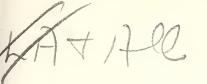
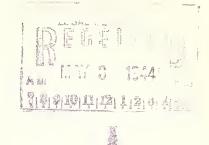
HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.

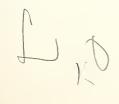




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CBS TELEVISION STAND STIRS UP A HORNET'S NEST

As had been expected, the announcement of the new Columbia Broadcasting System television policy at a specially staged "Television luncheon" in New York last week, stirred up somewhat of a hornet's nest in the industry. Paul W. Kesten, Executive Vice-President, had declared that CBS was willing, if necessary, to scrap its entire investment up-to-date in television in order to start all over again after the war and give the public the advantage of all the things that had happened during that time.

This got an immediate rise out of the Board of Directors of the Television Broadcasters' Association, who replied:

"The public statement on television, issued by the Columbia Broadcasting System, is contrary to the carefully considered recommendations of engineers of the industry comprising the television panel of the Padio Technical Planning Board.

"The CBS statement deals in the realm of speculation and is not based on experience or sound technical principles. It is a reflection upon the competency and integrity of television engineers who have carefully considered all these matters. It is our considered opinion that the present standards, based on sound engineering judgment, provide an excellent basis for commercial television in the post-war era.

"The present television receivers in the hands of the public, manufactured five years ago, do not take full advantage of the quality of the picture which the present standards provide. The public will be agreeably surprised at the picture quality which the post-war receivers will provide, based on present transmission standards.

"The present-day television system is capable of reproducing pictures of equivalent or better quality than 16-millimeter home movies. Television receivers will be available in the post-war period to fully utilize the potential quality of the present transmission system."

Members of the Television Broadcasters' Association include:

The National Broadcasting Company, General Electric Company, Philco Television and Radio Company, the Hughes Productions, television representative of Howard Hughes, Earle C. Anthony of Los Angeles, Television Products, Division of Paramount Pictures, the Don Lee System of the West Coast, and the Allen B. DuMont Laboratories of New York.

The New York Times entered the controversy saying that the radio industry is not yet ready to adopt the proposal that has been made by CBS and until it is ready television should be widely introduced at the highest level possible. The Times editorial read, in part:

"With an eye on the post-war market the Columbia Broadcasting System advises the radio industry to abandon present television frequencies of 50-84 megacycles for wider bands above 200 megacycles. Translated into ordinary language, this means better television images than we have ever had. But has television engineering developed so far that such a revolutionary change is possible? The Columbia Broadcasting System apparently thinks it has, but radio engineers as a whole think otherwise.

"Broadcasting, whether of sound or light-images, has always been confronted with the problem of rapid technical change. The industry decided wisely, in view of the record, that as soon as transmitters and receivers had reached a point where they could satisfy a public demand, nothing was to be gained by waiting for something better which was not in sight. The television sets made according to present specifications should be good for at least five years unless the Federal Communications Commission reverses its policy of confining image-transmission to the existing channels. Moreover, there remains the fact, established by experiment, that though the detail and quality of television images could be improved at higher frequencies, there is a practical limit beyond which it is inadvisable to go for psychological reasons. In other words, as detail and quality are refined, a point is reached where the eye is unable to detect any further improvement.

"When the higher frequencies advocated by the Columbia Broadcasting System are used, more troubles than advantages are encountered. The waves resemble those of light more and more, so that we have reflections that create disturbing 'ghosts' on the screen. No doubt research will ultimately lay these ghosts. Why wait until the ghosts and other difficulties are laid if we have something that is acceptable? The phonograph industry did not wait for better methods of recording and reproducing sound when Edison's first crude cylinder records appeared."

