

# HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.

NATIONAL BROADCASTING COMPANY, INC.  
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MAY 8 1944  
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No. 1625

May 5, 1944.

## FLY BUTTS INTO TELEVISION ROW; REBUKES COMMISSIONER JETT

The boys are still fighting all over the lot about the Columbia Broadcasting System's declaration of its television policy. James L. Fly, Chairman of the Federal Communications Commission, defending CBS, attempted to belittle an editorial which appeared in the New York Times last Monday (see Page 2 in our May 2 issue). Furthermore, Mr. Fly took a crack at his new fellow-Commissioner E. K. Jett because of the latter's conflicting views on television.

Immediately following that, Paul W. Kesten, CBS Executive Vice-President, also taking issue with the Times editorial, wrote a column-length letter to the editor and the next day (Thursday), the Times banged back with another editorial. Shortly thereafter, Mr. Fly again went to the bat for CBS and announced that in the near future he would make a comprehensive statement of his individual views on the future of television standards.

Chairman Fly was quoted by Jack Gould in the New York Times as saying that he was "flabbergasted" by the Monday Times editorial.

"Mr. Fly declared that it was 'silly' for the editorial writer to invade a highly technical engineering field and 'go chasing ghosts' when the advantages of different frequency bands had not yet been thoroughly explored", Mr. Gould wrote.

"In noting that The Times editorial has 'helped perhaps to muddy the waters' regarding an understanding of the television controversy, Mr. Fly said that the same might also be said of E. K. Jett, newest member of the FCC and its former Chief Engineer. Mr. Jett had suggested that immediately after the war there might be two television systems - one under present standards and one under what he called 'vastly improved standards'."

Mr. Kesten's letter to the Editor of the Times read, in part:

"You were quite right in saying that 'translated into ordinary language' Columbia's proposal 'means better television images than we have ever had.' But from there on, please note these errors and the facts which correct them:

"Error - 'Radio engineers as a whole think otherwise' than CBS.

"Fact - More than 1,000 engineers are now working on advanced developments in wartime electronics. Most of these engineers have not expressed their opinions - are not, in fact, free to do so.

"Error - Your editorial compares new and higher standards for television broadcasting to the gradual improvement in sound recording, and states: 'The phonograph industry did not wait for better methods of recording and reproducing sound when Edison's first crude cylinder records appeared.'

"Fact - This parallel is no parallel. When music moved from the cylinder to the disk you could still play the cylinders on the old machine \* \* \* But, if television standards are lifted to new frequencies in order to produce far finer pictures, no set made for the old standards will receive them.

"Error - Your editorial speaks of the Radio Technical Planning Board, composed of industry and Government members, as though it had repudiated the CBS television proposal.

"Fact - The board has not reported. As your April 30 issue pointed out, any recommendation of the television panel will be subject to approval by other panels and by the Board itself.

"Error - Your editorial implies that Columbia urges the abandoning of set manufacture and set sales while the new standards are tested.

"Fact - Far from this, CBS urges that broadcasting (which sells sets) continue on the old standards until the new standards are tested and proved.

"Error - 'When the higher frequencies are used, more troubles than advantages are encountered.'

"Fact - This is an extraordinary judgment - expressed without qualification. CBS is not so bold. The essence of our position is not to prejudge but to find out - as quickly as it can humanly be done. We say a year of concentrated work by radio engineers will prove or disprove the soundness of the new standards."

Enough progress has been made in electronics during the war to make the "good enough" pictures of prewar vintage seem not good enough at all in terms of postwar possibilities", CBS asserted, according to an FCC statement. "If new television standards are inevitable (CBS believes they are) then the quicker they come, the better for the manufacturer", CBS declared.

Chairman Fly said Wednesday: "It has been my view that the highest developments which our television technicians are capable of producing should be made available to the public as soon as may be feasible, consistent with the over-all economic picture.

"At the same time it would be foolhardy to lock down future television service to the pre-war levels. Wartime research has been very productive.

"The public interest is paramount. American families should be given the benefit of the many technological improvements created in the laboratories in the stress of war. There should be



no bottling up of such improvements by artificial restrictions for the sake of temporary profits. And there should be no locking of doors against current research and development. Time should be taken now in doing this job rather than in debating what the engineering standards would be if the Commission were to fix them today.

"The Commission is concerned with the orderly introduction of any new standards which may be deemed desirable. This it will do in ample time to clear the way for production when production is possible."

"I assume that the FCC will not take any official action changing television standards until the Radio Technical Planning Board completes its present researches and submits its recommendations. Engineers of the Commission have been working closely with the Board and with other interested agencies.

