

HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.

HEINL RADIO BROADCASTING COMPANY, INC.
GENERAL HEADQUARTERS
30 HUNTERTON PLACE, NEW YORK, N. Y.

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No. 1611

CONTINUATION OF SEN. WHITE AS LEADER BREAK FOR RADIO

Senate Republicans continuing Senator Wallace White, of Maine, as their acting floor leader for the remainder of this year, keeps radio at the front in the Upper House. Senator White is co-author of both the original Radio Act and the present Wheeler-White radio bill now pending in the Senate. It was a high tribute to him to be chosen to temporarily take over the duties of Senator McNary, of Oregon, the Republican leader. If the usual routine had been followed, a new leader would have been elected following the death of Senator McNary and for a time this was considered and Mr. White was strongly mentioned for the place. However, many always want to be the leader and frequently his election is bitterly contested, resulting in considerable bad feeling. The Republicans particularly desiring unity decided not to elect a permanent leader at this time and thus to tide over any sharp intraparty clash until after the November elections when Republicans hope to capture the 12 additional Senatorial seats necessary to reorganize the Upper House. Senators White, Vandenberg, of Michigan, and Taft, of Ohio, would have been among the candidates for leadership.

A happy compromise was hit upon by the GOP Senators and that was to continue Senator White as acting floor leader, continue Vandenberg as acting chairman of the Republican Conference, and make Senator Taft chairman of the newly created Steering Committee. All of these officers were elected only for the rest of the present session of Congress which ends next January.

The Republicans gradually have regained ground until they now hold 37 of the 96 Senate seats. For a clear majority they will have to capture 12 Democratic places this Fall without losing any. Most observers believe it will take a landslide to give the Republicans numerical control of the Senate this year, but party workers are confident they will at least bring their membership up close to that of the Democrats.

As leader, Senator White is in a better position to advance any radio legislation than he would be as ranking minority member of the Senate Interstate Commerce Committee. On the other hand, if the Republicans dump over the apple-cart in November, Senator White will become Chairman of the Interstate Commerce Committee succeeding Senator Burton K. Wheeler (D), of Montana.

As it is now, Senator Wheeler holds the whip-hand on the White-Wheeler radio bill which his Committee is now considering. One report is that Senator Wheeler is not anxious to press the bill at this time because of objections from Chairman James L. Fly of the Federal Communications Commission and the White House. Having bitterly fought the President on several occasions, it was said

Senator Wheeler was laying off at the present time in hopes the lightning might strike him as a vice-presidential candidate to run with Mr. Roosevelt or even a presidential candidate if in the last minute the President should decide not to run. Senator Wheeler was the Progressive Party candidate for Vice-President with Robert M. LaFollette in 1924.

Further indications that Mr. Wheeler is less critical of the Administration is said to be a more friendly attitude towards Chairman Fly. One skeptic expressed the belief that even if the White-Wheeler radio bill - which he said would call for a five-man Commission maybe with a rotating Chairman, which would throw Fly out of the saddle - passed the Senate this session, he didn't believe it had a chance of getting by the House. This, of course, would put it all up to the next Congress.

Also it may mean something to the broadcasting industry that Senator Bob Taft has been named one of the Republican Senate triumvirate and head of the new nine-man Steering Committee. WKRC at Cincinnati, operated by the Times-Star, is owned by the Taft family and Senator Taft has already proved himself a vigorous defender of radio on the Senate floor.

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FCC HEAD FORESEES OVERSEAS COMMUNICATIONS MERGER

Continuing his appearances before the House Committee investigating the Federal Communications Commission, Chairman James L. Fly expressed the opinion that the proposed merger of U. S. communications in foreign countries would be approved by Congress. Mr. Fly also testified with regard to other matters and will again resume the witness stand next Tuesday.

An indication that hearings before the Senate Interstate Commerce Committee on investigation of international wire and radio merger might begin soon, was the introduction of a resolution (S. Res. 268) which would authorize the expenditure of \$5,000 for the hearing.

