

# HEINL RADIO BUSINESS LETTER

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NATIONAL BROADCASTING COMPANY, INC.

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No. 1623

April 28, 1944

# NUMBER OF 100 WATTS FALLING OFF; TIME SALES INCREASE

A survey just made by the Federal Communications Commission reveals that during the year 1943 there were 39 standard broadcast stations operating with 100 watt power compared with 152 stations operating with this power and 3 stations operating with 50 watt power during the year 1938. Five of the 39 are non-commercial stations. These stations were located as follows:

Location	Number of stations		Location	Number of Stations	
	1938	1943		1938	1943
Alabama	4	1	Nebraska	1	0
Alaska	1	0	New Hampshire	1	0
Arizona	1	0	New Jersey	2	0
Arkansas	5	0	New Mexico	4	3
California	12	4	New York	<u>1/</u> 8	2
Colorado	5	1	North Carolina	5	0
Connecticut	3	0	North Dakota	2	0
Delaware	1	0	Ohio	5	0
Dist. of Columbia	1	0	Oklahoma	6	1
Florida	4	0	Oregon	5	2
Georgia	3	1	Pennsylvania	10	4
Illinois	8	2	Puerto Rico	1	0
Indiana	4	1	South Carolina	2	0
Iowa	3	1	South Dakota	4	1
Kansas	5	2	Tennessee	2	0
Louisiana	3	0	Texas	8	5
Maine	2	2	Utah	2	1
Michigan	<u>1/</u> 5	0	Vermont	1	0
Minnesota	2	0	Virginia	2	1
Mississippi	2	0	Washington	<u>1/</u> 6	0
Missouri	2	0	West Virginia	2	1
Montana	1	1	Wisconsin	<u>4</u>	<u>0</u>
Total				155	39

1/ Includes one 50-watt station.

This is a decrease of 76% in the number of stations operating with this power at the end of 1943 compared with the number operating with power of 50 to 100 watts at the close of 1938.

Thirty-four of the 39 stations were licensed prior to 1938, 5 of which are non-commercial.

Twenty-nine of these stations have filed revenue reports for the year ended December 31, 1943, reporting net time sales

amounting to \$861,000, and the same stations reported \$708,000 for the year 1942, an increase of 21.5%.

Eight of the 29 commercial stations showed a decrease in net time sales and the remaining 21 showed increases ranging from \$22 to \$60,934, and may be grouped as follows:

8 stations reporting decreases of \$3 to \$5,091
5 stations reporting increases of \$22 to \$1,000
8 stations reporting increases of \$1,000 to \$5,000
5 stations reporting increases of \$5,000 to \$10,000
<u>3</u> stations reporting increases of \$10,000 or more

29 total stations

Twelve of the 34 commercial stations serve as outlets for the major networks as follows:

Blue	1 station
Columbia	2 stations
Mutual	7 stations
National	<u>2</u> stations

Total 12 stations

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#### WOULD PUT CONGRESS ON THE AIR

A resolution was received by Representative Will Rogers, Jr. (D), of California, passed by the Santa Monica Bay District Central Labor Council which urged the enactment of necessary measures to establish a nationwide broadcast of the proceedings of Congress.

The arguments advanced in favor of the resolution were:

"The affairs of Congress and of Government in general are vital to every citizen; and

"No present method exists to provide full information to the average citizen about the real happenings in our Congress; and

"Radio is the simplest and most effective medium for communicating with every American in every part of the country; and

"New Zealand adopted a program of short-wave broadcasts of the proceedings of its parliament, and has successfully demonstrated that full knowledge by citizens of the affairs of government stimulates and strengthens the democratic system; and

"Our Congress could lease radio time from one or more networks, several important and powerful stations, or broadcast by short wave all important debates, excepting such matters as might jeopardize national security during this war.

Copies of the resolution were sent to Vice President Wallace, to members of Congress and Representative Rogers had it printed in the Congressional Record.