"I have every reason to believe that the broadcasting industry, the manufacturers and the public will maintain an attitude of cooperation, patience and understanding while these problems are being thrashed out.

"It should be remembered that public discussion of television developments in war laboratories is handicapped by the lack of specific information which is, of course, a closely-guarded military secret."

Strongly backing Commissioner Jett, who was formerly Chief Engineer of the FCC and heretofore highly praised by Mr. Fly for his technical knowledge, the most recent New York Times editorial said:

"The proposal of the Columbia Broadcasting System to clamp down in effect on the production of television sets after the war until the higher-frequency channels are explored, and means for making the most of them have been invented, has stirred up a controversy that ought to be settled now because of the economic and technical issues raised. James L. Fly, Chairman of the Federal Communications Commission, approves the proposal and rebukes his colleague, E. K. Jett, for advocating the orderly introduction of new sets and the Television Broadcasters' Association for wanting to 'freeze' television.

"Actually it seems to us that the Columbia System and Mr. Fly are the advocates of freezing. The television industry has never suggested anything but the production of acceptable television apparatus and has never opposed progress. Neither has this newspaper. The issue is simple. Is it better to wait possibly five and even ten years after the war for the finer images that some day will be transmitted and received in the higher-frequency channels or to produce in accordance with existing standards sets which will show some improvement over those now in use?

"What television needs is precisely the kind of orderly progress that Mr. Jett has suggested. In other words, it should



produce sets as at present, carry out its research program, and introduce new sets as rapidly as they receive approval. There will of necessity be a transition period in which dual standards will be in effect, with a single standard prevailing in the end. Radio is already faced with a similar problem in amplitude and frequency modulation, two principles that have given us broadcasting stations and receiving sets which are not interchangeable and which call for a decision on the part of the purchasing public. Strangely enough, no one has taken the trouble to sound that public on the question of waiting for better television or taking something which will be good for at least five years."

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#### FCC, NEEDLED BY SENATOR WHEELER, GETS BUSY ON TRAIN RADIO

The Federal Communications Commission has ordered an investigation and public hearings to inquire into the feasibility of using radio as a safety measure and for other purposes in railroad operations. The Commission invited the Interstate Commerce Commission to cooperate in the investigation and suggested a committee of ICC Commissioners be named with a committee of FCC Commissioners to preside over the hearings. Date for the hearings has not yet been set.

This investigation is the outgrowth of widespread interest in radio for railroads as the result of recent accidents, notably the wreck of the Congressional Limited last September and of the Tamiami Champion in December.

Senator Burton K. Wheeler, Chairman of the Senate Committee on Interstate Commerce, suggested in a letter February 19, 1944, to Chairman James Lawrence Fly that the FCC in cooperation with the Bureau of Safety of the ICC investigate the feasibility of using radio in railroads. Mr. Fly's reply, dated March 9, 1944, outlined certain possibilities warranting investigation - a radio-operated "block system" for certain railroad lines; the use of radio in "flagging" operations; and end-to-end radio for communication between engines and rear-end cars.

Senator Harley M. Kilgore, Chairman of the Senate Subcommittee on War Mobilization, has also expressed interest in and heard testimony on the subject during recent months.

So far as is known, there is no radio system in regular use on any commercial railway line in the United States. Since March 21, 1944, the Commission has received applications for 22 experimental radio stations for use in railroad operations. The applications involve five large railway systems and three prominent radio manufacturing corporations. They are: Baltimore & Ohio and Atlantic Coast Line; Chicago, Burlington & Quincy Railroad Co.; Atchison, Topeka & Santa Fe Railroad Co.; Chicago, Rock Island and Pacific Railway Co.; the Reading Co.; Bendix Radio Division of the

Bendix Aviation Corp.; Westinghouse Radio Stations, Inc.; and the Jefferson-Travis Radio Manufacturing Corporation. Experimentation has also begun on the Denver & Rio-Grande Western and perhaps other railroads.

The Commission has authorized construction permits for nine experimental radio stations to be used on the B & O Railroad between Baltimore and Pittsburgh and on the Burlington Railroad between Chicago, Denver and into Montana.

The applications now pending before the FCC cover two-way radio communications between the despatcher and trains in motion, between trains, and between the head-end and rear-end of each train. Also contemplated is the use of "walkie-talkies" for flagmen and brakemen.

All of the above types of service involve two-way radio communications as distinguished from carrier-current systems which use low frequencies conducted through the rails or other metallic circuits adjacent to the right-of-way. Many tests using the latter method of communication, including those recently made by the Pennsylvania Railroad in New Jersey, have been sometimes erroneously reported as "radio" experiments.

