

HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.

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No. 1657

November 22, 1944

FCC COMMISSIONER WALKER LOOKS AT AFTER-THE-WAR RADIO

Addressing the Third Annual Radio Conference, sponsored by Stephens College at Columbia, Mo., Commissioner Paul A. Walker of the Federal Communications Commission, predicted that radio after the war will revolutionize and improve American industry.

"The post-war expansion of radio should be financially profitable for both industry and labor", Commissioner Walker declared. "In 1937, the total broadcast revenue, including networks and independent stations, was \$114,222,906. In 1943, this figure had leaped to \$215,317,774, a gain of almost 100 per cent. Net revenue from broadcast service in 1937, after all operating expenses but before Federal income tax, was \$22,566,595. Last year it was \$66,475,586, almost three times as much. With the tremendous expansion of radio after the war, there is reason to believe that this level of net revenue will be materially increased. Some manufacturers are estimating that 5,000,000 FM receiving sets will be made and sold during the first five years after the war. Some industrialists believe we may have as many as 2000 FM stations operating within that period. The fact that there are already 268 applications for FM stations on file with the Federal Communications Commission tends to confirm this prediction.

"Add to FM broadcasting, the expansion of television and facsimile and the prospects for business enterprise in the radio field are most encouraging. As I have previously mentioned, television is likely to move fast after the war. Some manufacturers are saying that they will be able to sell television receiving sets for as low as \$150 and predict that the price may drop even below this figure. If this is true, there should be a good market for television receivers.

"The faith that industry has in television is evidenced by the fact that as of November 15 of this year, there were 87 applications for commercial television stations on file with the Federal Communications Commission."

"As to the place of government in the radio picture of the future, we can travel one of three roads", Commissioner Walker went on. "First, Management can be left free to operate without any public regulation. However, few seriously favor such a system of unrestrained operation. If for no other reason, the problem of electrical interference accentuated by a crowded spectrum would be too great to make such a system feasible.

"The second road which seems attractive to some is that of public ownership. Most countries have this system and private operation in America is the exception rather than the rule. But there

are dangers in this type of operation. We have seen them develop in totalitarian states. It is imperative that we keep a free radio if democracy is to endure. I do not believe that government ownership would be conducive to a free radio any more than I think monopolistic control would be conducive to it. When one segment of society, whether it be government or industry or some other, is vested with unlimited authority over radio, then freedom is threatened and democracy suffers. It is diversification and balance of control that we want in American radio.

"If we are to have this balance, I believe we must have effective government regulation of the radio industry. I believe that this is the road we must travel if the interests of those who operate radio stations as well as the interests of the people are to be served. I believe one of the best safe-guards against political control is effective government regulation.

"This system I favor operates on the principle that the ether and the frequencies belong to the people, that they have a right to set the general standards for the use of this ether and these frequencies, but grants the privilege of management to those persons who have the qualifications and the desire to operate in the public interest, and to give worthwhile public service.

"To be effective, this system must have managers who are more than dollar-minded - who want radio to bring the maximum social benefits. And it must have regulators who are democratic in outlook and who are intensely devoted to the public interest."

Commissioner Walker, whose address ran about 4,000 words, cited the recent Allocations hearings for the assignment of frequencies to the various classes of non-governmental services as the source of many of his conclusions:

"The evidence showed that Frequency Modulation broadcasting will expand rapidly", Commissioner Walker declared. "Better able to avoid static than standard broadcasting, FM is likely to have a stronger appeal generally. Since a number of these stations can operate in closer proximity on the same channel without objectionable interference than is possible with standard stations, can probably be constructed more economically, many more localities will be able to have them. This will provide a greater access to the microphone among the masses of the people. An increase in the number of stations will possibly mean a corresponding growth in the number of networks.

"There was considerable testimony at the hearing regarding the future of television. I do not believe the average citizen is fully aware of the technical progress made in this field in the last few years. The television pictures after the war are expected to be much better than those prior to Pearl Harbor. They are likely to have superior definition, be much brighter and larger and may have color as well. With the use of mobile television units, it will be possible to send pictures of important events from many different places; and with the development of networks, large numbers of people will be able to view these pictures.