Mr. Fly's views and a re-statement of why he favors an international communications monopoly were developed in cross-examination by Counsel Barger of the House Committee as follows:

"MR. FLY. In terms of training, experience and philosophy, I have pretty consistently been opposed to monopolies where monopolies were not the sort of structure that would properly serve the public interest in the particular field. In this particular area of communications, I have advocated monopoly on two scores and I have opposed monopoly on at least one other.

"When you move into the field of public utilities, naturally you have a different factual and theoretical situation to consider. There are many instances - as in the case of telephone, or

local waterworks or electric light systems, or domestic telegraph - where a monopoly makes most sense. In the case of the telephone it appears we have gotten substantial benefits from a monopoly. In the field of public utilities there is close public regulation to see that the public is not exploited through the misuse of the power of monopoly.

"In the field of international communications, again, I think there is a place where those who are conscious of the important factors involved ought to advocate a monopoly."

"MR. BARGER. Reading from your Detroit speech of November 25, 1942:

'There is great need today for a monopoly of all American-owned international radio and cable facilities.'

"MR. FLY. That is right."

"MR. BARGER (continuing reading:)

'That isolation is forever at an end is an inexorable fact. In the world of tomorrow we must be in close contact with every point on the globe of real importance from a business or political or social point of view. The international communications system must be an instrument of national policy. Our own inter-company cut throat competition - which enables foreign governments and their inevitable monopolies to play American off against American to foreign advantage must cease. The American company must be single and complete; must be strong, tough, efficient. And it must be backed by the government at every turn if we are to have this one essential of national strength. We are now moving toward this end.'

That represents your views and your philosophy then, so far as international communications are concerned?"

"MR. FLY. Yes."

"MR. BARGER. And the part of your Detroit speech that I have read, can that be taken, in a measure, as a forecast of things to come as you advocate them?"

"MR. FLY. I should like to think it is a prophecy."

"REP. LEA, CHAIRMAN. In referring to unification, did you mean unification of ownership or unification of Government control?"

"MR. FLY. I hadn't distinguished there, sir, and I am not taking a position. To my mind the essential thing is to get a strong, comprehensive, efficient system under a single control, and I think it is somewhat secondary as to what, if any, interest the Government may have in it, or as to whether it will be privately owned."

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"REP. LEA, CHAIRMAN. Does what you have advocated include possible Government ownership?"

"MR. FLY. I have not advocated Government ownership. I don't think we have taken a position on that. Some of the companies, I believe, feel that in this particular field of the international it might be well to have Government ownership, but I am not at all sure I would agree to that. I think the thing to do is to get a strong unit that the Government can back up and support in these foreign fields, rather than have the thing in conflict abroad with the inability of the Government to support any company. And then in turn the Government would want to be in a position to insist that such a concern move out and establish additional lines of communication."

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BAMBERGER SEEKS PHILA AND WASHINGTON TELE STATIONS

The Bamberger Broadcasting Service of New York, which operates WOR, and of which Alfred J. McCosker is President, has applied for construction permits for commercial television stations to be located in Philadelphia and Washington. In the former city, Bamberger seeks Channel #7 (102,000-108,000 kilocycles) and in the latter, Channel #4 (78,000-84,000 kilocycles). Philco has also applied for #4 in the Capital.

The Allen B. Dumont Laboratories for reinstatement of television license for W3XWT in Washington and has requested a change in transmitter site, power from 1,000 watts aural and visual to 2,000 watts aural and 4,000 watts peak visual, change type of transmitters and change emission from A3 and A5 to Special and A5.

Louis Wasmer, Inc., of Spokane, Wash., has applied for a construction permit for a new Commercial Television Broadcast Station to be operated on Channel #1 (50,000-56,000 kilocycles).