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WPB URGES THAT ELECTRONIC PROGRAM BE KEPT AT PEAK

The importance of keeping the expanded military electronics program at its highest production level throughout 1944 was stressed yesterday (Monday) in a letter to all manufacturers of electronic equipment and component parts suppliers from L. R. Boulware, Operations Vice Chairman of the War Production Board, the text of which follows:

"As you perhaps know, the Army-Navy Electronics Production Agency is being dissolved and will not be active after May 15, 1944. The functions previously exercised by that Agency will in general be absorbed and carried on by the Army, the Navy and the War Production Board according to the normal sphere of action of each.

"These organizational changes do not in any way change the rules of General Limitation Order L-183-a nor do they weaken the force and importance of the Precedence List as the basic schedule for the military electronics program. We feel that this should be made clear so that there will be no misunderstanding, and no thought on the part of any of you that because ANEPA is being discontinued the Precedence List schedules and the requirements of Order L-183-a may be disregarded.

"You should observe particularly the requirement in Order L-183a that purchase orders must be identified with the Precedence List designations and schedules applicable to them. It is increasingly important that this identifying Precedence List information appear on purchase orders for purposes of expediting and scheduling. The provisions of paragraph (b) (4) of Order L-183-a must be observed.

"Expediting for Signal Corps procurements will be carried on through Production Field Offices established by the Signal Corps. Expediting for Navy equipment contracts will be handled by the Offices of Inspectors of Naval Material. It is expected that both the Army and the Navy will advise their prime contractors in more detail as to these new organizational arrangements.

"The Radio and Radar Division of War Production Board is substantially increasing the staff of Radio and Radar Specialists working in the field under the Regional Offices. Each of these field Specialists will have assigned responsibility for a specific component plant or plants. These field men of the War Production Board are thoroughly familiar with the radio and radar program. Many of the new men were formerly with ANEPA. They will assist the Services and the industry in every way possible in all expediting and scheduling problems. It is expected that they will be called upon freely when other means of expediting have failed. Problems of special priorities and expediting assistance requiring such actions as AAA's or directives, will be handled substantially as in the past — with the Army or Navy expeditor and the appropriate War Production Board field representative preparing the case for submission to the Radio and Radar Division through a joint Army-Navy Review Group.

"The importance of the military electronics program and the size of the job now with your industry cannot be over-emphasized. The primary purpose of this letter is to impress upon you that these organizational changes in no way indicate that production needs have leveled off in this area. This program demands still greater production than in the past, and there must be no slackening of your efforts

"We are confident that you will find the new expediting arrangements in this field in every way workable. Your own expediting efforts must be increased and at the same time you may expect and will receive assistance from the Service expeditors and the Radio and Radar Specialists who work with you. In turn we will expect your fullest permition with them."

HOOSIER BOB PEARE NEW GE V-P IN CHARGE OF BROADCASTING

The fact that Robert S. Peare, Manager of Broadcasting and Publicity for the General Electric Company since 1940, and Chairman of the Company's General Advertising Committee, hails from Indiana and looks like Wendell Willkie, didn't prevent him from being elected a General Electric Vice-President last week.

In his new position, Mr. Peare will direct the company's advertising, broadcasting, and general publicity activities as a member of the president's staff.

A native of Bellmore, Indiana, Mr. Peare began his service with General Electric in its accounting department in August, 1922, following his graduation from the University of Michigan. In 1926 he was elected Secretary-Treasurer of the Maqua Company in Schenectady, and three years later became its General Manager. In 1934 he was elected President, a post he continues to hold, and in 1940 was named G-E Publicity Manager.

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SYLVANIA'S NET INCOME CLIMBS TO \$1,567,936

The volume of sales of Sylvania Electric Products, Inc., last year was the highest in the company's history, amounting to \$60,473,821, against \$32,338,870 in 1942, an increase of 87 per cent, according to the annual report to stockholders, released by Walter E. Poor, President.

Net income for 1943, after taxes and charges, was \$1,567,936, which was equal, after preferred dividends to \$1.79 each on 854,474 common shares outstanding. This compares with a net income of \$1,057,760, or \$1.76 each on 514,368 shares outstanding, in 1942. The 1943 net is after provision of \$3,133,000 for renegotiation of Government contracts, subject to final approval.