"Add to FM and television the possibilities of facsimile and we have a most attractive outlook for communications. The transmission of writing, printing, photographs and other images is now a well-established art according to experts who appeared before the Commission. While we are told there are still technical problems to work out, progress is being made and we may soon have effective simultaneous transmission of sound and facsimile images.

"Out of this development will come new conveniences for the American people. By means of facsimile the man in the office can receive continuously complete and graphic news reports to aid him in his business or profession. The rancher in Montana who now may wait as long as a week to get his newspaper, may get the latest news with pictures directly recorded in his home.

"Application of high frequency radio to industrial operations has had a rapid growth in recent years. As a means of effective, intensive heating, it is highly useful in woodwork, plastic, textile, rubber and chemical industries. Experts urge that it will become increasingly important after the war as an aid to production. In this connection, problems of radiation and interference with communications will call for careful study and may necessitate new legislation.

"The telephone industry will make increasing use of radio. For example, the Federal Communications Commission recently approved conditional grants for the American Telephone and Telegraph Company to construct two experimental stations which are to be used as terminal points for a proposed wide-band, point-to-point radio repeater circuit capable of relaying telephone and other types of communication between New York and Boston. Similar grants have been made to other industries.

"Under the proposed wide bands, many telephone conversations can be carried on simultaneously over the same circuit. The development of such a system may make possible a considerable expansion in telephone service at lower costs."

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I.T.& T. COMES THROUGH WITH A RADIO SYSTEM OF ITS OWN

A new radio development that is said to surpass for certain purposes the now standard amplitude modulation (AM) and fast-growing frequency modulation (FM) methods has been announced by the Federal Telephone and Radio Laboratories, associated with the International Telephone and Telegraph Corporation.

Called "Pulse Time Modulation", the new system's advantages, I. T. & T. says, are simplification of repeaters, avoidance of distortions and more efficient application to multi-channel, coaxial cable, telephone and facsimile transmission systems, television sound channels, and ultra-high frequency broadcasting.

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KESTEN BACK FROM ENGLAND PROPOSES "DECENSORING"

Just returned from England, Paul W. Kesten, Executive Vice-President of the Columbia Broadcasting System, discussed post-war programs, international broadcasting and television. Mr. Kesten said:

"Despite the best job of reporting that any nation at arms has ever received, America is not getting, and cannot get, the real story of its men in action and its machines in action as long as military secrecy is vital. We are determined that this story shall not be lost after the war, as it was in large part after the last war. What I saw and heard from hundreds of GIs, Navy men and merchant seamen, and in conference with the CBS European staff, convinces me that the human story and the scientific story which cannot yet be told contains the real secret of American success in the war. American radio owes the 120,000,000 people who represent the families, relatives and friends of our fighting men a vivid first hand report of much that lies behind the curtain of censorship - as soon as that curtain can be lifted. We are therefore planning a postwar program series, which will reveal as rapidly as Government authority will sanction it, a succession of individual stories which will prove more thrilling than fiction and more informative than anything we have been able to broadcast during hostilities. The tentative title 'Decensored' has been chosen for this series to give some hint of its nature. We intend to invite the full cooperation of the Army and Navy in as much advance planning as is feasible.

"No one can spend even a few weeks outside of the United States without learning at first hand, how important American news and American affairs are to foreign listeners, to say nothing of American entertainment. The most popular American network programs are now available in England and on the Continent, not only to our troops but to civilian listeners.

"Some indication of the vital importance abroad of American thinking and planning was evident in the fact that the United States attitude toward international aviation and world shipping received more time on the air in BBC news broadcasts than any other single item in 24 hours of world news, although it was totally eclipsed in American news broadcasting by events on the war front. There is no question in my mind of the increasing importance to the United States of international broadcasting from this country after the war. I am more than ever convinced that the United States should maintain fully the international broadcasting facilities that have been expanded during the war. The eyes and the ears of the rest of the world will be trained on this country as never before.