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# McKELLAR ABUSE RAISES QUESTION OF COMMENTATORS' RIGHTS

There has been a growing demand from Capitol Hill for the right of a member of Congress to reply in a commentator's time to an attack made over the radio. The abuse heaped upon Commentator Drew Pearson by Senator McKellar (D), of Tennessee last Tuesday, the like of which this writer has never heard in Washington from Roosevelt to Roosevelt, however, raises the question as to what the commentator's rights are when he is so viciously assailed.

Senator McKellar, as is invariably the case in such exchanges, spoke in the Senate where the sky is the limit.

Senator McKellar worked himself up to such a pitch abusing Drew Pearson that it became laughable. In fact laughter frequently punctuated the debate (See Congressional Record April 25, pp. 3751-56).

Denying an allegation made by Mr. Pearson that he had drawn a knife on a Senator in a row on the Senate floor, also that he had numerous members of his family on the Government payroll, and that he was stronger in regard to patronage than any other Senator, Senator McKellar began what was captioned in the Congressional Record as a "personal statement about a lying human skunk". That was only the beginning. Among the other references were "ignorant, blundering, lying ass who makes a living by jumping on Senators and other public men", "ignorant liar, a pusillanimous liar, a peewee liar, even if he is a paid liar", a revolving liar", and "it is remarkable when a man is a liar, a natural-born liar, a day-and-night liar - it's remarkable how he can lie."

As to his ever pulling a knife on a Senator, Mr. McKellar said that statement is "a willful, deliberate, malicious, dishonest, intensely cowardly, low, degrading, filthy lie." And, of course, Senator McKellar is protected from any legal comebacks. Mr. Pearson in a reply either over the radio or in his newspaper columns would be restricted by the libel laws. It is the old story of a Congressman being able to say what he wants to say and the radio commentator and newspaper writer being personally accountable and therefore having to watch his step. The Congressman, as always, doesn't have to be hampered by facts and can make any charge he pleases and get away with it.

Also Mr. Pearson was subjected to further attacks in another quarter in connection with the censorship investigation that was prompted by the airing of excerpts from the private correspondence of Miss Vivien Kellems, Connecticut businesswoman, with a German engineer in Argentina. Pearson read them on his radio program and Representative Coffee (D), of Washington, spread them in the Congressional Record.

In connection with this, Senator Reed (R), of Kansas, said "We're going to hear some plain and fancy lying and I may ask the Committee to get a lie detector."



Walter Winchell came back into the Capitol Hill picture when Representative Rankin (D), of Mississippi, blocked an attempt by Representative Martin J. Kennedy (D), of New York, to insert in the Congressional Record Winchell's April 2 radio reply to Chairman Martin Dies (D), of Texas. Mr. Kennedy sought to place Winchell's reply and a speech by New York State Democratic Chairman James A. Farley in the Record but Rankin protested that Mr. Farley would not be accorded proper treatment by having his speech linked with a Winchell "scavenger broadcast".

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#### CBS TO SCRAP TELEVISION INVESTMENT TO KEEP UP-TO-DATE

At a luncheon given by the Columbia Broadcasting System in New York Thursday, Paul W. Kesten, Executive Vice-President, declared that CBS will support post-war television improvements at a cost of scrapping its pre-war investment and advocated earliest possible support of known opportunities for improvement in television, at the same time acknowledging that such a stand will create problems which Government, manufacturer, broadcaster and the public must face. "But", the announcement stated, "we see even more clearly the serious predicament which delay would create."

To facilitate an early FCC decision in favor of the higher frequencies required for improved television, a report made by Mr. Kesten urges immediate concentration of effort by all television laboratories to complete experiments on which "CBS knows that 80 percent, perhaps 90 percent has already been done - and has been tested in the crucible of war."

When experiments have proved the feasibility of better and larger pictures - including full color - the way would be cleared for the immediate production of improved sets. This would avert the danger of sudden worthlessness and huge public loss which might follow a continuance of present pre-war standards in post-war sets. The report states that only 7,000 homes now possess these pre-war standard sets.

"If new television standards are inevitable (CBS believes they are)", says the report, "then the quicker they come, the better for the manufacturer."

