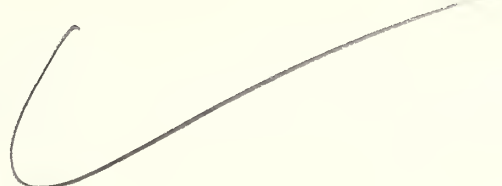


**HEINL RADIO BUSINESS LETTER**

2400 CALIFORNIA STREET

WASHINGTON, D. C.



RECEIVED  
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FRANK E. MULLEN

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May 16, 1944

"WHY DIG UP DEAD PRE-WAR TELEVISION?" GENE MC DONALD ASKS

The latest to engage in the television scrap, E. F. McDonald, Jr., President of the Zenith Radio Corporation, backs the Columbia Broadcasting System and Chairman Fly with:

"I, for one, say in regard to television after the war, 'Why did up the bones of dead pre-war television for reincarnation, when there is a new baby on the way?' Glowing promises have been made to the public of the feast to be spread before it. Let's not warm over last night's dinner to regale the hungry and expectant guest."

"The question asked by Paul W. Kesten, CBS Executive Vice-President, 'Will pre-war television be good enough after the war?' almost answers itself. Of course it will not be good enough.

"The Columbia Broadcasting System suggests also that it is the duty of prospective television makers, and broadcasters, too, to explain to the public that better television than the pre-war system can provide is now made possible by recent radionic developments not incorporated in the old system, and what is more, to back up explanation with action.

"I agree with Columbia, or rather I should say they agree with me, for I have always pointed out to the public that until standards are fixed for a television that is worthy of public support, money paid out for a television receiver is money thrown out of the window.

"I agree, too, with Chairman James Lawrence Fly of the Federal Communications Commission, when he is reported saying that he is 'opposed to any move to freeze television standards at the present level.' This statement is reported to have been accompanied by a criticism levelled at those who hope to sell post war receivers that would not give the best possible service. From the words of its Chairman, I know that the Federal Communications Commission will protect the public.

"Television has cried 'Wolf! Wolf!' many times in the past fourteen years. The public has been fed with fables, plied with promises, enticed with the 'Thousand and One Night Tales' of the miracles to be wrought. The bright stories so gaily scattered to the press on the least provocation, one after another become the legends of a phantom - television.

"We have chased the troublesome mirage of television through a good many alleys for a good many years! We have devoted innumerable dollars and many men to the study of its elusive character. We should

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like to harness it; make it work as present day radio is working for the public.

"Yet, each time it appears television is ready, each time it is about to be launched to the public, troublesome questions arise, piling new problems upon those of the past.

"We don't know for the moment whether the Radio Technical Planning Board will recommend television standards which the FCC adopted for pre-war television, or whether it will take due cognizance of the Columbia Broadcasting System's proposal. There is reason to believe it may not. The statement issued by the Television Broadcasters' Association says that 'Columbia's suggestions are contrary to the carefully considered recommendations of engineers of the industry comprising the television panel of the Radio Technical Planning Board.'

"Should the Board do nothing about these important proposals, then the most important decision to be made by industry and the government is 'What kind of television system are we going to have after the war stops?'

"The public may get pre-war automobiles, pre-war refrigerators, pre-war washing machines. You can turn these in for a fair trade-in value and they will still run and give service. Not so with television sets. When standards are radically changed as they again must be changed, if we are not going to throw out all that we have learned in the past few years, television is to become junk, just so much wood and wire inoperative unless rebuilt at great expense. The past has proved that.

"I speak on the basis of experience. Zenith has operated television station W9XZV (now WTZR) since March 30, 1939. In point of continuous service and operation, it is one of the oldest in existence. We have gained much valuable experience and background on what constitutes adequate and acceptable television.