The trend of the company's business in 1943, according to the report, followed the same general pattern as in 1942, with 85 per cent of its products going directly or indirectly to the Government or to war industries, and 15 per cent going to civilian use.

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"Proposed Wheeler-White bill to amend radio law is bogged down, probably won't be heard of again in this Congress", says the <u>Washington</u> (D.C), <u>News</u>. "One reason: industry can't agree on what it wants.

"Long hearings were held after first bill was introduced; measure was to be brought back in revised form. But weeks have passed, and there's no sign that it 's coming."

HARBORD REPORTS \$300,000,000 ORDERS; SARNOFF OVERSEAS

The Radio Corporation of America has developed for the armed forces more than 150 new electron tubes and approximately 300 types of apparatus not manufactured by any one before the war, Lieut. Gen. J. G. Harbord, Chairman of the Board of RCA, disclosed today (Tuesday) at the 25th annual meeting of RCA stockholders in New York. He reported that unfilled orders for RCA products form a backlog of approximately \$300,000,000.

General Harbord, speaking for the Directors in the absence of Col. David Sarnoff, President of RCA, who is overseas on active duty with the Army of the United States, announced a gain in volume of production of the Company in the first quarter of 1944, but revealed that net profit, after Federal Income taxes, was \$2,401,000 - a decrease of \$194,000, or 7.5 per cent, compared with the same period last year.

Consolidated gross income of RCA during the first quarter of 1944, was reported to be \$78,809,000 compared with \$67,284,000 in the first quarter of last year, an increase of \$11,525,000 or 17 per cent. Net profit before taxes amounted to \$10,413,000, 16.5 per cent above the same period in 1943.

General Harbord said Federal Income taxes amounting to \$8,012,000 are provided for in the first quarter of this year. This represents an increase in taxes of \$1,671,000 or 26.3 per cent over the first quarter in 1943.

Earnings per Common share of stock before estimated Federal Income taxes for the first quarter in 1944 were 69.3 cents, while earnings per Common share after the taxes were 11.6 cents a share. Estimated Federal Income taxes were 57.7 cents per share. A year ago the first quarter earnings per Common share before Federal Income taxes were 58.6 cents per share, the taxes 45.7 cents per share, and after taxes were 12.9 cents per share.

Recalling to stockholders that RCA's production of vital radio, sound, and electronic equipment for the armed forces and the United Nations in 1943 exceeded by more than 100 percent that of 1942, General Harbord declared:

"Victory, while surely ahead, is not yet in sight. We, too, must be untiring in our efforts to defeat the enemy. It is for us to do our utmost on the production line, on the invisible lines of communications and on the home front - to work as never before to support the valiant efforts of our fighting men."

General Harbord said that RCA's scientists and those of other laboratories are given primary credit for decisive victory over the U-boats, and expressed the belief that "this epic of the sea and the triumph of science will be one of the great stories" for future generations. He remarked that while it now is possible only to mention the "magic term radar", radio is achieving "almost unbelievable"

results in navigation and collision prevention and peacetime application of radar will contribute to the safety of all kinds of travel.

"In attaining our excellent record of wartime production and communication services", General Harbord asserted, "both management and workers have cooperated harmoniously and with constantly increasing efficiency. Labor-Management War Production Drive Committees, sponsored by the government, have been successful in operation."

The production achievements of RCA, it was pointed out, have been recognized by the Government in the award to RCA plants and Laboratories of six Army-Navy "E" flags, and eight stars, each representing an additional six months of continued excellence in accomplishment. These flags were on display at the meeting.

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ARMY TELEPRINTER CONSOLIDATION LIGHTENS RADIO BURDEN

Consolidation of teleprinter systems of all Army forces and technical services already has resulted in a saving of about \$1,500,-000 a year, with completion of the integration plan still six months away.