Both the Radio Act of 1927 and the Communications Act of 1934 contemplated a development of railroad radio. The Communications Act specifically authorizes the FCC in its discretion to exclude from requirements of its regulations in whole or part any radio station upon railroad rolling stock.

The FCC points out that in planning now for the allocation of radio frequencies in the post-war period it must be informed as to the feasibility and desirability of using radio frequencies in railroad operations and to the probable future needs of the service. The greatly-expanded aviation industry and other services will be competing for frequencies in the post-war era.

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#### NEW 50 KW TRANSMITTER TO EUROPE AND LATIN-AMERICA

WCBN, ultra-modern 50-kilowatt short wave transmitter on the East Coast went into operation on May 1st. The new transmitter, operated by the Columbia Broadcasting System for the Office of War Information and the Coordinator of Inter-American Affairs, will provide greatly increased strength and coverage for programs beamed toward Europe and Latin America.

Operating on a 20-hour daily schedule, CBS programs aimed at enemy-occupied territories and liberated areas will be broadcast in English, French, German, Italian, Serbo-Croatian, Polish, Czech and Dutch. For Latin America, WCBN will carry programs in Spanish, beamed for a thorough coverage of Mexico and Central American Republics.

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## TIGHTENING UP ON NON-MILITARY CRITICAL RADIO PARTS USE

Because it has been brought to the attention of the Radio and Radar Division of the War Production Board that critical electronic component items have, in some instances, found their way into non-military channels without WPB authorization, the division has sent a letter to all electronic prime contractors and test equipment manufacturers outlining restrictions covering the sale of electronic components.

Signed by John S. Timmons, Deputy Director of the Radio and Radar Division, the letter follows:

"It has been brought to the attention of this division that critical component items restricted under Priorities Regulation No. 13 have in some instances found their way into non-military channels without the authorization of the Radio and Radar Division. It is imperative that all idle and excess List B items be guarded and conserved with extreme vigilance in order to meet the heavy end-equipment war production requirements that lie ahead. To insure the proper flow of components, it is requested that all persons in your organization who are concerned with the handling of sales of idle and excess or surplus stocks be apprised of the information set forth below:

"The following electronic equipment and parts appear on List B of Priorities Regulation 13, with the restriction that they cannot be sold to jobbers or distributors by persons not ordinarily engaged in the business of selling them, without special written permission of the WPB:

"Electronic equipment; capacitors (variable); capacitors (fixed); insulators (ceramic, mica, plastic); loudspeakers; microphones; relays, other than motor control as used in radio communication equipment; coaxial cable; crystal assemblies; instruments, electrical indicating, combat type (except fire control equipment and navigation instruments); resistors (radio and radar); sockets, tube (radio and radar); test equipment (new and used). (All items cleared as recognized B-1 items, (standard) electronic, transformers and reactors (radio and radar including coils and chokes other than R.F. and I.F.); tubes (radio and radar); vibrator (A device containing a mechanically oscillating element which interrupts direct electrical current in Electronic Equipment).

"Numerous instances of disregard of this restriction have appeared. It should be brought to the attention of all equipment manufacturers and all wholesalers, jobbers and distributors of electronic parts. If any parts lists are offered to any of the distributing trade it should be clearly stated that no transfer can be completed without special approval by the War Production Board.

"This restriction applies to excess and idle stocks held by the Army or Navy, as well as to such stocks held by private interests not ordinarily in the business of selling the items in question.



It applies particularly to stocks in the hands of manufacturers following contract cancellations or terminations.

"Permission to make special sales of excess or idle stocks of these products to jobbers, wholesalers or distributors may be requested on Form WPB 1161. Copies of this form can be obtained from any district or regional office of the War Production Board. When filled out it should be filed with the nearest district or regional office. The application will then be investigated and considered by Radio and Radar specialists in the region, and it will be sent with the regional office recommendation to the War Production Board (Attention: Radio and Radar Division) in Washington for grant or denial. The application cannot be approved or denied in the regional office. It must come to Washington for final action where it involves these List B items. The purpose of this close and double review is to insure so far as possible that there is no need for the products involved to sustain military production lines. Only if no such need appears will they be released to distribution channels.

"The fact that a distributor-buyer represents that he intends to resell the items involved to a manufacturer engaged in war production does not in any way relieve the distributor-buyer and his seller of the necessity of having their transaction receive this special approval by the War Production Board. Such an intention will, however, be accorded consideration in passing on the application for approval."