Havens & Martin, Inc., Richmond, Va. also requested a construction permit for a new Commercial Television Broadcast Station to be operated on Channel #3 (66,000-72,000 kilocycles) with power of 3 kilowatts for aural and 4 kilowatts (peak) for visual.

The Crosley Corporation of Cincinnati has asked for an extension of the completion date of their television station W8XCT until next October.

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FEA EASES UP ON EXPORT REGULATIONS

The Foreign Economic Administration is notifying exporters that, effective immediately, import recommendations from countries of destination will no longer be required in submitting applications for licenses to export certain vehicles, office and radio equipment, petroleum products and repair parts for industrial equipment from the United States to most American republics, FEA announced.

The action announced represents a further simplification of export controls. Under the original Decentralization Plan for regulation exports to Latin America, it was necessary for United States shippers to submit special import recommendations along with their applications for licenses to export most commodities.

The bulletin calls particular attention to the fact that the current modification "is designed to simplify existing procedures" and does not necessarily indicate an improvement in the supply situation for these commodities. It points out that "exports of the commodities named continue to be subject to quantity and other limitations of the War Production Board and other war agencies."

In addition to reducing paper work for exporters, the modification will make possible speedier transmission to United States suppliers of information about essential needs of Latin American countries and a quicker adjustment of action to meet such needs under WPB production schedules. The changes are in line with recommendations made by export trade associations for increasing the flexibility of export controls to meet rapidly changing situations.

Among the commodities for which import recommendations will not now be required for the Latin American destinations named below are radio receiving tubes and other equipment. Destinations include Brazil, Chile, Colombia, Costa Rica, Cuba, Dominican Republic, El Salvador, Ecuador, Guatemala, Haiti, Honduras, Panama, Paraguay, Peru, Uruguay and Venezuela.

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MANAGEMENT MEETING OF BLUE NET DEPARTMENT HEADS

Forty-seven Blue Net Department heads and other management executives from New York and Chicago will attend a meeting called by Edgar Kobak, Executive Vice-President. Up for discussion are problems of programming, engineering, sales, station relations and other phases of network broadcasting in war-time. In addition to reports by Department heads, Mark Woods, President of the Blue, will report on the general policies of the network, and outline plans for the future development of the company under its new ownership. The meeting is scheduled for Saturday, March 18th at the Waldorf-Astoria Hotel in New York City.

This meeting will be the first general management meeting since the purchase of the Blue Network from the Radio Corporation of America by Edward J. Noble, and the subsequent sale of an interest in the network to Time, Inc., Chester J. LaRoche, Mark Woods and Edgar Kobak.

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BRITISH OBLIGED WITH BATTERIES FOR U. S. HANDIE-TALKIES

When preparations were being made for the North African invasion during the Summer of 1942, General Eisenhower asked for 11,500 handie-talkies, the small compact, 5-tube Signal Corps radio transceiver used by front-line soldiers for short direct communications. This order had to be filled from stocks on hand at the Signal Supply Division of the European Theater of Operations.

Although there were that number of sets on hand, the question of batteries proved to be the stumbling block. Batteries tend to run down whether in use or not, and it was the duty of the Signal Corps officers in charge of the division to make sure that each handie-talkie put in the hands of American troops was powered with batteries that were of optimum life.

Accordingly, a British firm was contacted, and after studying the American-made battery, agreed to attempt the job of turning out 11,500 of them for inclusion in the radio sets.

Five days before the first contingent of troops left England on what was then the first and largest amphibious operation in the history of World War II, the British firm began turning out the "hearts" of the handie-talkies.

At the end of those five days, every handie-talkie supplied to the invading forces, was primed with batteries that were at their peak.

The story is one of many reported to the Chief Signal Officer by Colonel Pierson A. Anderson, then Director of the Signal Supply Division, E.T.O. Colonel Anderson, who recently returned to this country after serving in England since August 1, 1942, has now returned to the United Kingdom.