"For pre-war sets can never receive pictures broadcast on higher frequencies and wider channels."

"The public has invested perhaps \$2,000,000 to date in television sets. But by the time the first million sets are sold, the public investment in receivers alone will probably top \$200,000,000 - a hundred times as great as it is now. Manufacturers and broadcasters have probably invested \$20,000,000. But before the first 100 broadcasters have completed their first two years of television broadcasting, their investment will probably represent another \$50,000,000."

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"Thus the total investment to date in television on the old standards is trivial compared with the billions of dollars which must go into television in the next ten years, if it achieves its full potential.

"Delay, itself, may prove decisive. If sets are sold for four or five years on pre-war standards - a later change to higher standards might go by default, for fear of jeopardizing too large a public investment. And American homes might be indefinitely deprived of brilliant, detailed television pictures.

"If on the other hand the interval is shortened to the utmost by a concert of purpose and effort between Government and industry, if pictures on the new and higher standards can be demonstrated in a year, if receiving sets can roll off the line in another year, then the public should be told and told fully.

"Under such plan, present broadcasters could continue broadcasting on the low standards until the high standards are ready. They could close down the old transmitters when they open up the new. Families which can afford receiving sets which may be useless in a year or two could be encouraged to buy, with full knowledge of the probable impending change.

"This is the hard road for present television broadcasters, but the road of good faith with the public. To broadcasters, it may mean millions of dollars of interim broadcasting to provide continued program service to a handful of pre-war sets. It also means scrapping several million dollars worth of transmitter and studio equipment.

"But to manufacturers, such frankness should pay handsome dividends. The higher standards, once achieved, should compress into three or four years set-buying which might otherwise lag over five to ten years."

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C-O-R-R-E-C-T-I-O-N

It was incorrectly stated in the article in our last release, April 25th, "Washington Post" To Have Station In National Capital" that the power of WRC, NBC station in Washington was only 1,000 watts. It is 5,000 watts, and Carleton D. Smith, WRC's alert General Manager, informs us "has the best coverage in the city."

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## GENE PULLIAM OF WIRE BUYS INDIANAPOLIS STAR

Another radio-newspaper tie-up was the purchase of the Indianapolis Star and the Muncie Star by Eugene C. Pulliam, well-known Indiana broadcaster and publisher. Mr. Pulliam is the President of Indianapolis Broadcasting, Inc., owners of Station WIRE, Vincennes Sun-Commercial and Station WAOV, Huntington Herald-Press and the Lebanon Reporter.

The Indianapolis Star, the only morning newspaper in Indiana's capital, has statewide prestige and importance in that part of the country.

Ben F. Lawrence, editor and publisher of the Indianapolis Star and the Muncie Star, and Walter Brewer, co-trustee with Mr. Lawrence of the estate of John C. Shaffer of Chicago, owner and publisher of the papers prior to his death a few months ago, said the sale was made "to meet a tax situation in the settlement" of the Shaffer estate.

Mr. Pulliam was born in Grant County, Kansas, in 1889, and began newspaper work on the Kansas City Star and afterwards was editor of the Atchison (Kans.) Champion and Franklin (Ind.) Reporter. He is President of Central Newspapers, Inc., and Network Affiliates.

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## PETRILLO SUMMONED TO WASHINGTON FOR WJJD-KSTP SHOWDOWN

Coming at a time when the Montgomery Ward case in Chicago is the country's biggest domestic topic of discussion, much significance is attached to the War Labor Board's directing James C. Petrillo, president, and officials of locals of the American Federation of Musicians in Chicago and Minneapolis-St. Paul to appear before the WLB in Washington Monday afternoon (May 1st) to show cause why penalties should not be visited upon them for refusing to call off strikes of musicians at Stations WJJD in Chicago and KSTP in Minneapolis-St. Paul.

Telegrams sent by the Labor Board to the Chicago local on April 21 and to the Minneapolis local on April 24 and to Mr. Petrillo as well have been ignored, according to the Board.