"Television, although it has no present international transmission characteristics, has in itself a curious international aspect. Six months ago, when CBS proposed radically improved television standards for the United States, we said, with no notion of clairvoyance, that other countries might well adopt such higher standards, and America should not lag behind. While I was abroad, the extraordinary

news was cleared through censorship that French electronic engineers, under the very noses of their German overlords during the occupation of France, had in fact fulfilled this forecast. Shortly after France was liberated, they were able to demonstrate actual pictures which made our prewar television standards look wholly obsolete. The leverage of this French development on American television planning cannot be ignored. In turn, the combined effect on British television of improved standards here and in France is almost inevitable. The keenest interest exists on the part of independent British engineers in the higher television standards. It is my personal impression that, wholly as temporary measure, in view of the larger number of prewar sets purchased in England, television may be resumed there on prewar standards. But I would not be surprised at all to learn that the British are setting their sights fully as high as the improvements CBS has proposed here, and may emerge with a full-blown television system which, except for one American advantage, might set the pace for the rest of the world. That advantage is color. We seem to be well ahead of any other country in color television. The Germans, who were well advanced in television before the war, apparently lacked the imagination to develop color television. The French, who have been cruelly excluded from the news of developments in other countries, have apparently concentrated all their work on black-and-white pictures.

"The British have shown real interest in color television and have conducted some experiments, but, to the best of my knowledge, have not produced a practical full-color television system. Thus the United States seems to be in the enviable position of having world leadership in television at its fingertips. It would, in my opinion, be deplorable if, in America of all countries, a short-sighted clinging to the status quo should make us falter at this point."

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TELEVISION WILL PEP UP ALL ADVERTISING, SHOUSE BELIEVES

James D. Shouse, Vice-President of the Crosley Radio Corporation of Cincinnati, addressing the Advertising and Sales Promotion Executives Conference at Ohio State University last week, expressed the opinion that television would stimulate all forms of advertising.

Television's ability to sell the manufacturer the style of his merchandise, its appearance, its price and its use in the home cannot fail to bring to the business of advertising more money, because "the business of advertising can perform more functions than it has ever been able to before", Mr. Shouse declared.

"Any business can grow, and does grow, only as it offers more, and through television it is entirely conceivable that the whole business of advertising will receive a tremendous impetus far beyond anything that has been conceived before", the speaker said.

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ELECTRONIC EQUIPMENT NOT UNDER WPB SPOT AUTHORIZATION

Electronic equipment as defined in WPB Limitation Order L-265 is not subject to the War Production Board spot authorization plan, WPB said yesterday.

Electronic equipment as defined in Order L-265 means any electrical apparatus or device involving the use of vacuum or gaseous tubes and any associated or supplementary device, apparatus or component part therefor, and shall include any acoustic phonograph and component parts therefor. The term shall not include: (1) hearing aid devices; (2) Wire telephone and telegraph equipment; (3) electric batteries; (4) power and light equipment; (5) medical, therapeutic, X-Ray and fluoroscopic equipment other than replacement electron tubes therefor; (6) phonograph records and needles; (7) automotive maintenance equipment as defined in Limitation Order L-270 (8) Incandescent, fluorescent and other electric discharge lamps, as defined in Limitation Order L-28, and rectifier tubes, as defined in Limitation Order L-264; (9) Industrial type instruments and associated circuit devices, for measuring or controlling temperature, pressure, flow, liquid level, relative humidity, specific gravity, acidity, alkalinity, speed, power load, or frequency of electric power generating stations.

An amendment to the order provides that no producer shall manufacture any electronic equipment except to fill preferred orders or to fulfill, under Controlled Materials Plan, any authorized production schedule or authorized program as defined in CMP Regulation 1 except a schedule or program authorized under Priorities Regulation 25 covering the spot authorization plan.

The purpose of the amendment was said to be to remove any ambiguity from Direction 2 to Priorities Regulation 25, which is also being amended.

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APPLEBY, ASST. U.S. BUDGET DIRECTOR, TO GO INTO RADIO

The White House announced last week that Paul H. Appleby, Assistant Director of the Budget, is resigning to become Vice-President and General Manager of the Queen City Broadcasting Company of Seattle, Washington.

Mr. Appleby, 53 years old, and a native of Missouri, was formerly an editorial writer on the Des Moines Register and Tribune and an Executive Assistant to the Secretary of Agriculture 1933-40 at which time he became Under Secretary of Agriculture. He was Chief of Food Missions to Great Britain in 1941 and 1942, Chairman International Wheat Conference in 1942-3 and Special Advisor to Lend-Lease Administrator in 1942-43.

The Queen City Broadcasting Company operates KIRO, a 50 KW in Seattle. President Roosevelt has accepted Mr. Appleby's resignation effective December 1.