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COMMUNICATIONS FOREMOST MILITARY TOOL

On a recent "Telephone Hour" broadcast, Major General Harry C. Ingles, Chief Signal Officer of the U. S. Army, said:

"Military signal communications have developed with incredible rapidity into one of the foremost military tools.

"They keep the commander in touch with the enemy's whereabouts and activities, and give him the means of directing his forces. They get the ammunition forward to the guns, and food forward to the troops in the line.

"They bring tank destroyers to knock out enemy tanks, call for artillery or bomber support to reduce a strong point which otherwise would cost a whole company of men. They keep traffic flowing, warn of approaching air raids, warn of mine fields, contaminated water, snipers. They direct the crippled fighter plane back to its field and coordinate the evacuation and care of the wounded. I know of no other single activity which is so much a part of all military activity,

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LAST DITCH SENATE FIGHT TO RESTORE \$2,000,000 FCC CUT

There was a rough and tumble battle which lasted most of Thursday afternoon in an effort on the part of the Administration to restore the budget slashes made by the House and recommended by the Senate Appropriations Committee, of Federal Communications Commission funds. Evidently four alarms had been turned in by the White House as the defense of the FCC was vigorously taken up by the Administration wheel-horses, Senator Barkley of Kentucky, Majority Leader, Senator Hill of Alabama, Majority whip, and Senator Mead, of New York. It seemed to this writer that Senator Barkley, despite the recent outburst, was again back in his old roll of trying to pull the chestnuts out of the fire for the President.

It is expected that a vote will be taken Monday.

The amendments by which the House reduced the FCC appropriation for the FCC includes the following: \$1,000,000 from the Radio Intelligence Division; \$500,000 from the Foreign Broadcast Intelligence Service; \$113,607 for new positions requested; \$21,897 for the Personnel Division; \$19,353 for the Budget and Planning Division.

The Senate Committee further reduced the appropriation by \$209,000, which is recommended to be taken from the regular appropriation to be applied to unspecified activities, and \$300,000 from the national defense appropriation to be applied to unspecified activities.

Altogether, the total reductions resulting from the seven Senate Committee and House amendments amount to \$2,163,857.

Senator Mead moved to restore the cut on the ground of national defense. It was charged that the real reason was that the Democrats don't want to lose that many jobs just before election. Senator Mead's amendment, however, was opposed on the ground that the FCC was duplicating military radio intelligence work against the wishes of the Secretaries of War and the Navy, Senator Mead saying the Commission never entered the field of military intelligence unless specifically requested to do so by the services themselves.

He asserted that despite the fact that Secretaries Stimson and Knox wanted FCC intelligence activities transferred to them, they had been overruled by President Roosevelt after "an exhaustive investigation", and intimated that they now conceded the desirability of the work being retained by the FCC.

"Let me ask the Senator from Washington who he thinks is better qualified to say whether or not the Federal Communications Commission has been rendering good service in aid of the war effort - the War and Navy Departments, or the Senator from Washington and the Senator from New York?" Senator Bridges (R), of New Hampshire said, addressing Senator Bond (D), of Washington.

"Does the Senator from N.Y. say that Mr. Roosevelt, to whom he refers as Commander in Chief, is running the war, or that

General Marshall, Secretary Stimson, Admiral King, and Secretary Knox are running it? Have we political domination in conducting the war, or are the military and naval chiefs conducting it?" Mr. Bridges interjected later in the debate.

Senator Mead countered by saying that he was trying to answer him.

"I wish the Senator would start with the last question, because it is fundamental. Are the Army and Navy chiefs conducting this war, or do we have political direction from the White House?" Senator Bridges persisted.

"There is evidently no political association so far as the Secretary of war or the Secretary of the Navy is concerned", Senator Mead retorted. "The Senator would not admit that there is any political affiliation so far as either the Secretary of War or the Secretary of the Navy is concerned. Of course, they are above politics; but I take it from the Senator's statement that there may be some politics so far as the Commander in Chief is concerned. I am only trying to discern the inferences in the Senator's statement."