The union officials had been ordered to terminate the strikes at once in accordance with the "no strike" pledge made by organized labor after Pearl Harbor.

Comparing the Montgomery Ward strike to those called by Petrillo in Chicago and Minneapolis-St. Paul, the question has been raised as to why WLB if it is trying to play fair hasn't cracked down on Mr. Petrillo long ago as it so spectacularly did on Montgomery Ward.



Bringing this question to the attention of officials high and low in the Capital and to members of Congress and numerous others who regularly read the paper, the Washington Evening Star said editorially in comparing the Montgomery War and radio station cases:

"If there was a disposition for the government through the War Labor Board to apply its policy of firmness equally in all cases there would be small reason for concern. But it is not applied equally. The Government has shown, and properly so, that it will not tolerate defiance from employers, and that it is prepared to use the necessary force to suppress it. When it is confronted with comparable defiance from unions, however, its determination to assert authority evaporates and disappears.

"The record in this respect is too well known to require recitation. But it may be pointed out that at this moment the Government is confronted with a defiant strike of musicians under the leadership of James C. Petrillo for the unwarlike purpose of compelling a radio station to hire employees that it does not need. The WLB has said that the strike is contrary to national policy and has demanded that it be called off. Yet it has not been called off, and nothing is being done about it.

"It is this two-sided aspect of the Government's approach to labor difficulties - entirely aside from the legalities of the Government's action - which tends to qualify public indorsement of what has been done with respect to Montgomery Ward."

The New York Times had this to say:

"The War Labor Board has telegraphed to the leaders of a Minneapolis local of Mr. Petrillo's musicians' union that the strike at radio station KSTP 'must be terminated immediately'. 'This strike is contrary to the national policy', says the Board, 'and is in violation of the no-strike pledge of your organization.' William Green, President of the A. F. of L., has also condemned the strike. The strike is for the least defensible of all reasons. In a time of national labor shortage its aim is to force the employment of men that are not needed.

"But the strike is on and Mr. Petrillo is not accustomed to defeats. After all, he is only acting under the powers conferred upon him by Congress. Under those powers he can force practically every musician in the country into his union. He can boycott any musician or the employer of any musician who refuses to join. Mr. Petrillo's powers to force the employment of unneeded men in wartime are securely protected by Federal laws as interpreted by the Supreme Court."

In the meantime it was reported from Chicago that at WJJD, five office girls in their spare time are doing the work of the 10 platter turners out on strike, the same duties Petrillo wants 20 men to do.

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## ABSIE U.S. STATION SOON TO BE HEARD FROM BRITAIN

A battery of transmitters known as the American Broadcasting Station in Europe will go on the air for the first time at 1:30 P.M., EWT, Sunday, April 30, broadcasting direct from Great Britain to the countries across the English Channel and the North Sea, the Office of War Information announced on Wednesday. At present, all Voice of America broadcasts from Britain are programs originating in OWI's studios in New York and relayed to Europe by the British Broadcasting Corporation.

Sunday's broadcast will include transmission in the languages of France, Holland, Belgium, Norway, Denmark, and Germany, in addition to English which is the secondary language of many Europeans.

The American Broadcasting Station in Europe will be programmed and operated at its own studios by the Overseas Branch of OWI

Programs on ABSIE (American Broadcasting Station in Europe) will be carried on both medium and shortwave. American broadcasts originating in Europe will total eight and one-quarter hours daily. Six and three-quarters hours will be devoted to OWI programs and one and one-half hours to programs prepared by BBC for OWI broadcast.

Inauguration of this broadcasting service culminates plans and arrangements begun about two years ago by Robert E. Sherwood, Director of the Overseas Branch of OWI, and representatives of the British Government and the BBC, with whose operations those of ABSIE are coordinated.

Simultaneously with the inauguration of the new American station, the number of Voice of America broadcasts relayed to continental Europe by BBC transmitters will be increased. In recent months Voice of America programs originating in OWI's New York studios and relayed to the continent by BBC have numbered 107 weekly. On April 23, 64 more OWI relays were added to the BBC schedule bringing the total to 171. The addition of 42 more relay programs via BBC on April 30 will increase to a total of 213 the number of Voice of America broadcasts over BBC facilities.