Brigadier General Frank E. Stoner, Chief of the Army Communications Service of the Signal Corps, estimated that an additional \$3,000,000 will be saved annually in wire rentals and incidental expenses when the Army Command and Administrative Network is completed.

Economies in manpower, c nitical materials and both wire and radio circuits also have been achieved by the consolidation and by the introduction of semi-automatic equipment. Personnel requirements in the War Department Signal Center were reduced 44 per cent. In one major tributary station served by the Signal Center the personnel was reduced from 111 to 33 persons, with comparable savings at many other points.

The consolidation not only has effected the release of teletypewriters and telephone instruments, but the diversion of traffic within the continental United States from radio to the land line wire system also has released many frequencies for overseas transmission.

The network now consists of 16 major relay centers in the United States serving directly 349 installations throughout the country and connecting with nine major overseas theatres. So rapid is the process of consolidation that in the past two months one additional relay center and 61 installations have been connected in this country, and two additional overseas areas have been tapped. When completed, the project will consist of 28 relay centers in the United States, serving a total of 1,600 installations.

PETRILLO AGAIN LOSES: WJJD-KSTP STRIKES ORDERED ENDED

No troops were called out though plenty were only a block away participating in the funeral of Secretary Knox, but the War Labor Board in Washington yesterday (Monday), ignoring the Petrillo contentions that a musicians' strike against a broadcasting station had nothing to do with the war, ordered James C. Petrillo, President of the Musicians Union to end the strikes at WJJD in Chicago and KSTP in Minneapolis-St. Paul.

The War Labor Board unanimously ordered the Chicago and Minneapolis-St. Paul locals to direct their members to return to work immediately. Each case was referred to respective regional War Labor Boards in Chicago and Minneapolis-St. Paul for disposal.

Instructions in the Chicago case were that the date of the retroactivity of any wage adjustment ordered by the Board be the date of the expiration of the old contract, such retroactivity to be calculated by whatever method the regional board determined.

The instructions to Minneapolis-St. Paul were the same except in regard to restoring conditions of employment before stoppage and conditions as to broadcasting remote control programs before final disposition of the dispute.

Although Mr. Petrillo was directed to appear at the Washington hearing by the War Labor Board, along with the officials of the local unions involved, he was conspicuous by his absence. When this writer inquired at the WLB last Friday if the AFM president had acknowledged the summons, it was said that he had not. Asked if that wasn't unusual, the reply was: "No when we summon anybody we take it for granted he will be there."

If that is true, there must have been some disappointment because "Little Caesar" didn't show up. When this was reported at the press table, one of the newspaper correspondents exclaimed, "Call the soldiers!"

Joseph A. Padway, high powered general counsel of the American Federation of Labor, who is also the Musicians' Union attorney, appeared in Mr. Petrillo's behalf and assured the Board that by Mr. Petrillo's absence, no effort was made to "flout" its authority since Mr. Petrillo's assistant was present with full power to act.

In both disputes, Mr. Petrillo asked the stations to employ more musicians full time — in Chicago he asked that the number of full—time musicians be increased from 10 to 20, unless the station agreed to grant other requested concessions; in Minneapolis, he asked that the station agree to employ at least eight musicians for 22 hours a week at \$52.50 a week each. Spokesmen for the Minneapolis station explained that they now employed 19 musicians an average of six or seven hours a week and paid them \$32.50 each, the minimum for a 13—hour week.

Mr. Padway acknowledged that the Chicago stoppage was "a good old-fashioned strike", but denied that the union was on strike in Minneapolis since the union was working for the same radio station at its St. Paul studios, although it was unwilling to work in the other twin city.

Mr. Padway appeared to be trying to walk in two directions at once when his suggestion that the musicians union was not bound by the no-strike pledge was attacked by one of the Board's labor members and by a representative of the Chicago radio station.

Arthur F. Harre, Sales Manager of the Chicago station, read the Board a telegram Ralph Atlass, President of WJJD, had received from President William Green of the AFL, advising him that he regarded the Chicago strike as a violation of the Federation's nostrike pledge.