"I do not believe that the Secretary of War, the Secretary of the Navy, and their chiefs of staff, and the various generals and admirals are playing politics", Senator Bridges replied. "They are trying to win the war. I want Mr. Roosevelt to let them conduct the war, without interference and I do not want to see him on an issue like this go over the heads of those in actual direction of the Army and Navy."

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WOODS DENIES TRYING TO HIGH PRESSURE ANTHONY IN SALE

There was a prompt and emphatic denial from Mark Woods, President of the Blue Network, that he had tried to put the heat on Earle C. Anthony in endeavoring to secure a lower price on Station KECA. Mr. Anthony is alleged to have made this charge in asking the Federal Communications Commission for more time in which to sell the station which he is obliged to do to comply with the Commission's order in connection with multiple ownership - Anthony being the owner of KFI and KECA both in Los Angeles. Mr. Anthony is also said to have claimed that the Blue was trying to intimidate other prospective purchasers by refusing a network outlet in Los Angeles.

In a telegram to the FCC, Mr. Woods said:

"We most emphatically deny that the Blue network company or any of its executives have at any time endeavored to compel Mr. Anthony to sell KECA at any price."

Mr. Woods' telegram said the Blue had made offers within the past two years which Mr. Anthony was able to accept or reject at

will. The network has first refusal under 30-day agreement in which they must meet terms and conditions of any proposed sale elsewhere.

"We are shocked and surprised", Mr. Woods wired the FCC, "that the petitioner should use as an excuse for his appeal . . . the completely unsupportable allegation that the Blue network has sought to take unfair advantage of the petitioner's position."

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ENTER - THE WEEKLY NEWS LETTER ON TELEVISION

Making its bow is the "News Letter on Television" to be issued in mimeographed form weekly to members of the Television Broadcasters' Association. The new publication, which has for its slogan, "Keep Your Eyes on Television" is edited by Will Balin at the Association's headquarters, 500 Fifth Avenue, New York City. By way of introduction, Mr. Balin says:

"This is the first news letter to emanate from the newly opened offices of the Television Broadcasters' Association, Inc., in New York City. Copies will be circulated to TBA members and others every week in the year and will contain news and information about television progress in wartime and its potentialities as one of the greatest industries in the post-war world. A digest of the past week's happenings in the television field and commentary on new television developments will be included in each issue."

The News Letter tells its readers that an informative article on television and its post-war possibilities appeared in the February 28, 1944, issue of the Wall Street Journal. The financial publication explored the new industry from several aspects, pointing out that theatre television is likely to be as important an adjunct of the industry as the home market. It sees Hollywood leaders embracing television because it will prove a boon at the box office, and it points out that the film industry has the stars and creative artists to give television programs a "lift".

Another paper wrote:

"If present advertiser interest is a criterion, television should develop after the war into as large and potent an advertising medium as radio has become in the last two decades." So writes Lawrence M. Hughes in the current issue of Sales Management magazine. While the number of televiewers today cannot be compared with the radio listening public "they're an avid audience and they respond", he says. "Radio has become a \$300,000,000-a-year advertising medium on sound alone, but we haven't seen anything yet", Mr. Hughes avers. "Wait till sight is harnessed to sound in 35,000,000 American homes!"

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WPB REPORTS ON CIVILIAN RADIO TUBES AND DRY BATTERIES

(For Release Sunday, March 19)

Definite quality improvement and in some instances increased production of some minor civilian goods can be expected by consumers in the next few months, the Office of War Information reported on the basis of the War Production Board's revision of a number of limitation and conservation orders during the last few months. Among the items mentioned were dry cell batteries, of which WPB says:

"Shipments of dry cell batteries to civilians this year are not expected to exceed the number delivered to civilians in 1943. Last year, the dry battery industry produced 3,750,000 radio battery packs, as compared with the 3,500,000 produced in 1940. All but two percent of the dry cell batteries made in 1943 went to rural users."