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#### FURTHER U.S. PRESS RATE CUT TO AUSTRALIA HOPED FOR

Commenting on the reductions in American press rates, effective May 1, between the United States and Australia over the R.C.A. Communications, Inc., and the Mackay Radio & Telegraph Co. radiotelegraph circuits, Chairman James L. Fly said:

"I am gratified at the success of this country's negotiations with the Amalgamated Wireless Co., Ltd. of Australia and the concurrence of the British Cable & Wireless, which makes possible a reduction in the press rate between New York and Australia from 14½¢ a word to 9 cents and between San Francisco and Australia from 12 to 5 cents a word.

"I want to emphasize that the new press rates approach but do not yet meet the British Empire rate for press service between Australia and Canada of one pence - or approximately 1-1/3 cents at the present rate of exchange. While American carriers can reduce their rates to and from Australia only to the extent British interests permit, it is my hope further reductions in press rates will be forthcoming.

"The high press rate, heretofore in effect between Australia and the United States, was a formidable barrier to the full news coverage of events in the Pacific Theatre of War and to adequate

coverage of American news of interest to our soldiers stationed in Australia and to the Australians themselves.

"In recognition of this, the Australian government as an emergency measure offered to subsidize press messages of accredited American newspapermen sent from Australia to the United States to an amount necessary to equalize the rates with those on press messages from Australia to Canada. It is my own feeling that while a government subsidy of news is tolerable as a temporary war expedient, a free press cannot countenance such a subsidy over the long run.

"The rate differentials on the Australian-United States circuits as opposed to the British Empire rates further emphasize the need for an international merger of American communications facilities."

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#### SYLVANIA SEEKS TO BUY COLONIAL RADIO CORP.

Negotiations were underway this week for purchase of the capital stock of Colonial Radio Corp. of Buffalo by Sylvania Electric Products, Inc., one of the nation's largest manufacturers of radio tubes.

The United Press reports that in a joint statement, A. H. Gardner, President of Colonial, and Walter E. Poor, President of Sylvania, said:

"When and if these negotiations are completed, Colonial as a wholly owned subsidiary of Sylvania Electric Products, Inc., will continue its operations in Buffalo substantially as heretofore with no executive or administrative personnel changes contemplated."

Since 1931, Colonial Radio has manufactured radio receivers principally for Sears Roebuck Co. and leading automobile manufacturers. It was expected the company would continue to operate in these markets.

Colonial's 1943 volume, made up entirely of radio equipment for the armed services, was \$56,000,000, compared with a 1942 volume of \$14,000,000.

Sylvania at the present time is manufacturing over 85 per cent direct and indirect war products. Its 1943 volume was over \$60,000,000 compared with a 1942 volume of \$32,000,000.

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Deems Taylor, composer, radio commentator and President of the American Society of Composers, Authors and Publishers (ASCAP) received an honorary degree of Doctor of Music at the 74th Annual Commencement of Syracuse University last Tuesday.

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## NEWSPAPER AND RADIO CODE WINS PULITZER CITATION

Byron Price, Director of the Office of Censorship and executive news editor of the Associated Press on leave, received a special citation from the Pulitzer Foundation "for the creation and administration of the newspaper and radio code".

To this all radio, as well as newspaper, men will say "Amen" regretting only that the citation did not include J. Harold Ryan, former Assistant Director of Censorship, who was responsible for the creation and successful administration of the radio code. From the beginning Mr. Price and Mr. Ryan proved a successful team. Criticism has been heaped on the Office of War Information but very little complaint has been heard about Censorship. In fact, on at least one occasion the critics made it so hot for Elmer Davis that it was suggested that Byron Price, having done such a fine job on Censorship, take over the OWI.

There couldn't be higher praise than this and, of course, in connection with the newspaper and radio code, what is said for Mr. Price also goes for Mr. Ryan, who rightly should have been included in the Pulitzer citation.

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## PRESS RATES FIRST IN INTERNATIONAL COMMUNICATIONS PROBE

Senator Wheeler (D), of Montana, Chairman of the Senate Interstate Commerce Committee Thursday gave the go-ahead signal to the international wire and radio communications study recently authorized by the Senate in Resolution #187 and appointed the following sub-committee to undertake it:

Minority Leader Wallace H. White, Jr. (R), of Maine, Senator Hill (D), of Alabama, Senator McFarland (D), of Arizona, and Senator Austin (R), of Vermont.

Senator Wheeler, who will act as Chairman of the subcommittee, said that the first thing to be taken up would be an investigation into the discrimination against American newspapers in international communications system rates.

The Senator said he was in complete accord with the recent statements of Kent Cooper, Executive Director of The Associated Press, that freedom of world communications would go a long way toward eliminating misunderstanding and perhaps help prevent wars.