"I cannot entertain the thought of supporting two systems of television broadcasting and reception, which have been advocated, one - the pre-war system, the other - the improved system. Such dual operation would be most illogical, confusing, and would certainly be impractical on a nationwide basis when chaining operations are envisioned. \* \* \*

"Someone may point out that receivers could be built to receive both systems. My answer to that one is, 'It's going to be a big enough problem to build a moderate priced receiver to operate on the better system. Dual operation receivers would be costly and wasteful of the public's money. It certainly wouldn't make sense to the railroads, let's say, deliberately to build two systems with two different gauge tracks, with cars of one unable to run on the tracks of the other. Adaptation would be a most expensive matter.



"The television problem is now again before industry, government and public. We are on the eve of writing a prescription that should serve for a long time to come. The stake in television of my own organization is great. It has been in business for over a quarter of a century on only one basis, that of being fair with the public. I want television as eagerly and as soon as anyone wants it. I have everything to gain from its coming into public use quickly. But if we are not coming out with improved television after the war, the public and the dealers should be told now.

"I am sure neither our stockholders nor I want quick profits from television receivers foreknowingly built to die in their first few years. When it comes to a choice of stepping backward in television, carrying water on both shoulders, or striding forward with strong confident step, despite some additional problems to be met, including the economic problem, there can be but one decision."

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#### SPECIFIC PRICES ANNOUNCED ON CIVILIAN RADIO TUBES

Specific dollars-and-cents wholesale and retail ceiling prices for new standard radio replacement tubes for civilian radios and phonographs were announced Monday by the Office of Price Administration.

These specific prices effective May 20, 1944, reflect those prevailing in the industry during March 1942. Wholesalers and retailers may charge less than the ceiling prices listed.

OPA said that a drastically reduced supply of radio receiver tubes for civilian replacement purposes has been reaching a market in which demand has greatly increased. Since early 1942, tube manufacturers have increasingly concentrated on military production. The supply of tubes available for civilian replacements is only a fraction of what it was formerly, while larger numbers of tubes are now required because of the increase in the average age of radio sets in use. Certain popular types of these tubes have almost vanished from the market, OPA said. Although manufacturers are now being allocated additional materials for civilian tube production, the contemplated increase will alleviate only part of the current scarcity.

These circumstances have brought about widespread black market activities, OPA said. Numerous instances brought to OPA's attention showed that consumers were charged three or four times the proper price for tubes, the price agency added. Jobber discounts and terms have frequently been shortened with a resulting increase in the net price to dealer. Consequently many dealers have discontinued 'over the counter' sales, reserving tubes for sales only in connection with repair services, or adopting various examination, testing and inspection charges. The prices and other provisions of Monday's amendment were arrived at after extensive consultation with representative radio tube manufacturers, jobbers and retailers throughout the country.



OPA's action Monday also specified maximum service charges for testing radio receiver tubes when brought to a shop. No charge may be made by a dealer or repairman for testing tubes when they are brought to his shop by a customer, because no charge was customarily made for this service. However, when a customer brings a portable or table model radio or phonograph to a dealer's or repairman's shop for tubes to be tested or replaced, the dealer or repairman may charge a maximum of \$.50 for testing all of the tubes in the set.

If the radio or phonograph mechanism has to be removed in order to test and replace the tube, the dealer or repairman may charge a maximum of \$1.00 for testing all of the tubes.

Monday's provision reaffirms the customary 90-day guarantee given by the industry against defects in material or workmanship. In addition it calls for posting of ceiling price lists in the dealer's or repairman's place of business.

The amendment requires those retailers who in March 1942 purchased radio receiver tubes from a manufacturer, to sell at no more than their highest March 1942 prices for the particular "private brand" or "national brand tube", provided that the prices do not exceed the specific prices set Monday for that tube.

Dollars-and-cents prices which retailers will pay as set in Monday's action are computed on the basis of discounts off the retail price list and are graduated according to the quantity sold. This system was found to be most generally prevalent in the trade, and therefore was adopted by the Office of Price Administration. This means that a retailer buying a large quantity of tubes from a wholesaler would pay less per tube than another retailer buying a smaller quantity.