Van A. Bittner, labor member of WLP representing the CIO, chided Mr. Padway for his stand on the no-strike pledge. Mr. Padway then acknowledged that he would have taken a different stand "as an individual". In view of Mr. Green's stand, it was also apparent that Mr. Padway would have taken a different stand as General Counsel of the AFL.

The union objected to WJJD "piping" its programs to another station owned by Mr. Atlass, WIND, in Gary, Ind. Neither Mr. Atlass or Stanley Hubbard, head of KSTP, were present at the Capital hearing, evidently preferring, like Petrillo, to keep their powder dry for the big regional hearings.

An idea of the attention the cases are attracting in the East is that despite the fact that Petrillo himself was absent, the story of Monday's hearing was carried on the front page of the New York Times, which a few days before had had an editorial on it, and on the front page of all the Washington morning papers today (Tuesday) right along with the big Montgomery Ward stories.

Furthermore, the <u>Washington Evening Star</u> last Saturday (April 29) had a front page cartoon by Berryman, creator of the "Teddy Bear" and 1944 Pulitzer Prize winner. It was a copy of the now famous photograph of President Avery being carried out of Montgomery Ward. Standing there seriously watching the ejection was John L. Lewis (drawn as a very big man) and Petrillo (drawn as a very little man). Lewis is saying: "There, but for the grace of the United Mineworkers of America, the CIO, and the American Federation of Labor, goes John L. Lewis."

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WPB CONCESSIONS TO ELECTRONIC EXPERIMENTERS

A person who gets materials with the priorities assistance given by Preference Rating Order P-43 may use the materials to make experimental electronic equipment for his own use, the War Production Board said last Friday. This ruling is contained in Interpretation 2 to Limitation Order L-265, governing electronic equipment.

The interpretation states that the restrictions of paragraph (b) (1) of Order L-265 on manufacture apply to persons only to the extent that they are "engaged in the manufacture of electronic equipment for transfer or commercial use".

A person who gets materials with the priorities assistance given by Order P-43 may use the materials to make experimental electronic equipment for his own use without regard to the restrictions of paragraph (b) (l) of Order L-265, the interpretation says. If he makes experimental electronic equipment for transfer or for commercial use, he must do so within the limits of paragraphs (b)(l) of the order. In all cases where he gets and uses materials with the priorities assistance of Order P-43, he must comply with all the provisions of that preference rating order, the interpretation adds.

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DEEMS TAYLOR AGAIN NAMED PRESIDENT OF ASCAP

Deems Taylor, composer, conductor and music commentator, was reelected President of the American Society of Composers, Authors and Publishers last Thursday in New York.

Other officers elected by the ASCAP Board of Directors were: Gustave Schirmer and Oscar Hammerstein II, Vice-Presidents; George W. Meyer, Secretary; Max Dreyfus, Treasurer; J. J. Bregman, Assistant Secretary and Irving Caesar, Assistant Treasurer.

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Foreseeing FM and television dominating the cities, Drew Pearson writes:

"Of 109 applications for new broadcasting stations filed with the Federal Communications Commission this year, 66 were for frequency modulation stations, 25 for commercial television stations, and only 18 for new standard broadcasting stations. The industry has no doubt but that the broadcasting stations which most of us hear today will be a comparatively unimportant factor in postwar broadcasting. Their function will be mainly to service rural listeners, with the city dwellers tuning in frequency modulation and television broadcasts.

D. OF C. GROUP REPORTED SEEKING TO BUY RADIO STATION

Senator D. Worth Clark (D), of Idaho, was one member of a firm applying to the Federal Communications Commission yesterday (Monday) for permission to assume control of Radio Station KJBS, San Francisco, from Joseph Brunton & Sons Co.

FCC officials reported the consideration involved was \$200,000 for the stock, plus \$50,000.

