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FRANK E. MULLEN

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No. 1626

May 9, 1944

# GAREY SAYS "RADIO HAS POWERFUL VOICE BUT WEAK HEART"

Summing up what virtually amounts to his report on the Federal Communications Commission investigation, Eugene L. Garey, former counsel for the House Committee declared:

"The result of this Commission's nefarious activities is that radio has a weak heart, for all its powerful voice in America. It has no independence, no freedom, and lives in constant fear for its life. It does a thousand deaths every presidential campaign in expectation of the revenge of some politician or some political group.

"Because of radio's fear for its life, the politicians kick it around in a fashion beyond belief. FCC not only keeps radio terrified but punishes it for not being sufficiently terrified of other bureaucrats.

"Chairman Fly will tolerate no public investigation of his stewardship. He resents the very idea of any accountability to Congress, whose creature he is; he will permit no criticism of his conduct and administration; no inquiry to ascertain whether the law under which he is acting should be amended in the public interest. He asserts immunity from all the legitimate processes of Government."

Mr. Garey made this declaration to the Economic Council in New York recently. The full text of his address has only now become available through having been inserted in the Congressional Record (May 5th) by Representative E. E. Cox (D), former Chairman of the FCC Investigating Committee.

"In my investigation of the Commission", Mr. Garey continued, "I found that, under the domination of Fly, whom a Washington writer has termed 'a dangerous guy':

"1. From the legitimate allocation and policing of wave-lengths, FCC has become the sponsor of novel and illegal theories of governmental control and regulation and has illegally assumed enforcement of the Sherman anti-trust law in respect of alleged monopolistic practices in the communications industry subject to its jurisdiction, as witness the Commission's chain broadcasting policies and its handling of R.C.A. and Postal Telegraph matters.

"These FCC policies, and others of like nature relating to other criminal statutes with the enforcement of which Mr. Fly had nothing to do, were not lawfully enforced through the courts - no charges were formulated or tried, but they were enforced without hearing by devious illegal means such as unlawful threats of refusal to

issue licenses, and by compelling station operators to submit their proposed contracts for broadcasts to the Commission for prior approval.

"2. The Commission was arbitrary and dictatorial in the enforcement of its illegal policy of prohibiting newspaper ownership of radio stations, a policy which it has now, after 2 years of enforcement, apparently abandoned. This policy was pursued notwithstanding that the Supreme Court had held that 'Congress did not authorize the Commission to choose among applicants upon the basis of their political, economic or social views, or upon any other capricious basis.'

"3. Himmler could well envy the Gestapo which Fly created under the respectable name of the War Problems Division, which the House Appropriations Committee asked him to discontinue because it served no proper useful purpose. No lawful authority whatsoever existed for the creation or activities of this unit - not even that modern day misfit called the Presidential Directive. Fired by nothing but zeal, this outfit proceeded for over a year to make a shambles of constitutional rights and privileges, and without warrant in law and without a hearing, threw people off the air against whom not even the faintest justification for such action can even now be advanced."

"Among the many other unlawful activities of the Commission I found:

"(a) That, again without legal authority and against the express wishes of the Army and Navy, FCC was operating monitoring stations manned by men sorely needed in the military services and using equipment vitally needed by the armed services. Its action was confusing and impeding the war effort.

In a joint letter to the President, dated February 8, 1943, Secretaries Stimson and Knox stated that 5 months earlier the Secretary of the Navy had requested the Joint Chiefs of Staff to study the radio intelligence situation. As the result of this 'thorough and comprehensive study', the letter recommended that 'participation by the Federal Communications Commission in radio intelligence should be discontinued.' "

"The normal run of patriotic Americans might consider this sufficient reason to surrender their judgment to that of the Secretaries of War and Navy and the Joint Chiefs of Staff. Mr. Fly, however, launched a stubborn counter-attack during the next 7 months - and won. On September 7, 1943, the President wrote a letter permitting FCC to retain its radio intelligence activities and suggested that disputes between the Army and Navy and FCC in the future shall be submitted for adjustment to the Board of War Communications of which Mr. Fly is self-constituted chairman.

"In other words, the President said: Whenever you can't get along with Fly as chairman of the FCC talk to him as chairman of the Board of War Communications.



"The Congress, however, decided otherwise, and, within the last month, on the record of the House Select Committee, cut approximately \$2,200,000 out of the FCC appropriation. The taxpayers and the war effort thus have both profited as a result.