In selling to retailers, it is provided that wholesalers must make out sales slips, receipts, invoices or some other evidence of sale showing the name and address of the seller, the purchaser, the date of sale and the quantity, type and price of the tubes purchased. Purchasers are required to keep these receipts and sellers to keep copies of them.

(Amendment No. 134 to Revised Supplementary Regulation No. 14 to the General Maximum Price Regulation effective May 20, 1944).

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Mayor LaGuardia reported receiving 1,800 letters to keep on with his Sunday broadcasts over the city-owned WNYC. Of these he said only 14 were derogatory. In Hizzoner's fan mail came this one on a postcard from Mgr. John L. Bedford of the Roman Catholic Church of the Nativity in Brooklyn:

"Please give the radio and us a rest. You have convinced me, at least, that you are vain, conceited and abusive. Why waste time proving what you have proven a thousand times? You might give us a farewell speech when your era of persecution is over. But make it short, please."

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## McINTOSH TO LEAVE WPB FOR PRIVATE PRACTICE

That he might engage in private practice as consulting radio engineer, Frank H. McIntosh, Assistant to the War Production Board's Radio and Radar Division in charge of civilian requirements, has submitted his resignation and will soon leave the Government service. Mr. McIntosh, former Technical Supervisor of the Fort Industry Co. of Toledo, will advise clients with regard to studio design and acoustics, as well as in allocations and induction heating. His office will be in Washington.

Mr. McIntosh joined WPB in 1942 as Chief of the Radio Section of the Communications Branch. Before going with the Fort Industry Company, he was with the Graybar Electric as Pacific Coast Communications Sales Engineer and prior to that was a member of the technical staff of the Bell Telephone Laboratory in New York. Mr. McIntosh was the author of a plan adopted by the Government in 1942 for the operation of radio stations by which the stations were able to obtain maximum use of component parts without impairing service to the listener.

Mr. McIntosh was one of three high officials of the Fort Industry Company who have contributed their services to the war effort in important capacities. The others are George B. Storer, President of the Company, a Lieutenant Commander in the Naval Reserve on active duty in Chicago, and J. H. Ryan, Vice-President, who served as Assistant Director of Censorship and is now President of the National Association of Broadcasters.

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## RADIO TO JOIN IN TELEGRAPH CENTENNIAL CELEBRATION

Although radio had not even been thought of when Samuel B. Morse tapped out the telegraph message for the first time, nevertheless radio communications companies, which likewise use the Morse code, will join with Congress and the Western Union in celebrating the telegraph centennial in Washington next Wednesday, May 24th. They are the American Telephone and Telegraph Company, R.C.A. Communications, Inc., International Telephone and Telegraph Corp, Press Wireless and Tropical Radio Telegraph.

The exercises, in charge of a joint Congressional Committee headed by Senator Burton K. Wheeler (D), of Montana, will begin in the rotunda of the Capitol, and wind up with the six members of Congress telegraphing their own messages over a direct wire to Baltimore. In the interim the scene at which Morse demonstrated the practicability of his invention will be reenacted and the Army Signal Corps will relay "What hath God wrought!" around the world. The plaque will be unveiled by Morse's grand-daughter, Miss Leila Livingston Morse.



The six former telegraph operators in Congress who will demonstrate their skill and technique with the key and still remember that the letter P is five dots are Senator Edwin C. Johnson (D), of Colorado, and Representatives Joseph J. Mansfield (D), of Texas; Compton I. White (D), of Idaho; Karl Stefan (R), of Nebraska; Michael J. Bradley (D), of Pennsylvania, and William C. Cole (R), of Missouri.

Chairman James L. Fly of the FCC will speak. A ship, the "Samuel B. Morse" will be launched in Baltimore and there will be a banquet Wednesday night in Washington.

