

HEINL RADIO BUSINESS LETTER

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No. 1675a

March 28, 1945

GENE MC DONALD GOES OVER HEADS OF FCC TO CONGRESS ON FM

Commander E. F. McDonald, Jr., President of the Zenith Radio Corporation ripped into the Federal Communications Commission's stand on FM reallocation by sending a hot telegram to members of the Congressional Committees concerned with radio. Then Commander McDonald followed through by sending the following wire to Paul Porter, Chairman of the FCC:

"The Washington Story carrying the date line March 14 reading Quote: The veil of secrecy shrouding the hearings before the Federal Communications Commission here on military data pertaining to propagation characteristics of ultra-short radio waves was drawn aside long enough to publicly demonstrate two converters used on Frequency Modulation receivers, obviously intended to offer concrete evidence that moving FM up in the spectrum would not entail the costs claimed by the industry, (Unquote) is unfortunate. If the veil of secrecy of the meetings of March 12 and 13 is to be partially raised, we believe it is only fair that the unclassified testimony of Dr. Dellinger, Dr. Beverage, Dr. Stetson, and Prof. Armstrong opposing the disturbing of FM as unnecessary and undesirable should also be revealed to the press as we understand that the decision is to be made purely on the technical evidence. We have, therefore, sent the following telegram to the members of the Senate Interstate Commerce Committee, the House Merchant Marine and Fisheries Committee and the House Committee on Interstate and Foreign Commerce.

"Quote: Federal Communications Commission have been holding hearings on the advisability of moving frequency modulation from its present wave bands up to the hundred megacycle area for technical reasons. FCC have given as the reason for these hearings that they feared interference if FM was permitted to remain on its present frequencies.

Paragraph:

None of the evidence submitted by the Commission or other experts to date indicates to me that this move is necessary or in the public interest.

Paragraph:

In these hearings 7 out of the 8 outstanding propagation experts of this country have appeared and testified that the moving of FM from its present position is unnecessary and undesirable. This record shows that Dr. Dellinger, head of the Inter-Service Propagation Laboratory of the Joint Chiefs of Staff; Dr. Burrows, Chairman of the Radio Wave Propagation Committee of the National Defense Research Council and Chairman of the Radio Wave Propagation Committee of the Institute of Radio Engineers; Dr. Beverage, outstanding practical

and theoretical authority, Vice President of R.C.A. Communications; Dr. Harland Stetson, Director of the Cosmic Terrestrial Research Laboratory of the Massachusetts Research Institute of Technology, an outstanding authority on this subject; Dr. Greenleaf W. Pickard and Mr. S. L. Bailey, recognized authorities in this field, and Professor Edwin H. Armstrong, inventor of FM, all testified that in their opinion interference of consequence would not occur and the moving of FM from its present position was unnecessary and undesirable.

Paragraph:

The only recognized propagation man who testified that frequency modulation should be moved was Mr. K.A. Norton, now attached to the Army, formerly employed by the Federal Communications Commission, and called in this case as a witness on behalf of the Commission. The weight of the evidence, therefore, is heavily in favor of keeping FM where it is.

Paragraph:

From a propagation standpoint, the issue is clear. Either the Commission discredits the great propagation experts named above and believes Norton in spite of the errors he has made and the unproved assumptions he has had to adopt to support his conclusions that FM should be moved upward in the spectrum, or they must believe Dellinger, Burrows, Stetson, Pickard, Bailey and Armstrong.

Paragraph:

At the request of the Federal Communications Commission the radio industry, including the Radio Manufacturers' Association, the Institute of Radio Engineers, the National Association of Broadcasters, the Frequency Modulation Broadcasters, Inc., and other interested groups organized the Radio Technical Planning Board. Panel 5 of this Board under the Chairmanship of Mr. C. M. Jansky, Jr., dealt with the problems of frequency modulation broadcasting. Membership in this panel consisted of the best technical brains of the industry, and this panel at its meetings considered the subject of frequency modulation wavelengths and voted 27 to 1 against moving FM from its present position.

Paragraph:

A secret hearing was held March 12 and 13 at which, I am told, these same propagation experts again testified all strongly supporting the positions they had taken previously. May I suggest that you get a transcript of this secret hearing and particularly note the testimony of Dr. Dellinger, Dr. Beverage and Dr. Stetson who are absolutely impartial and disinterested.

Paragraph:

It is proposed by the Commission to leave television in the very area from which they are suggesting that FM be moved because of interference. This is inconsistent as television is much more subject to interference than frequency modulation.

Paragraph:

Proposals which we consider frivolous have been made to salvage the seventy million dollars' worth of FM receivers in the hands of the public if frequency modulation is moved to the higher frequencies by equipping them with converters. The industry's wide experience over the years with converters shows that they are inefficient, impractical, and are not acceptable to the public.

Paragraph:

If frequency modulation is disturbed in its present band and raised to the hundred megacycle band as proposed, it will not only obsolete every FM receiver now in the hands of the public but also every manufacturer concedes that the production of receivers to function on this band will be more expensive and cost the public millions of additional and unnecessary dollars.