"(b) The FCC had required all radio operators and communications company employees to file their fingerprints with the Commission. In September of 1941, J. Edgar Hoover, FBI chief, requested that these prints be turned over to the custody of the Bureau for checking and processing, as this agency had been designated by the President as the clearing house for all 'investigative information pertaining to the national defense'. For months repeated requests from Mr. Hoover and Francis Biddle, Attorney General of the United States, failed to induce Mr. Fly to surrender the fingerprints.\* \* \*

"Some 7 months after Pearl Harbor during which period the Nation's very life was in danger, Fly, even then under protest, began to transfer these records to the FBI and it took nearly a year thereafter before they were all finally delivered. Three or four thousand of the persons whose prints were delivered had criminal records. Some 50,000 of the 250,000 prints, incidentally, were returned to FCC as having been taken so improperly that they were useless.

"(c) That there was an unlawful conspiracy between FCC and the Office of War Information, OWI, to compel radio stations to use OWI canned material or else. \* \* \* FCC unlawfully placed stations questioning this policy on 30-day licenses until they 'saw the light', although the Communications Act contains no provision whatsoever for such a period of license in such circumstances."

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#### CONGRESS TO CONSIDER BILL TO ABOLISH DAYLIGHT WAR TIME

Responding to an urgent demand from Representative Clarence E. Cannon (D), of Missouri, the House Interstate and Foreign Commerce Committee has granted a hearing Thursday, May 11th, on Mr. Cannon's bill to abolish daylight war time.

Representative Cannon has been hammering away on this for a long time. He declared last week that he had been receiving hundreds of letters of protest from farmers and others and to prove it had about 200 of them printed in the Congressional Record (May 2) covering almost 8 pages.

It is expected that the National Association of Broadcasters will be represented at the hearing. The broadcasting industry has expressed itself on previous occasions as being opposed to the twice-a-year time shifts. As for daylight war time itself, it is believed that most station operators outside of some of the larger cities are well satisfied with it. It has eliminated the twice-a-year shift in programs in areas which remained on standard time, caused by New York, Chicago, and a few other cities, going on daylight saving time. The



twice-a-year shifts cost station operators considerable money as well as caused a change of listening habits in their communities.

Senator Capper (R), of Kansas, has also been active in urging that standard time be restored. Introducing a resolution to that effect from several Kansas granges, Senator Capper said:

"The farmers of the country never have believed in the change to war time; it interferes seriously with many farming operations and with farm life and living. And for myself I fail to see the advantages that were claimed would result from this dislocation.

Not long ago the Iowa Poll indicated that the agricultural areas will never want to go on daylight time again even as a Summer proposition.

Representative Cannon introducing his resolution to abolish daylight wartime said that it has "Deprived millions of a needed hour of sleep on sultry nights; saved no electric power or light; wasted manpower and farm products; added confusion and distress to the already tense war situation and contributed directly to juvenile delinquency and assaults upon women on their way to employment in the premature darkness of the morning."

Chairman Boren (D), of Oklahoma, Chairman of the Subcommittee which will consider the Cannon resolution, said at least two Federal agencies are expected to demand retention of war time. The War Production Board and the Office of Defense Transportation have asked to testify, he said. Both agencies are sponsors of the "fast time" as a means of conserving critically-needed electric power.

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#### BALLANTINE "THROAT MICROPHONE" INVENTOR DEAD

Stuart Ballantine, 46 years old, inventor of the "throat microphone" for aviators, died at Morristown, N. Y. last Sunday after being ill only a short time.

Born in Germantown, Pa., Mr. Ballantine studied mathematical-physics at Drexel Institute and attended the Harvard Graduate School from 1920 to 1921. He began his professional career in 1913 as a radio operator with the Marconi Company. He organized the Ballantine Laboratories, Inc., in 1934.

From 1917 to 1920 he had been a radio aide in the Navy and had charge of the Radio Compass Laboratory at the Philadelphia Navy Yard, where the Navy coil-type compass was developed. During this period, he invented a device which eliminated the "antenna effect". From 1920 to 1922 Mr. Ballantine devised methods for neutralizing radio frequency amplifiers.

In 1923 he formulated the theory of vertical antenna operated above its fundamental frequency in which he showed that effective power could be doubled by operating at about 2.5 times the fundamental frequency.

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# COMMISSIONER DURR AND SEN. WHEELER WHACK COMMERCIALS

Commissioner C. J. Durr, of the Federal Communications Commission, and Senator Burton K. Wheeler paid their respects to commercial programs at the opening of the Columbus meeting of the Institute for Education by Radio.