Commission records showed that those seeking to acquire control of KJBS and the amounts involved include:

Senator Clark, 10 percent, \$20,000, and the following from Washington (D.C.): Mrs. Betty Bingham, wife of Attorney Herbert Bingham, 20 percent, \$40,000; William B. Dolph, Manager, Station WOL, 15 percent, \$30,000; Mrs. Dolph, 10 percent, \$30,000; Mrs. Helen S. Mark, President, WOL, 5 percent, \$10,000, and Mrs. Alice H. Lewis, wife of Commentator Fulton H. Lewis, Jr., 5 percent, \$10,000.

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BOB HOPE LEADS 1943 PEABODY WINNERS

Bob Hope led the list of 1943 winners of the George Foster Peabody radio awards. Others were:

Outstanding reporting of the news - Edward R. Murrow, head of the Columbia Broadcasting System European news bureau.

Outstanding entertainment in drama - "Lux Radio Theatre", presented over the Columbia network by Cecil B. DeMille, and "An Open Letter to the American People", a single program about the Detroit race riots, broadcast last Summer by Columbia.

Outstanding entertainment in music - The Salt Lake Taber-nacle Choir, broadcast from Station KSL over the CBS network.

Outstanding educational program - "America's Town Meeting of the Air", the forum presented by the Blue network.

Outstanding children's program - "Let's Predend", broadcast by Columbia.

For outstanding community service by a local station, the committee cited KYA, San Francisco, for its program "Calling Long-shoremen", and for service by a regional station, KNX, Columbia's Los Angeles outlet, for "These Are Americans", a series dealing with the American-Mexican race situation in that city.

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Conserving manpower and critical materials, WABC as of yesterday, May 1st, deleted the hours between 2:00 and 5:00 A.M., Mondays through Saturdays, from its 24-hour broadcasting schedule; and the hours from 2:00 to 8:00 AM Sundays.

The Associated Broadcasters, Inc., of San Francisco, Cal. have filed an application with the FCC for permission to erect a commercial television in San Francisco for assignment on Channel No. 6

A reduction in the cost of sending full rate press messages to Australia from New York and San Francisco was announced by Admiral Luke McNamee, President of Mackay Radio and Telegraph Co., who said:

"Effective May 1, the press rate to Australia has been reduced to nine (9) cents per word from New York, full rate, and to five (5) cents per word from San Francisco, full rate. The deferred rate from New York remains as before at seven and one-half $(7\frac{1}{2})$ cents per word."

Marking the first time the series of hour-long broadcasts of operettas and operas has left Chicago to originate a program, the Chicago Theater of the Air will be presented from the Municipal Auditorium of New Orleans on Saturday, May 6th. Because Victor Herbert's operetta "Naught Marietta" is set in the New Orleans of about 1750, it has been chosen by director Weber for presentation before the New Orleans public. Col. Robert R. McCormick, editor and publisher of the Chicago Tribune as usual will speak on the broadcast.

Harry Freeman Coulter, 57 years old, Controller of the Radio Marine Corporation of New York, subsidiary of the Radio Corporation of America, died Saturday at Orange Memorial Hospital, at Millburn, N. J. Mr. Coulter had been with the Radio Marine Corporation for twenty years.

A series of weekly quarter-hour talks on British television is being broadcast Saturdays at 5:30 P.M. (EWT) by BBC on its short-wave stations GVX, GSC and GRX. The programs may be heard at 11:93mc, 9:58 mc and 9:69 mc.

Two million match booklets, telling the story of KRNT's complete local news service, have just been released in the Des Moines and Middle Iowa territory served by the Cowles CBS station. Matches tie-in with other current news promotion on billboards, airspots, and movie trailers.

More than 1000 editors and reporters of High School publications in New York City's five boroughs were the guests of NBC Press Department last Saturday to see an actual demonstration of news pickups by short-wave from key cities in war zones, and to view a film on Television produced for the Radio Corporation of America. The meeting was arranged by John McKay, Manager of the NBC Press Dept.

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