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PORTER YOUNGEST FCC CHAIRMAN; "O.K. - NO STUFFED SHIRT"

Paul A. Porter, 40 years, now up for confirmation by the Senate, will be the youngest Chairman of the Federal Communications Commission. Also if what his colleagues and friends say is true, he may prove to be one of the most efficient and popular Chairmen the Commission has ever had.

"Paul Porter is a New Dealer heart and soul and will jump through the White House hoop as fast as Larry Fly ever did", one friend declared, "but he is not likely to prove to be the trust-buster that Fly was. Paul nevertheless has positive views and if he does decide to wield the big stick, he will have the courage to do it but will do it in a nicer way. He is a man who will always be accessible, open to reason, and I feel confident will give everyone a run for his money. Because of Porter's radio and newspaper background, both the broadcasters and the press will have a friend at court. Unless the White House so orders, there will be no more kicking the newspapers around.

"Paul has plenty of ability and he is no stuffed shirt. He doesn't take himself too seriously. I couldn't imagine him glaring about the hearing room as Fly used to do to see if everybody was standing up until the members of the Commission had been seated. I don't believe there will be any of that Supreme Court stuff as far as Paul is concerned. Nevertheless he is an A #1 lawyer."

"If Porter was such an outstanding lawyer, why is he sticking to the Government service? Wasn't he making more money as CBS Washington counsel?" was asked.

"Sure! Paul was making good money with Columbia. He went into Government work at a personal sacrifice for purely patriotic reasons and because he thought it was the thing to do."

There was a pleasant greeting from the Washington Post which said editorially:

"Paul A. Porter, who has been nominated a member of the Federal Communications Commission and will be appointed Chairman when confirmed, is likely to prove a worthy successor to James Lawrence Fly. As a radio lawyer for a number of years, he gained an acquaintance with the broadcasting industry. Yet most of his experience since 1933 has been in Government service. He has done outstanding work in the AAA, the OPA and the Office of Economic Stabilization. Able, hard-working, and amiable, he will take to the FCC a record of substantial achievements in spite of his comparative youth.

"The only unfortunate aspect of the appointment, as we see it, is that Mr. Porter goes directly to the top position in the agency which regulates broadcasting from the job of directing publicity for the Democratic National Committee. The chairmanship of the FCC is an assignment that ought to be far removed from politics. But

no doubt Mr. Porter will quickly shake himself free from the partisan atmosphere of his most recent task. His experience in Government work and his widely recognized ability as an administrator overshadow the element of political debt-paying in the appointment. Nevertheless, it would be a sorry state of affairs for the FCC, the broadcasting industry and the public if the chairmanship of that agency should come to be looked upon as a reward for political publicity directors, as the postmaster generalship has come to be a reward for the chairman of the national committee of the successful party in national elections."

The only protest against the nomination of Mr. Porter came from the Socialist Party National Executive Committee in New York.

In a telegram to Senator Wheeler, (D), of Montana, Chairman of the Interstate Commerce Committee, the Socialist Committee said the protest was based on the manifest impropriety of elevation of publicity manager in bitter political campaign and also former counsel for a network to commission controlling radio and other communications."

On the other hand, there were already signs that Mr. Porter's nomination was causing Congressional hostility to the FCC to quiet down.

Representative Eugene E. Cox (D), of Georgia, probably the most bitter Congressional critic of both the FCC and its former Chairman, expressed approval of Mr. Porter's appointment.

Chairman Clarence F. Lea (D), of California, of the House FCC Investigating Committee, predicted that the Committee's stormy inquiry into FCC activities, which has been underway for almost two years, would end next month when a final report will be filed on the 5000 pages of testimony that have been taken.