"You need only turn on your radio to be aware of the trend toward the almost complete commercialization of radio programs", Commissioner Durr declared. "The gag sustaining programs are becoming fewer and fewer and during the evening hours, have just about disappeared from the air. It was one thing for broadcasters to be generous with their time when it couldn't be sold. It is now quite another matter when there is an advertiser ready to pay a good price for it. I do not say this in criticism of those who are running our broadcasting system. Except for the thirty-odd non-profit stations, broadcasters are in business to make money and they make money by selling time. It is unfair to a business man to expect his self-restraint to be stronger than his business motives. Moreover, the most effective salesmanship of time doesn't lie in offending the few who can afford to buy it."

Senator Wheeler was unable to be present but asserted in a prepared statement "the dollar has been the radio's master". He charged advertisers with dictating the content of their programs.

"I do not want radio broadcasting in the United States owned or operated by the Government", said Senator Wheeler. "But I shudder to think of what the present broadcasters might do with 99-year licenses in view of their operations for three-year periods."

He condemned broadcasting for selling news broadcasts and suggested the industry follow the example laid down by newspapers "presenting unhampered, factual news".

"About 600 of the 900 standard broadcast stations are affiliated with one or more of the four national networks. These affiliated stations together utilize about 95 per cent of the night-time broadcasting power of the entire country and over half of their total broadcasting time is devoted to national network programs. They receive about 40 per cent of their entire revenue from the national networks - and this means far more than 40 per cent of their profits, for the network programs are handed over ready-made and there is little offsetting expense. A network contract is the biggest economic asset a station can have. Many of them could not survive without network affiliation and few of them could prosper without it. If, therefore, 'He who controls the pocketbook controls the man', then four network corporations have a pretty effective control over our broadcasting system.

"But what about the networks themselves? An analysis of the situation shows that they, too, are subject to 'pocketbook control'. Of the hundreds of thousands of business concerns in this



country, only a select few reach the national networks. In 1943, over 97 percent of the national networks' advertising business came from 144 advertisers.

"One-eighth of NBC's entire advertising business came from one advertiser and two advertisers provided almost one-fourth. Ten accounted for nearly 60 per cent of its business. One-seventh of Blue's advertising business came from one advertiser and two provided approximately one-fourth. Over 60 per cent of its business came from ten concerns. The same situation prevails in the case of CBS and Mutual, although to a slightly less degree."

"It is not unreasonable to assume that business concerns engaged in the same line of business have similar economic interests. Their disagreements in points of view are not likely to go very much beyond disagreements as to the merits of their respective products. It is still more disturbing, therefore, when we look at the figures by industries and find that in 1943 over 74 per cent of the estimated total billings of all four national networks was concentrated in four industry groups:

1.	Food, beverages, and confections . . . . .	26.5%
2.	Drugs. . . . .	20.5%
3.	Soaps, cleansers, etc. . . . .	14.6%
4.	Tobacco. . . . .	12.5%

"Thus, we have moved from diversification to concentration. We start out with 900 supposedly independent stations; about 600 of these, together using 95 percent of the nighttime broadcasting power of the entire country, bind themselves by contract to four national networks; the four national networks receive 74 percent of their revenue from four national industries. Maybe this is the road to a free radio, but I doubt it."

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#### AMERICAN TELEVISION HEAD SAYS FLY DOES JETT INJUSTICE

The battle over television continued with Norman D. Waters, President of the American Television, taking up the cudgel for Federal Communications Commissioner E. K. Jett, who was accused by FCC Chairman J. L. Fly of "muddying the waters". In fact, it was a letter which Mr. Jett wrote to Mr. Waters in which the latter expressed his personal opinion of the situation that aroused the ire of Fly who not only rebuked his colleague Jett but the New York Times for a "silly" editorial. Following this the Times came out with another editorial strongly backing Jett.

The latest development is a letter from Mr. Waters to the editor of the New York Times this (Tuesday) morning which reads:

"I would like to take this opportunity of applauding the courage of The New York Times for its position concerning the tele-



vision situation. This whole matter has been too long a question of industry argument, and you are performing a great public service in putting this matter before the readers of your publication.

"Chairman James L. Fly of the Federal Communications Commission does a great injustice to his fellow-Commissioner, E. K. Jett, in criticizing his expression of personal opinion, as revealed in his recent letter to me, as President of the American Television Society, which was released to the press with the approval of Mr. Jett.

"I am not one of Mr. Fly's opponents, as it has been my opinion that he is a highly competent individual, who has the required courage to fight when necessary to protect what he considers the public's best interests.

"On the other hand, like many other competent men, Mr. Fly is not always right. In this case he has assisted in the creation of the Radio Technical Planning Board, but indicates that he is not willing to accept the considered opinion of these experts.