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### U.S. MULLS PLATTER ROW; CHICAGO PETRILLO HEARINGS BEGIN

James Fitzpatrick, U. S. Commissioner of Conciliation, has been appointed by the Labor Department to mediate the latest "platter turner" dispute between the musicians, radio engineers and NBC, Blue Network and WOR over contracts which these companies signed James F. Petrillo, President of the American Federation of Musicians. This threatens to terminate in a strike June 1st.

The first of the regional hearings in connection with the WJJD strike over hiring additional musicians will be held in Chicago tomorrow (Wednesday) morning. Following the WLB's directive orders, musicians at WJJD returned to work pending a threshing out of the situation by the regional panel.

According to Allan Powley, President of the independent National Association of Broadcasting Engineers and Technicians, which is not affiliated with any national union, the Petrillo contracts provide that musicians take over the work of handling records and transcriptions - a duty which heretofore has been taken care of by the engineers.

"If there isn't any settlement by June 1", Mr. Powley said, "we'll either walk out or we'll keep Petrillo from coming in."

Mr. Powley said further the contract is in violation of an existing contract now in effect between NABET and NBC, Blue and WOR and would force its members "to release part of their jobs to the musicians union and this they are absolutely opposed to."

Confusion was added to the situation by protests from the International Brotherhood of Electrical Workers whose engineers serve many stations, including WTOP, CBS key station in Washington. As was the case with NABET, IBEW members in Washington and elsewhere oppose giving up any of their duties to the musicians. It was the impression of one observer that Petrillo had made some kind of a deal with IBEW, which like the AFM is affiliated with the A. F. of L., but if so, all of the members had not been let in on it. There was a loud protest from West Coast IBEW members over Petrillo trying to butt in on their jobs in the radio stations and it is expected others will follow.

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## ADMIRAL TELLS OF CLASHES WITH FCC OVER WAVELENGTHS

The Federal Communications Commission was taken to task last week because of the alleged unsatisfactory manner of assigning wavelengths to the armed services. It is a controversy which has been going on for years and this time was brought up in connection with a hearing of the Special House Committee on Postwar Military Policy on the unification of the armed forces.

Rear Admiral Joseph R. Redman, Director of Naval Communications, opposed merging the communications of the Army and Navy.

Naval communications, Admiral Redman said, are an integral function of naval operations, and cannot be handled as part of the Services of Supply.

The Navy communications chief added, however, there could be some physical and operational consolidation, "particularly with respect to administrative communication circuits."

There could be a common domestic administrative land line system, Admiral Redman said.

Admiral Redman, who is one of the Admiral Chairman Fly was accused of "trying to get", said that there had been long standing differences of opinion between military authorities and the Federal Communications Commission over the latter's jurisdiction in the assigning of radio frequencies.

The FCC, he said in answer to questions by Committee members considers that it is empowered to direct which wave lengths the armed forces may use - a point of view to which the Navy dissents.

"Hasn't the FCC always given you what you asked for? You've got everything that you want now, haven't you?" the Admiral was asked.

"No", replied Admiral Redman, "because there aren't enough wave lengths to go around."

The functions of the FCC, Admiral Redman testified, relate to commercial radio, but it never has been authorized, he contended, to decide which frequencies shall be allotted to the military forces, "although the FCC thinks it has."

No serious disputes about wave lengths had come up during the war, the Admiral said, in reply to a question from Melvin J. Maas (R), of Minnesota.

"What would happen if a serious case came up?" Mr. Maas asked.

Admiral Redman explained that it would be referred to the President for decision under his war powers.

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"But that's wartime arrangement", Mr. Maas replied. "Now what's going to happen about such things when peace comes and the war powers disappear?"

"I couldn't tell you that", Admiral Redman said. "I don't know the answer."