There have been discrepancies in some of the biographies printed. Here is the one from the 1944-45 "Who's Who in America" (which is really an autobiography as the information is furnished by the author himself):

"Porter, Paul Aldermandt, govt. official; b. Joplin, Mo., Oct. 6, 1904; s. John J. and Dolly (Carpenter) P.; student Ky. Wesleyan Coll., 1923-26; m. Bessie Edgar Benton, June 14, 1930; children - Betsy Goodloe, Ann Covington. Began as newspaper reporter; city editor Lexington (Ky.) Herald, 1923-26; in practice of law, Central Ky., 1928-29; editor Mangum (Okla.) Daily News and LaGrande (Ga.) News, 1929-32; spl. counsel Dept. of Agr., 1932-37; Washington counsel Columbia Broadcasting System, 1937-42; lecturer on administrative law, Law Coll. of Catholic U., Washington, D.C. since 1941; deputy adminstr. in charge of new rent div., Office of Price Administration, 1942-43; asso. administr. War Food Administrn.; associate dir. Office Economic Stabilization since July 1943. Mem. Nat. Press Assn., Federal Communications Bar Assn., N.Y. Bar Assn., Sigma Alpha Epsilon, Phi Alpha Delta. Democrat. Baptist. Home: 6001 Broad Branch Rd., Address: Federal Reserve Bldg., Washington, D.C.

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DEMOCRATS TO OPPOSE SEATING SENATOR-ELECT CAPEHART

There will be vigorous opposition on the part of the Democrats to the seating of Republican Senator-Elect Homer Capehart, of Indiana, if sufficient evidence is produced by the Senate Campaign Expenditures Committee, whose investigators are now looking into the situation. It is charged that Senator Capehart spent more in his campaign than the legal limit of \$25,000. According to official returns, Mr. Capehart only spent \$5,630.80.

Mr. Capehart, when visiting Washington yesterday and being asked about his campaign expenditures, said he owed his election to shaking hands with about a thousand voters a day.

It was hard work and organization, he declared, not money, that elected him. He said that during a three and a half months campaign he shook the hands of 100,000 voters - made about 300 speeches, which figures out to three speeches a day.

Regarding foreign policy, he first said he followed the principles laid down by Gov. Thomas E. Dewey, head of the Republican Party, during Dewey's campaign for the presidency. Later, however, he said that he was undecided on delegating power to a U. S. delegate to an international league to authorize use of force without the consent of Congress, a point Dewey accepted.

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PAUL ELLISON, SYLVANIA, NATL. ADVERTISERS VICE-CHAIRMAN

Paul S. Ellison, Director of Advertising and Sales Promotion of Sylvania Electric Products, Inc., was elected a Vice-Chairman of the Association of National Advertisers at its annual meeting in New York last week.

New Directors elected were: Robert B. Brown, Bristol-Myers Company; Ralph Winslow, Libby-Owens-Ford Glass Company; William Connolly, S. C. Johnson & Son; D. H. Odell, General Motors Corporation, and W. B. Potter, Eastman Kodak Company; re-elected as Directors were Hugh Hitchcock, Packard Motor Company, and D. B. Statler, Standard Brands, Inc.

The National Advertisers endorsed the Lanham Trade-Mark Registration Bill, H.R. 82, which has passed the House and is now pending in the Senate Patents Committee. Among the advantages of the Lanham Bill are that it gives advertisers the privilege of registering in the Patent Office slogans, titles, symbols, character names and distinctive features of radio or other advertising used in commerce, and provides for the registration of trade names.

One of the principal purposes of the bill is to establish as complete a file of trade-marks as possible in the Patent Office. "This", he contended, "will be a real improvement because at present a trade-mark user can never be sure that he will be secure in his rights to his trade-mark even though he has thoroughly searched the Patent Office."

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DISCLAIMS INTENTION OF FTC SEEKING TO ENTER FCC'S FIELD

R. E. Freer, Chairman of the Federal Trade Commission, spoke before the Radio Executives Club of New York last Monday on "Truth in Advertising" (with specific relation to the broadcasting industry).

Some of Chairman Freer's references to broadcasting follow:

"Radio advertising, as shown by the recent report of the Commission, now is at a most advantageous position, as to both profits and prestige. Networks and independent stations share in this prosperity. Isn't this a good time to consider whether proper safeguards may not be indicated to protect the whole industry from loss of face through practices of an unethical minority?"

* * * * *

"Sometimes I wonder why the Federal Trade Commission should be so closely associated in the public mind with the advertising industry, or even why it should occupy the wide horizon it seems to fill in the outlook of broadcasting. The Commission has manifold duties beyond the prevention of unfair methods of competition and unfair and deceptive acts and practices in commerce and the making of general investigations of business conduct under the organic act."