Mr. Sherwood, who is now in England, reports:

"The installation of a new American broadcasting station would have been impossible had we not received wholehearted cooperation from BBC right down the line.

"Within a month after Pearl Harbor, BBC had arranged to give time on its European transmission for the relay of American programs originated by OWI in New York. That time has been steadily increased until it has now reached the impressive total of nearly eight hours daily.

"BBC programs will be carried on the new American transmitters which will also be used during many hours of the day to supplement the powerful BBC broadcasting facilities. Thus broadcasting to Europe becomes one more joint Allied operation in support of our joint military operations.

"All of us in OWI have ample reason to know and appreciate what a superb job BBC has done in helping keep alive the fire of hope in the darkness of the past few years in German occupied Europe."

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## FCC COMMISSIONER DURR TO ADDRESS OHIO RADIO INSTITUTE

FCC Commissioner Clifford J. Durr will attend and address the Institute for Education by Radio convention at Columbus, Ohio, May 5-8. On May 9th, Commissioner Durr will speak at a meeting of the Radio Council of Greater Cleveland.

Chairman James L. Fly, still away on vacation, has been invited to participate in the "freedom of speech" debate at Columbus but as yet has not given a definite reply.

An idea of the importance of the Columbus gathering is the increasing size of the delegations the networks are sending to attend. The Columbia Broadcasting System will have something like 25 people there, including a group from New York, among whom will be William C. Ackerman, Reference Department Director, and representatives of CBS stations WBBM, Chicago, WCCO, Minneapolis-St. Paul, WEEL, Boston, WTOP, Washington, KMOX, St. Louis, and KNX, Los Angeles.

The Mutual Broadcasting System will likewise have about 25 people at Columbus and no doubt NBC and the Blue Network will be equally well represented.

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## 27 D.C. HOTELS ASK STAY OF PHONE CHARGE ORDER

Counsel for 27 Washington hotels yesterday (Thursday) asked for a stay of the injunction granted to the Federal Communications Commission earlier in the day which would prohibit collection of surcharges by the hotels on long distance telephone calls.

Justice Daniel W. O'Donoghue granted the injunction following a two-day hearing on the FCC suit, naming the 27 hotels, the Chesapeake and Potomac Telephone Company and the American Telephone and Telegraph Company as defendants, which was filed in February.

Joseph C. McGarraghy, attorney for the hotels, said he did not know what the hotels intended to do about the extra charges in the time intervening between the decision, and the effective date of the court order, which has not yet been set.

At the time of his oral decision, Justice O'Donoghue reserved judgment on the injunction asked against the telephone companies, indicating that the hotels are considered subscribers, and that the decision on the suit against the companies would hinge on the observance by the hotels of the injunction, once it becomes effective. The justice said he would rule on the application for the stay asked by the hotels at the time when the injunction is formally entered.



Witnesses for the hotels and the A. T. & T. testified at Thursday's session. Thomas E. Carson, President of Washington Properties, Inc., owners of Wardman Park Hotel and the Carlton, said the accounts of his corporation showed a net loss in telephone revenue during 1943. This loss, he said, resulted when guests, formerly accustomed to paying hotel charges for long distance telephone service to out-of-town home offices, began reversing the charges.

Appearing for the A. T. & T., John J. Hanselman, rate engineer for the company, said A. T. & T. had never approved collection by the hotels of the surcharge on long-distance tolls.

Final arguments for the FCC were presented by Assistant General Counsel Harry M. Plotkin, who said he would confer with defense attorneys Spencer Gordon (representing the C. & P. Telephone Co.), T. Brook Price (for the A. T. & T. Co.), and Mr. McGarraghy, following which findings of fact, conclusions of law, and a decree would be submitted to the court for its adoption.