"There is ample evidence, both before the war and during it and wholly apart from the controls of censorship, that vital information has been suppressed or 'buried' in foreign communication centers", he asserted, "and that our news men have been unable to get their stories to their papers in this country."



"I do not look with equanimity on the situation in which the American press has found itself, having to pay several times the rate per word for foreign correspondence charged to foreign press associations and newspapers. A temporary correction has been worked out recently in the case of press to and from Australia, but even here a difference still exists in favor of Empire press.

"Such a system does not lead to a free interchange of news and opinions.

"Another factor which interests the committee is the degree of foreign interest and ownership in some American communication companies and concurrent American company interest in foreign enterprises, most of which are owned or dominated by foreign countries unfriendly to this nation."

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#### MAIL CENSORSHIP PROBE APPROVED; AIMED AT PEARSON

Apparently aimed at Drew Pearson, Blue Network commentator, the Senate Post Offices Committee approved a resolution introduced by Senator Clyde M. Reed (R), of Kansas, calling for an inquiry into wartime censorship of letters.

The resolution was introduced after parts of letters written by Miss Vivien Kellems, Connecticut war manufacturer, to Count Frederick Karl von Zedlitz, Argentine agent of the Nazi steel trust, were revealed over the air by Mr. Pearson, and placed in the Congressional Record by Representative John M. Coffee (D), Washington.

Committee members would not disclose whether or not Coffee would be "invited" to testify if the investigation is authorized but it seemed generally understood that Pearson would be summoned.

First witness who will probably be heard will be Byron Price, Director of Censorship. The excerpts, Mr. Price told the Committee earlier, appeared to be taken from "intercepts" of the Kellems-Zedlitz correspondence and sent by censorship to official Government agencies.

Both Senators Reed and Kenneth McKellar (D), of Tennessee, who probably will be Chairman of the Investigating Subcommittee, have absolved the Censorship Office of blame for the leak.

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Charles P. Manship, Sr., Louisiana newspaper publisher, and owner of the Baton Rouge Broadcasting Company, which operates Stations WJBO and WBRL, has been appointed London Director of the Office of Censorship.

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 ::: TRADE NOTES :::  
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Harry Sadenwater, one of the pioneers in radio has been appointed Broadcast Equipment Sales Manager for RCA in the Eastern region. He will headquarter at the RCA sales offices at 411 Fifth Avenue, New York City and will be responsible for the sale of broadcast transmitters and associated equipment to eastern radio stations. Prior to his present appointment, he was Manager of Services for RCA Laboratories at Princeton, N. J.

Effective May 1, KSUN, Bisbee (Lowell) Arizona, becomes an affiliated station of the Columbia Broadcasting System, joining the network as a part of the KOY, Phoenix and KTUC, Tucson, Arizona group.

Edgar Kobak, Executive Vice-President of the Blue, has been elected to the Board of Trustees of the United Seaman's Service, Inc., for the term expiring 1947.

CBS Wednesday declared a cash dividend of 40% per share on the present Class A and Class B stock of \$2.50 par value.

James Cassidy, who has been Director of Special Events for WLW since May, 1941, has also been named Director of International Broadcasts for the Nation's station, it was announced this week by Roger Baker, Director of Public Relations.

Station KGHF, Curtis P. Ritchie, Pueblo, Colo., has been granted petition by the FCC to reinstate and granted application for construction permit to increase day power from 500 watts to 1 kilowatt, and make changes in transmitter, subject to Commission's policy of January 26th.

James L. Fly, Chairman of the Federal Communications Commission, and Dr. Alfred N. Goldsmith have been invited to address the opening of the Television Seminar by the Radio Executives Club on May 18th.

Fourteen new members have been approved by FM Broadcasters, Inc. Membership in the Association now totals 123. The latest are: Indianapolis Broadcasting Co., Indianapolis; Great Trails Broadcasting Co., Dayton, Ohio; KLZ Broadcasting Co., Denver, Colo.; Pennsylvania Broadcasting Co., Philadelphia, Pa.; Transcript Publishing Co., North Adams, Mass.; WGAR Broadcasting Co., Cleveland, O.; WKY Radio-phone Co., Oklahoma City, Okla.; Sun Company of San Bernardino, Cal.; South Bend Tribune, South Bend, Ind.; Louis Wasmer, Inc., Spokane, Wash.; WEBR, Inc., Buffalo, N.Y.; Chicago Board of Education, FM Development Foundation, Washington, and Rock Island Broadcasting Co., Rock Island, Ill.

The Blue Network Co., Chicago, Ill. has asked the FCC for a construction permit for a new High Frequency (FM) Broadcast station to be operated on 48,700 kilocycles with 11,000 sq. mi. coverage

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