* * * * *

"And I want to make a disclaimer -- the Federal Trade Commission does not seek to enter the field in which the Federal Communications Commission and other Government agencies exercise jurisdiction, nor the sphere of the Better Business Bureaus; sufficient unto us is the large field of commercial advertising which is particularly our province."

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"The Commission's report, essentially a study of peacetime advertising methods and costs, was sent to Congress - and a summary thereof published - on October 30th. I invite your reading of this report, which speaks for itself.

"Among other things the report contains an analysis, by media, of advertising expenditures totaling \$71,498,607 of 548 corporations in 17 industries for the year 1939. The proportional amount spent on radio advertising, 18.3% of the total, exceeded that for any other media, although only one company out of four used radio.

* * * * *

"During the year ending June 30, 1944, the Commission's Radio and Periodical Division examined 298,970 advertisements contained in 1792 editions of representative newspapers and 967 issues of magazines and journals. It examined also 627,719 broadcast continuities consisting of network and individual station scripts and scripts representing the built-in advertising portions of transcription recording productions. From these scripts 19,512 advertising

broadcasts were marked for further study as containing representations which might be false or misleading."

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"Advertising marked for legal review by the Radio and Periodical Division during the fiscal year related to 1902 commodities. Of these 55.9% were classed as drugs, 15.4% as cosmetics and 11.3% as food designed for human or animal consumption. Since these percentages add up to 82.6%, commodities other than those within the special Wheeler-Lea provisions accounted for only 17.4% of the total."

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"A very large proportion of newspapers in the smaller cities of our country; virtually all metropolitan journals and the better class of magazines scrutinize their advertising meticulously. They try to anticipate and avoid warnings by Better Business Bureaus or proceedings by the Commission by rejecting any suspicious or shady advertising. There are more than rumors to the effect that many radio executives are as farseeing in this respect as their newspaper competitors."

(Editor's Note - Chairman Freer's speech ran 7 mimeographed pages - single space - but apparently was pretty much a rehash of the Federal Trade Commission's last annual report - R.D.H.)

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NATIONAL PRESS CLUB MAY MAKE RADIO MEN ACTIVE MEMBERS

Radio commentators may be admitted to active membership in the National Press Club when a special meeting called for next Monday night votes on the following proposal for a constitutional change:

"Admission of Radio News Men to Active Membership. - Your committee felt that radio news was a kindred field to published news. In drafting the language which would admit to active membership persons engaged strictly in the radio news field, the committee endeavored to limit such admissions to those persons doing work comparable to news reporters and columnists. It was not the intention of the committee to admit to membership those persons who merely read scripts furnished by press associations or syndicates to radio stations or to admit those whose duties include the reading of commercial announcements. The committee believes that the number of persons eligible to admission, under this proposed revision, would be few, certainly for many years to come."

Government press agents hereafter will be excluded from active membership if the following proposal is carried:

"Government Public Relations Chiefs. - Your committee, after careful study, determined that it would be wise to stop the further admission to Government Public Relations Chiefs and editors to active membership in the club. When such officials first were

admitted, there were only two or three. The number now eligible runs almost to 100 and is growing. Your committee therefore proposes that such officials, in the future, be admitted to the club as Non-Active members (as provided in proposed new Section 3), but that all Government Public Relations Chiefs who now are active members of the club be continued in that status. Their successors would not be eligible to active membership status."

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NBC HEAD DENIES PRESSURE CAUSED COMMENTATOR'S DISMISSAL

Replying to the charges of Upton Close, radio commentator, to the effect that his contract with the National Broadcasting Company had been cancelled because of pressure brought on the network by Communists and other groups, Niles Trammell, President of NBC, countered Mr. Close's assertion with the following statement :

"Recent statements appearing in the press that the cancellation of Upton Close as an NBC Commentator resulted from governmental pressure or outside influence are completely false.

"The National Broadcasting Company notified Mr. Close in October that it would not renew a contract with him which expired December 10th of this year. This notice was given to Mr. Close as a decision of the National Broadcasting Company made during the summer months as a matter of network operation. We decided to use instead one of our full time staff commentators, Mr. Max Hill, former Tokyo correspondent for the Associated Press who more recently has been representing the National Broadcasting Company in the Mediterranean and the Near East, and who has just returned to this country with a wealth of war time experience.