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#### PRODUCTION OF RESISTORS INCREASES 20%

Production of fixed and variable resistors for electronic equipment increased more than 20 per cent in April over the average production in February and March, War Production Board representatives told a recent meeting of the Fixed and Variable Resistor Industry Advisory Committee.

Backlogs of unfilled orders for resistors have continued approximately level for the past three months, WPB representatives said. However, the industry will have the capacity to meet expected increased requirements that may be placed on it by the projected program for electronic and equipment in 1944, they indicated, since expanded resistor production facilities are expected to be in operation by July 1.

The purposes of the electronic component recovery program as a means of disposing of surplus components to contractors and the armed services were described to the committee by a representative of the Component Recovery Section of the Radio and Radar Division, WPB.

A representative of the Army-Navy Electronic Standardization Agency outlined progress of the agency on standard specifications and test procedures for resistors in line with manufacturing practices. An interim procedure to be followed in adopting standardized specifications will be communicated to manufacturers concerned. Committee members requested that the ANESA representative attend future meetings of the Committee in order to keep the industry informed on standardization actions.

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With 54 out of 56 national advertisers planning to continue through the Summer and eight new clients scheduled to launch their campaigns during the "hot months", present indications are that 1944 will establish a new high for Summer advertising on the Blue Network. The entire lineup of 18 accounts on the Pacific Coast network of the Blue is also slated to remain on the air.

One unusual aspect of the situation is the number of new accounts signed up to begin their campaigns in June or July, instead of waiting for the Fall season.

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## TAM CRAVEN RESIGNS; GOES TO COWLES STATIONS, DES MOINES

Commissioner T. A. M. Craven, whose term as a member of the Federal Communications Commission expires on June 30, 1944, announced today (Tuesday) that on April 26, 1944, he requested the President not to reappoint him for another term.

Commissioner Craven would have completed 30 years in Government service in August of this year. Except for a period of five years between 1930 and 1936, this service has been continuous. He has been with the Federal Communications Commission nearly nine years, including two years as its Chief Engineer.

Commissioner Craven stated that he plans to become associated in a technical capacity with the Cowles interests. The Cowles are publishers of newspapers in Des Moines and Minneapolis and LOOK magazine, as well as licensees of radio broadcasting stations.

President Roosevelt accepted Commander Craven's resignation in the following letter:

"Dear Commissioner Craven:

"I have received your letter of April twenty-sixth in which you tell me that it is not your intention to seek reappointment to the Federal Communications Commission when your present term expires on June thirtieth and that you want to be free on that day to return to private business.

"The reasons you cite leave me no alternative. I shall, therefore, comply with the request you make and I sincerely hope that your re-entry in the field of private business will bring to you rewards that will more than recompense for the years of sacrifice and labor you have given your Government.

"My best wishes to you.

"Very sincerely yours,

/s/ Franklin D. Roosevelt"

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## WPB RADIO DIVISION DEFINES QUESTIONABLE ITEMS

Because some persons who are entitled to use the priorities assistance given by Preference Rating Order P-133 for electronic equipment maintenance, repair and operating supplies (MRO) have been applying the ratings for items which are capitalized repairs, capital equipment or capital replacements, the War Production Board last Friday issued a list of some products which are not MRO items under the order.

The list is not all-inclusive, but comprises only items about which questions have been raised, the Radio and Radar Division of WPB said. These items, which are not MRO items under Order P-133, are:



Recording or reproducing turntables; amplifiers, microphones; speech input consoles; transmitters; relay racks or cabinets; jack panels; frequency monitors; antenna towers.

Ratings assigned by Order P-133 must not be applied for the purchase of the products listed above, and any P-133 ratings which have been applied to purchase orders for those items have been improperly applied and should be cancelled at once, the Radio and Radar Division said. This does not mean, however, that necessary parts to maintain and repair those products may not be purchased with P-133 ratings.