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#### WPB MODIFICATIONS FOR RADIO REPAIRMEN

Recent modifications of the War Production Board regulation CMP-9A were pointed out by Radio and Radar Division representatives at a meeting of the Electronic Distributors Industry Advisory Committee, WPB reported today (Friday). The amended regulation provides that a repairman may not use the AA-3 rating assigned by CMP-9A to buy certain electronic equipment items. These items are made available to repairmen and retailers on a pro-rata basis without the use of ratings, and a repairman does not need a rating to get his fair share, WPB representatives said. The pro-rated radio repair items are capacitors, microphones and loudspeakers, resistors, transformers and tubes.

Shipments of radio receiving tubes to civilian channels in the first quarter of 1944, when production of civilian tubes was scheduled for the first time, totalled more than 4,000,000 the Committee was told by WPB officials. This was slightly under scheduled civilian tube production for the quarter, but second quarter shipments probably will be higher as the result of carry-overs of tubes, WPB representatives indicated. Civilian tube production in the first quarter of 1944 approximately equalled the output for civilians in the last quarter of 1943. However, the 1944 production schedule stressed the critical or "hard-to-get" tubes.

An official of the Office of Price Administration discussed with the Committee members a proposed new schedule of list prices for tubes for wholesalers and retailers.

Committee members were of the opinion that methods by which distributors have been allocating tubes to dealers have permitted all dealers to obtain their fair share.

The desirability of a "code of ethics" for the guidance of all electronics distributors was discussed at the meeting and a Task Committee will be appointed to draft a suggested code.

The next meeting of the Electronic Distributors Industry Advisory Committee is scheduled for June 22.

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 ::: TRADE NOTES :::  
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A resolution (S. Res. 285) was introduced by Senator Downey (D), of California, "to make a full and complete investigation with respect to the present state of telegraph service with a view to determining its adequacy for the war effort and the reasons why the telegraph company petitioned the Board of War Communications for permission to add additional unnecessary strains upon our domestic telegraph system."

Harold M. Winters has been named Manager of a newly-created sales region for the RCA Viceot Division of the Radio Corporation of America, covering the Eastern Central States, with headquarters at Cleveland, Ohio. The boundaries of the new region will include Ohio, Michigan, Kentucky, West Virginia and the western portion of Pennsylvania.

Top honors in the Raymond F. Clapper safety contest, conducted during March in shipyards building Liberty ships for the honor of having the name of the late newspaper man and radio commentator assigned to a hull, were won by the St. Johns River Shipbuilding Company, Jacksonville, Florida, the Maritime Commission has announced.

The date for launching of the RAYMOND F. CLAPPER will be announced by the St. Johns yard later. Mrs. Raymond F. Clapper will sponsor the ship.

Columbia's Network of the Americas (Cadena de las Americas) reaches a total of 102 affiliates throughout Latin America with the addition of three new stations. They are HCBI and HCBS, longwave and short-wave transmitters, respectively, of Radio Bolivar, Quito, Ecuador, and Radio Sucre in Cumana, Venezuela.

The Network of the Americas began full time operations on May 19, 1942, with 76 affiliates. Since that time, an uninterrupted daily schedule has been beamed to the audiences of Latin America through the powerful shortwave transmitters of CBS.

A sharp reduction in press rates on radiotelegraph traffic between the United States and Australia, effective May 1, which is expected to result almost immediately in a much greater exchange of news and information between the two countries, was announced by William A. Winterbottom, Vice President and General Manager of R.C.A. Communications, Inc.

Worked out by RCAC in collaboration with the Amalgamated Wireless Company, Ltd., of Australia, the reductions are: Between New York and Australia, from 14½ cents a word to 9 cents; Between San Francisco and Australia, from 12 cents a word to 5 cents.

Congratulations on their 64 percent increase in production of airborne electronic equipment during March, have been received by the men and women of Philco Corporation from Rear Admiral E. L. Cochrane, Chief of the Bureau of Ships, U.S. Navy. "The manner in which your organization increased its production of airborne electronic equipment by 64 per cent during March merits the highest commendation of the Bureau of Ships", Admiral Cochrane said by telegram.

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