"This decision on our part to replace one commentator with another does not involve, in the slightest degree, the principle of free speech which we have always upheld. As a matter of fact, Mr. Close is currently appearing weekly on a commercial program on a competing network.

"In connection with all commercial commentators on NBC facilities, it is a standing policy of the company which is understood by our clients, that the selection of such commentators rests with NBC, inasmuch as the balanced presentation of news and comments is an obligation and responsibility of the broadcast station or network.

"We take full responsibility for the cancellation of our contract with Mr. Close in accordance with its terms. We shall continue to exercise our best judgment in the selection of newscasters and commentators in order that the listening public be adequately served."

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 ::: SCISSORS AND PASTE :::
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Predicts FCC Congressional Investigation Will Fold

The Lea Congressional Committee investigating the Federal Communications Commission, has notified its employees that it is through the first of the year, as Representative Lea doesn't want to continue the probe. Final fireworks will be a blast at FCC for its handling of the WMCA transfer, involving White House favorites.

- (Washington Times-Herald)

Calls Petrillo Coddling "Sellout to Privileged Few"

Let the New Deal apologists cover up, if they can, the method used by the administration to appease Petrillo and his hijacking union. This coddling of Petrillo by Mr. Roosevelt is a new low in his appeasement of unions, a sell-out of the masses to the privileged few.

- (Extract of letter to Editor, Washington Star)

India Selling U.S. Radio Sets

Radio sets totaling 40,917 have been imported from the U.S. under Lend-Lease, according to a statement by the member for supply, Sir Ramaswami Mudaliar, in the assembly today.

Of these, 27,701 have been sold commercially and dollars paid for them.

- (Reuter's dispatch from New Delphi, India)

Oh Boy!

Television is grown up - it has on long pants and is just about ready to break into a run.

- (Robert L. Gibson, Advertising and Publicity Department, General Electric Company.)

Sees Fly Headed For \$100,000 A Year

Paul Porter predicts his new job as Chairman of FCC will be his biggest headache. The job was a headache to James L. Fly, too, but it was also a stepping stone to what his friends estimate will be a \$100,000-a-year law practice.

-(Washington Post)

Ten Postwar FM Networks And 4,000 Stations Forecast

Industry leaders at the recent FCC Allocations Hearings gave agreeing testimony to indicate that the postwar FM structure will embrace as many as ten national networks where four now exist. Paul W. Kesten, Columbia Vice-President, expects his FM network to include 175 stations coast-to-coast. He asked the FCC to provide facilities for 4,000 FM stations.

T.A.M. Craven, of the Cowles Broadcasting Co., asked spectrum space to accommodate at least another time that many stations. These men and others visualize FM stations in every community in the U.S. with as many as 25 or 30 in the larger metropolitan areas.

The American Telephone and Telegraph Co. will be ready to provide wire accommodations. It recently announced that, by changing certain terminal equipment, it is able to pass all the frequencies necessary for full-fidelity FM over an existing network connecting all major cities in the U.S.

There are 46 FM stations now on the air with more than 300 already planned for after the war. A half million sets were sold before the war and industry predicts a post-war demand for as many as 10,000,000 in the first year after the war. Planning already provides listenable FM for 80 percent of the nation's buying power.

- (FM Broadcasters' Association Bulletin)

The Press, Radio And FCC

It's an acknowledged fact that radio did a bangup job on the 1944 elections. It's also more than clear by now that the influence of the press has waned considerably in the past few decades. Witness, for example, the overwhelming support thrown by the nation's newspapers to the Republican Party in the past few general elections. Radio, as the chief competitor of the press, would do well to stop and take note of where the publishers made their mistake.

Thus far radio stands solid with the public. So far, the public knows that it can turn to radio to hear both sides of every argument, without radio projecting itself as anything but a carrier.

As long as radio retains its position of presenting facts, that is, all the facts, and steers clear of any prejudice or bias, it will retain the respect of the public.

The Federal Communications Commission has kept radio ownership from exercising the rights of "freedom" in the manner delineated by the press. Any tendency toward a tightening of monopolistic practices in radio has been curbed under the regime of James L. Fly. With the latter's departure from the FCC, it becomes obligatory on broadcasting's officialdom, even without the benefit of such a mentor, to self-discipline the industry so that it does not stray from the path that, thus far, has given radio the public's confidence.