Action was taken by WPB through issuance of Interpretation 1 to Preference Rating Order P-133. The interpretation also tells how to distinguish the business of radio communication or radio broadcasting from the operation of and maintenance of public address, intercommunication, plant sound or other similar electronic systems for the controlled distribution of musical programs.

Persons engaged in the business of operating and maintaining electronic systems for the distribution of sound which are not radio communication or radio broadcasting systems are entitled only to use the AA-5 rating assigned by paragraph (a)(4) of Order P-133. The question has been asked as to how to distinguish between these businesses, the interpretation adds, and states:

"No person is engaged in the business of radio communication or radio broadcasting who has not been licensed by the Federal Communications Commission to operate a radio transmitter. No person who has not been licensed to operate a radio transmitter may use the AA-1 rating assigned by paragraphs (a)(1) and (a)(2) of Order P-133 for the businesses of radio communication or radio broadcasting.

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#### CENSOR CAUTIONS PRESS AND RADIO

Byron Price, Director of Censorship, issued the following statement to press and radio:

"I have been asked how Americans generally - all Americans - can help protect military security at this decisive stage of the war. I offer five suggestions.

"1. Express your opinions, but keep military information to yourself.

"2. If you write a letter or send a message or speak carelessly, remember that the enemy may see or hear your words eventually.

"3. Don't expect newspapers, magazines or radio to aid the enemy by forecasting when or where our forces will strike.

"4. Don't forget that Congress has prescribed heavy penalties for carrying or sending a letter or message into or out of the country without submitting it to censorship.

"5. Having always in mind what is at stake, be patient of delays and other serious dislocations which are sure to afflict all international communications in these critical times."

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 ::: TRADE NOTES :::  
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The House Rules Committee has pigeon-holed a bill to provide \$12,500,000 for Government purchase of war bond advertising space in all weekly, semi-weekly, tri-weekly papers and in dailies serving communities up to 25,000 population.

WELO, Tupelo, Mississippi, a 250 watt station, began operation this week simultaneously with its affiliation with the Mutual network as a full-time outlet.

WOMI, Owensboro, Kentucky, will start service on Monday, June 5.

The Stromberg-Carlson Company, manufacturer of telephone and radio equipment, reported for 1943 a net income of \$726,815, equal, after all deductions, to \$2.53 a share of common stock outstanding. This compares with \$534,053 and \$1.80 for 1942. Shipments, the company said, established a record, totaling \$40,946,618, compared to \$18,629,606 in 1942.

Don F. Holshaouser was granted a patent No. 2,348,216, assigned to the Radio Corporation of America, on an electron discharge device mount spacer, which consists of a resilient envelope spacer which surrounds the transverse member of an electron discharge mechanism. The spacer has points of contact with the outer envelope of the discharge device itself.

Fred A. Moore, since 1928 head of RCA's subsidiary company in Chile, Corporacion de Radio de Chile, has been appointed Regional Director for Latin America.

Other appointments announced are: Carlos Touche as President of RCA Victor Argentina, Buenos Aires; L. A. Humphries as General Manager of Corporacion de Radio de Chile, Santiago; Harold R. Maag as General Manager of RCA Victor Mexicana, Mexico City.

Crosley Corporation reports net profit of \$1,423,365 after all charges and taxes for first quarter of 1944, against \$1,125,230 for comparable portion of 1943.

Norah K. Donovan has been appointed Manager of the Literary Rights Division of the Blue Network. At the same time, the Division has been placed under the jurisdiction of Dorothy Kemble, Continuity Acceptance Manager, who now heads three departments - Continuity Acceptance, Script Routing and Literary Rights.

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Raymond F. Guy, radio facilities engineer of the NBC Engineering Department, will speak on "Television and FM" before the Indianapolis section of the Institute of Radio Engineers Friday, May 26

With first quarter renewals setting an all-time high mark at WOR, the station went eight per cent ahead in total sales over the first three months of 1943, the best business year in the history of WOR.

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