Regarding radio tubes, WPB advises:

"The number of radio tubes for civilian use will continue inadequate for all needs, because military requirements for electronic equipment for combat use are increasing. The tubes, however, being manufactured for civilian sets for the first time will be of the more critically needed types. Although civilians were able to purchase an overflow from military orders of 5,500,000 radio tubes in the last quarter of 1943, these were a result of haphazard production and did not include a sufficient number of 'hard-to-get' types.

"For the first time, WPB has actually scheduled in the first quarter of 1944 a minimum of 4,500,000 radio tubes for civilians of the 'hard-to-get' types. These tubes will be stamped 'MR', that is, they can be used only for maintenance, repair or operating supplies and will thus be channeled into the civilian market only.

"At least 18,000,000 'MR' tubes (less than half of normal replacements) are anticipated for civilians this year - and probably more - because manufacturers are permitted to produce 'over-runs' above quota, if military orders are completed and if facilities and labor are available.

"While increased production is not expected to meet all present civilian needs for radio tube replacements, WPB expects it to improve materially the current shortage. More than 33,000,000 radio tubes for replacement purposes were manufactured in 1941 in addition to tubes in 8,000,000 new radio sets which were sold. But production of new civilian sets has not been permitted since April, 1942. The number of tubes needed for replacement in civilian sets in 1944 is estimated at more than 41,000,000 because of the backlog of demand for tubes, longer radio listening hours and the use of old or repaired radios.

"More equitable distribution of radio tubes to civilians will be made possible by the WPB directive to manufacturers to trade among themselves the various types of radio tube each manufactures. Each company will then have a balanced stock of radio tubes from which jobbers will be able to obtain a certain percentage of their 1941 purchases of each type of tube."

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 ::: TRADE NOTES :::
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Arthur J. Wilson, former Chief of the Production Control Branch of the War Production Board's Radio and Radar Division, has been appointed Director of the Board's Production Scheduling Division, J. A. Krug, Program Vice Chairman, has announced.

Before Mr. Wilson went to WPB on October 2, 1942, he was Vice President of the Audio Production Company, a Western Electric subsidiary.

The York Broadcasting Co., York, Penna., operators of WORK, have applied to the Federal Communications Commission for a construction permit for a new High Frequency (FM) Broadcast Station to be operated on 45,100 kilocycles, with coverage of approximately 1,550 square miles.

When the National Conventions, both Republican and Democratic, meet in Chicago this Summer, the four major networks for the first time in history will pool their pickup apparatus, such as microphones, etc., insofar as possible. This will be done for the first time in the history of radio because war conditions are restricting the availability of apparatus.

A common pickup system will be installed in the convention hall to feed all networks, and floor staffs will be pooled wherever possible. However, each network will be able to do side broadcasts.

Station KALB, Alexandria Broadcasting Co., Inc., Alexandria, La., has had its petition for reinstatement and application for construction permit to change transmitter site, install directional antenna, change frequency from 1240 to 580 kilocycles, and increase power from 250 watts to 1 kilowatt granted by the Federal Communications Commission, upon certain conditions.

In the event of an air raid or major disaster in Washington, the District's War Emergency Radio Service is ready to take over the city's communication service. A branch of the Office of Civilian Defense, the WERS was organized in March 1943 when an emergency radio license was granted the District Commissioners authorizing establishment of the disaster unit.

Its members are radio operators whose amateur or "ham" stations completely encircle the city and are in otherwise strategic spots.

The Federal Communications Commission granted consent to acquisition of control of Jacksonville, (Florida,) Broadcasting Corp., licensee of Station WPDQ, from Ernest D. Black, E. G. McKenzie and Mrs. Margaret Curtis to L. D. Baggs, by the transfer of 18 shares, or 60 percent, of the issued and outstanding capital stock, for a total consideration of \$180,325.75.

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