"Furthermore, Mr. Fly seems to feel that any airing of the problems, in which the public has such a huge stake, would serve to 'muddy the waters'. On the contrary, healthy and open discussion appears to be the most effective way of hastening final decisions that are necessary in order to place the television industry in a position to progress rapidly in the post-war era.

"Mr. Fly, himself, has often hailed television for its great possibilities in taking up the employment slack after the war. The industry can never accomplish this unless certain vital decisions are made at this time that will enable it to look ahead."

According to Jack Gould in the Times today, the Radio Technical Planning Board's sub-committee on proposed new television standards has recommended post-war assignment of ultra-high frequencies for experiments in transmitting more detailed images and pictures in color.

The text of the RTPB recommendation follows:

"This committee looks forward to the eventual establishment of a television service of exceptional quality. It appreciates that considerably wider channels will be required for such service. Standards for such service can be set up only after experimentation on channels higher than those assigned for six-megacycle operation.

"Accordingly, the Committee recommends that a number of channels at least twenty megacycles in width and in as continuous groups as possible be allocated for experimentation above the six-megacycle channels and that no standards be prescribed for such operation until the experimental program indicates the necessity for such standards. It should be understood that at least thirty channels, the exact width of which will be determined by experimentation, would be required for a national allocation of television broadcast service in this region."

"An explanatory note accompanying the report of the Committee's action said: 'It was felt that ample provision should be made at such frequencies for experimentation with color television and high definition monochrome television. It was the firm belief of the Committee that it would be premature to consider standards for television operation in wide channels at ultra-high carrier frequencies since laboratory and field experience with television systems operating at these frequencies is wholly lacking.'"

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### IOWA BROADCASTING COMPANY SELLS KSO FOR \$275,000

Purchase of Radio Station KSO, Des Moines Blue and Mutual Network outlet by Kingsley H. Murphy of Minneapolis, is announced by the Iowa Broadcasting Company. Mr. Murphy, one of the owners of WTCN, Twin Cities Blue Station, paid \$275,000 for the Des Moines station.

Iowa Broadcasting Company officials indicated the sale was made in compliance with the Federal Communication Commission's Duopoly Order, forbidding ownership of more than one station in the same market area.

Actual transfer of KSO to Mr. Murphy, subject to FCC approval, is expected to take place about July 1, with new studios and offices for KSO, which has previously shared quarters with KRNT. It is also announced that the two stations will continue to use the same transmitter site and antenna, until such time as essential materials are released.

No changes are slated for KRNT, with 24-hour Associated Press and United Press news services, special news staff, and basic Columbia Network service for Central Iowa retained.

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### CANADIAN WAR COMMUNICATIONS EXPANDS TO \$136,000,000

The production of instruments and communications equipment in Canada continues to be an expanding program. The value of Canadian production in communications has been as follows:

1940 . . . . .	\$ 1,000,000
1942 . . . . .	60,000,000
1943 . . . . .	136,000,000

The Canadian radio and communications industry is now operating at a level some 18 times greater than in 1939. There are orders on hand to the value of \$40,000,000, and peak production is not expected until the second quarter of 1944. There are approximately 4,500 different items in current production by some 50 prime contractors and several hundred sub-contractors.

Some 20 major types of radar equipment have been developed for a variety of applications.

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## OFFER \$ 25,000 FOR LaGUARDIA'S WNYC BROADCASTS

Following either a peevish outburst on the part of hizzoner last Sunday or a very skillful way of breaking the news to his listeners, an offer of \$25,000 has been made to Mayor LaGuardia by Coty, Inc., perfume makers, for the exclusive rights to his Sunday afternoon broadcasts over Municipal Station WNYC. This would be at the rate of \$1,000 a broadcast for 25 weeks.

Mayor LaGuardia said last Sunday that he was "sick and tired" of hearing complaints that he was using the station to carry his views, opinions and messages to the public. Furthermore, the Mayor said he "had had" many, many offers to go on a commercial station and if there is anything more said about it, maybe I will."

Not long ago there was opposition to an appropriation of \$110,000 for WNYC's expenses for the fiscal year and James J. Lyons, President of the Bronx, charged that LaGuardia was using the station for political purposes.

The bid for Mayor LaGuardia's commercial services was made to the New York City Board of Estimate by Grover Whalen, head of the Coty concern.

Mr. Whalen said: "We estimate that the Mayor has between 1,500,000 and 1,600,000 listeners every Sunday."

The Mayor received the highest rating for any Sunday program at 1 P.M., a recent survey indicating that 125,000 radios tuned in regularly to hear him.

