller than acorns, may be employed to introduce an era of "personalized" radio after the war, David Sarnoff, President of the Radio Corporation of America, has revealed in discussing with a Tribune Press Service representative in Chicago what's ahead in the realm of radio and electronics.

Small, compact receivers and transmitters that will slip into pockets may be built for personal communication, Mr. Sarnoff said.

While he did not elaborate on the possibilities of person-to-person radio communications, this system presumably would involve refinements of the "walkie-talkie" system now employed for military purposes.

Because of spectacular development in wartime, Mr. Sarnoff said, radio apparatus will be adapted for collision prevention by aircraft, ships, railroads and possibly automobiles.

"The application of radio-thermics, or radio heating, is a wartime development of no small achievement", Mr. Sarnoff asserted. "After the war, it is expected, radio will be used thermally to make plastics, to cook and to heat homes."

X X X X X X X X

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

Among the companies whose labor-management committees will have exhibits at an exposition in Washington March 3-12 under sponsorship of the War Production Board will be the Radio Corporation of America and the Freed Radio Corporation.

Drew Pearson who has been advocating radio installation to prevent train wrecks, last Sunday night extended congratulations "to the Pennsylvania Railroad for trying out radiotelephones on their Belvidere Division and to the Kansas City and Southern for installing train telephones on their line to Girard, Kansas."

Sparks-Withington Co., reported renegotiation reduced net for the year ended June 30, 1943, to \$520,216 or 55 cents a share, compared with \$670,348 or 72 cents a share in the preceding fiscal period.

No new employees will be taken on by the Federal Communications Commission until the Commission sees what the Senate is going to do, if anything, about restoring the \$1,500,000 budget cut.

Elmer Davis, Director of the Office of War Information, has invited a small group of important national advertisers, advertising men, and media executives to Washington March 8th to attend a one-day conference with a number of military leaders and War Production Board officials.

The off-the-record conference will be conducted in cooperation with the War Advertising Council, an industry group. Its purpose is to acquaint leaders in the field of advertising and public information with the progress of the war, various aspects of the military situation and home front needs.

Cities shouldn't operate broadcasting stations, Borough President James J. Lyons said, speaking over New York's city-owned station. Mr. Lyons said that their experience in New York under Mayor LaGuardia had proved municipal stations may be used for political purposes.

Larry F. Hardy has been elected Vice-President in Charge of the Home Radio Division of Philco Corporation. He has been connected with the Company since 1932 and will be in charge of Philco's entire home radio business, including radio-phonographs, consoles, table models, and small sets.

Station KBND, 250 watt station in Bend, Oregon, will be added to the Don Lee Broadcasting System March 1st. The station, which serves a population of 40,000, has been in existence since December, 1938. Its transmitter and studio are located at the Pilot Butte Inn in Bend.

Mutual is not renewing its affiliation contract with WGAC, Augusta, Georgia, it was announced by the network. All program service to WGAC is to be discontinued at the close of business June 13, 1944.

The following stations have applied to the Federal Communications Commission for construction permits for new high frequency (FM) broadcast stations: Maryland Broadcasting Co., Baltimore, Md., to be operated on 48,900 kc.; Susquehanna Broadcasting Co., York, Penna., to be operated on 44,500 kc.; Commodore Broadcasting, Inc., Springfield, Ill., to be operated on 46,900 kc.; also same Company, Decatur, Ill., to be operated on 46,500 kc.

Simon Ackerman Clothes, Inc., and Simon Ackerman, Manufacturers and Tailors, Inc., of 53 West 23rd St., New York City, have filed an answer denying the Federal Trade Commission's allegations that in radio broadcasts and in advertisements disseminated in newspapers, trade journals and other media, they have falsely represented that they are manufacturers and tailors of men's clothing and that they are "going out of business" and are selling their merchandise at wholesale or half price.

Norman Corwin is back at the Columbia Broadcasting System after a year in Hollywood, and will start a new Tuesday night series, "Columbia Presents Corwin."

Henry Holt & Company will publish a new collection of his radio dramas, "More by Corwin" on March 6 - the day before the air programs make their debut.

Consolidating the Program Research Division and the Information Department, the Blue Network has organized a new division, the Program Information Division. This division will report to Edward F. Evans, Research Manager.

The main functions of the new division are to record and disseminate information on all Blue commercial and sustaining programs, to maintain reference files of all personalities and artists appearing on the programs, and to answer questions of the listening public.

Station WRGA, Rome, Georgia, which joined the Mutual network recently, will begin its affiliation Sunday, March 12th, when line service into Rome will be completed.

"The Donald Flamm rumpus over the sale of Station WMCA in New York City may not only blow the Federal Communications Commission, its head, Chairman James L. Fly and the entire New Deal radio policy out of the window, but may become political fodder in the presidential election, it's that hot", says Denton Walker, New York columnist. "At the moment, Dave Niles is soft-soaping 'friendly' newspaper writers in Washington to play down their coverage on the suit."

Gene L. Cagle, Fort Worth, Texas has applied to the FCC for a construction permit for a new standard broadcast station to be operated on 1340 kc., with power of 250 watts and unlimited hours of operation (Facilities of KAND).

X X X X X X X X X X X