If radio becomes too greedy and its biggies lack the vision to take a long-range view, the industry can be stunted in the very flower of its growth.

- (Variety)

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WPB officials have disclosed that the production of radio and radar transformers is being maintained at high levels. They urged the industry to continue holding this production pace. Eight power and distribution transformer shops have been producing close to \$1,500,000 worth of radio and radar transformers per month since July.

FM Broadcasters, Inc. is listed by the Office of Defense Transportation among 20 additional organizations that have acceded to OTD's request to cancel its annual meeting which was to have been held in New York next January.

"Frequencies For Television", a statement by Niles Trammel, President of the National Broadcasting Company before the FCC in Allocations Hearings, has been reprinted by NBC in pamphlet form.

Providing its New York service area with frequency modulation reception three times more powerful than before, the Columbia Broadcasting System begins operation today (Wednesday, Nov. 22) of its new two way FM transmitting antenna 800 feet above street level on the roof of 500 Fifth Avenue, New York City.

"Termination Financing for War Contractors", a new booklet published by the Office of Contract Settlement, is now available for distribution, Robert H. Hinckley, Director, has announced.

Copies are being distributed to war contractors and commercial banks through the cooperation of the War and Navy Departments, United States Maritime Commission, Smaller War Plants Corporation and other contracting agencies. Single copies are available in Washington at the Office of Contract Settlement, Federal Reserve Building, Washington 25, D. C., and are for sale by the Superintendent of Documents at 10 cents a copy.

Anyone turning to the Seagram's ad on Page 74 of the current (November 20) issue of Life, will see how an advertiser is making use of television and facsimile to attract the reader's attention.

The Cowles Broadcasting Company has applied for FM licenses for its stations in Washington, D. C., Jersey City, N.J., Des Moines, Iowa, Boston, Mass., and Minneapolis, Minn.

The Madison Wisconsin State Journal joined the ranks of newspapers experimenting with the handie-talkie technique. The two-way radio was used in reporting an account of a firemen's practice drill, anticipating the use of the equipment in covering fires and similar stories in the future.

Among those whose names were suggested for appointment by President Roosevelt to the three-man Surplus Property Board was Commissioner Clifford J. Durr of the Federal Communications Commission. The surplus property assignment is supposed to be a temporary one but believed by many to take a long time to complete. Commissioner Durr's FCC term expires in 1948.

Revocation of the mica order, M-101-a, designed to conserve bookpacked muscovite splittings, which are used for electrical insulations, was recommended last week by the Built-up Mica Industry Advisory Committee of the War Production Board.

Since production and consumption of bookpacked mica splittings are in balance, revocation of the order, and consequent increased uses of mica splittings, would not be harmful to the war effort, the Government presiding officer pointed out.

RCA has had reprints made of an address at the National Electronics Conference at Chicago on "Electronics Research Opens New Frontiers" by Ralph R. Beal, Assistant to the Vice-President in Charge of RCA Laboratories.

Fraud in connection with war contracts was charged to the Stewart-Warner Corporation of Chicago and six individuals in indictments returned secretly by two Federal grand juries in New Orleans according to an Associated Press dispatch from that city.

The alleged fraud involved costs for crane service, riggers and other labor, tractor service and the like and there was declared to be "conspiracy" in making of some rates.

More than 50,000 questions have been received and answered through the Farm Question Box by Ed W. Mitchell, WGY farm advisor, since November 1925, when the General Electric Farm Forum and Farm-Paper-of-the-Air programs were inaugurated. The 19th birthday anniversary of these agricultural programs, which are two of the oldest farm radio services in existence, was celebrated recently over WGY.

A topic being considered for a broadcast by America's Town Hall of the Air over the Blue Network is "Should the Proceedings of Congress be Broadcast?"

"Variety" is withdrawing from the Radio Hall of Fame next month when Philco moves its program to the Coast. "This paper bowed out when, for reasons of budget, the sponsor named a readjusted fee", Variety explains.

After the show from New York Dec. 3, Paul Whiteman, producer Tom McKnight, scripter Mort Lewis, et al. shift west where Whiteman will recruit a Hollywood team of musicians for the winter hiatus.

"It's a thoroughly amicable parting between Philco and 'Variety'."

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