The \$25,000 under the present offer would go to the city and Mayor LaGuardia would receive no part of it. The question was raised as to whether or not his broadcasts, which are frequently of a controversial nature, would be accepted by any of the major networks

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## B & O PRAISED FOR JOINING IN TRAIN RADIO EXPERIMENTS

The Baltimore & Ohio Railroad has undertaken, along with other railroads, a study that may herald a new era in rail safety, in experimenting with radio communication between trains, stations and trains and in yard operations, the Washington Star observes:

"The tests were undertaken with the Bendix Aviation Corporation in connection with a Federal Communications Commission investigation into the use of radio on railroads that grew out of recent accidents, and while no drastic changes are expected at present, railroad officials look forward to applying the knowledge gained now, after the war.



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"The railroad accident rate in the past few years of heavy traffic demonstrates clearly the need for additional safeguards and anything offering the possibility of improvement is to be desired. Time after time collisions have occurred because stalled trains received tardy or inadequate flagging protection, and it is here that radio communication could play an important part, if a train halted unexpectedly for any reason was able to broadcast a warning immediately, and not be forced to depend entirely on a flagman getting out quick enough to avert disaster.

"While many factors contribute to accidents, speed always is an important consideration - and train speed is steadily on the upgrade. That fact will make it necessary for railroads to intensify the safety work they have carried out through the years, and the radio experiments consequently will be watched with interest."

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#### RADIO TO TAKE BASEBALL TO TROOPS THROUGHOUT WORLD

Overseas troops will hear broadcasts and re-creations via shortwave of major league baseball games this season by the Armed Forces Radio Service of Army Service Forces. Details are synchronized so that a play-by-play account will be heard by all troops at convenient listening hours.

Seasonally, the Armed Forces Radio Service shortwaves prize fights, football games, horse races and other leading sporting events to overseas soldiers, as well as 42 hours of news, entertainment, and musical features weekly.

Each Sunday during baseball season the last hour of a major league baseball game will be shortwaved over an East Coast station from 3:30 to 4:30 P.M., EWT, to England and North Africa. The last 45 minutes of a major league game also will be shortwaved five days weekly, Tuesday to Saturday, from 3:30 to 4:15 P.M., EWT, over the same station and into the same theaters.

From two West Coast stations the last hour of a Pacific Coast League game will be shortwaved to South and Central America, the Antilles, Caribbean, Alaska and Aleutian areas. The broadcasts will be from 2:30 to 3:30 P.M., PWT. A half-hour re-creation of a major league game will be beamed by five West Coast stations to the same locations five days a week and also to the South Pacific, Southwest Pacific, and the China-Burma-India theaters.

Present plans are subject to such revisions as may be necessary to insure good reception by overseas units.

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::: TRADE NOTES :::  
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Chicago's role as a hub of television activity was envisioned by J. C. McKeever, President of the Illinois Manufacturers' Association recently. He said, according to Television Broadcast Association, 100 plants, large and small, were planning expansion of radio and television manufacturing facilities, and he also forecast widespread use of television by theatres in the Chicago area.

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Thirty-two films were advertised on WOR during the 12 months of last year - twice as many as were represented during 1942. In equaling the 1943 figure in the first quarter of this year, WOR has quadrupled the former high. Every major motion picture company has used WOR during the record-breaking first quarter.

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National Union Radio Corporation - for 1943: Net profit, \$520,906, or 24 cents each on 1,347,286 common shares, after deducting the 37 percent to which the preferred stock would be entitled if these earnings were distributed as dividends. Net profit for 1942 was \$64,478, or 3 cents a common share. Company is controlled by Philco Corporation.

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To meet increased circulation demands when the news of the invasion comes through and to provide thorough news coverage despite rationing of newsprint, two New York metropolitan newspapers are planning to drop much of their advertising from all or some of their editions.

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Says the Editor & Publisher: If the reasoning that Montgomery Ward is a war plant can be sustained in this case - is it too absurd to speculate that no newspaper plant or radio station is safe from such government interference when involved in a labor dispute?

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T. M. Douglas, Manager of the Radio Division of the Federal Telephone and Radio Corporation said that full-scale production of a new, small-type marine direction finder designed for Mackay Radio & Telegraph Company, was necessary in order to keep pace with stepped-up shipyard construction.

Mr. Douglas declared the new unit contained all the features of the largest sets and could be installed over a chartroom table, thus necessitating no floor space. He said it represented a considerable saving of time and materials, as well as cargo space. As further proof of its portability, he pointed out that urgently needed models were shipped from the Newark plant to distant shipyards by air express.

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Station WKMO, Kokomo, Indiana joins the Columbia network as a special supplementary station on May 10th.

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