Paragraph:

I do not know who the special interests are who would benefit by this move but it seems eminently unfair to disturb a perfectly satisfactory commercial service that was established by the Federal Communications Commission in 1940 and in which the public invested millions believing that it was permanent and to cripple and handicap it by moving it up to the hundred megacycle area which is indicated as unfavorable and certainly is untried and unproved for broadcasting service. Why should we risk the future of FM on the word of one propagation expert? According to the best informed authorities this unwarranted move will delay FM as much as two to five years. Such a move will be in our opinion a disservice to the public and add to unemployment.

Paragraph:

Some interests may be in favor of this change because it will delay the establishing of a multitude of FM stations which will result in the dilution of the present monopoly now enjoyed by the broadcasting chains.

Paragraph:

I think the entire matter is so serious to the future of broadcasting that it deserves your attention."

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1944 TIME SALES TOP 1943 BY \$15,581,000

Net time sales for 1944 by 191 of the Nation's 225 standard broadcast stations (209 commercial and 16 non-commercial) operating with power of 5 to 20 kilowatts, totalled \$71,268,000, an increase of \$15,581,000 or 28 percent, over 1943, the Federal Communications Commission announced last week.

All of these stations reported increases in their net time sales; 20 reported increases of \$150,000 to \$374,700; 26 of \$100,000 to \$150,000; 39 of \$75,000 to \$100,000; 55 of \$50,000 to \$75,000; 40 of \$25,000 to \$50,000; and 11 of \$5,711 to \$25,000.

One hundred and eighty-one of the 209 commercial stations serve as outlets for the four major networks, as compared to 152 stations for the year 1943, or an increase of 16 percent, as follows: Blue, 37 stations; CBS, 61; Mutual, 24; NBC, 51; Blue and Columbia, 1; Blue and Mutual, 5; and Columbia and Mutual, 2.

Ten of the 225 stations in this category are owned or controlled by networks as follows: Blue Network (American Broadcasting Co., Inc.), 2 stations; CBS, 1; NBC, 1; Yankee Network, Inc., 4; and Don Lee Broadcasting System, 2.

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WPB SETS UP NEW BROADCAST EQUIPMENT APPLICATION RULES

Owing to the shortage of available radio broadcasting equipment, and the fact that any new production of such equipment can only be effected at the expense of military production, the Radio and Radar Division of WPB has set up the following general criteria to be used in passing on construction applications for new standard radio broadcasting stations:

1. Applications will be considered only for those locations which do not now receive primary service as defined by the Federal Communications Commission's "Standards of Good Engineering Practice" from existing broadcasting stations.

Exceptions to the installation in areas now receiving primary service will be made only upon receipt of a recommendation from the FCC that, in light of their standards, the applicant has shown that the service not only will serve public interest, necessity, and convenience but that the additional service which the applicant intends to provide will serve a public need of a very unusual nature not generally served by radio broadcasting stations.

2. Applications will be considered only where the applicant can show to the satisfaction of the Radio and Radar Division that he either has obtained or can obtain necessary radio equipment without placing any load on production facilities, whether it be for production of the equipment he wishes to use or to replace in inventory equipment which the applicant may purchase. New stations shall not be allowed to deplete any minimum normal reserves ordinarily maintained for maintenance, repair and operating requirements.

3. Exceptions to the general criteria will not be made upon the recommendations of military authorities stationed in the areas or having an interest in the area involved, unless they are supported by the Secretary of War or the Secretary of the Navy. This has a precedent established in 1942 in the case of Radio Station WSAV, Portsmouth, Virginia, which station was requested by the Secretary of the Navy as essential to the war effort.

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JOLLIFFE SAYS TELE DEPENDS UPON WHETHER PUBLIC WANTS IT

Dr. C. B. Jolliffe, Vice-President newly in charge of RCA Laboratories, in an address in Indianapolis before a joint meeting of the American Institute of Electrical Engineers and the Institute of Radio Engineers, declared that radio manufacturers are now able to build transmitters, receivers and antennas which "will give a very satisfactory television performance for the home", emphasized the necessity of having definite frequency assignments and a well-organized system of distribution of programs.

"With frequency allocations definitely set, with program sources organized, and with networks in operation - in other words, with a system organized - this one industry can completely revolu-

tionize our way of life", Dr. Jolliffe said. "It does not take much imagination to see this industry as a possible five or even ten billion dollar enterprise, employing thousands of men, either directly or indirectly."

Expressing a desire to avoid controversy as to the merits of whether television should be below 300 megacycles or above 500 megacycles, Dr. Jolliffe remarked that the question which needs to be answered is "whether we want television or not". He said that if the public wants it, technically it can be produced below 300 megacycles. He added that, on the other hand, if the belief prevails that the public does not want television "then let us honestly postpone its inauguration and not hide behind the probability of possible new developments."

Extensive field tests in several large metropolitan areas have established the fact that "very satisfactory entertainment" can be provided by television broadcasting service using six megacycle channels and carrier frequencies below 300 megacycles.

"Having obtained a television system with this degree of performance", Dr. Jolliffe continued, "the television engineer is faced with the problem of determining the extent to which television images must be improved before the public will be conscious of the improvement and be willing to pay a higher price for television receivers."

"What is the nature of the improvement which will be most acceptable to the television audience?" Dr. Jolliffe asked. "Should some new broadcast service be added, for example, the transmission of odors, good and bad? All of these additions may be desired by the public, but each improvement represents an increase in the cost of the receiving instrument and also requires an additional cost in terms of valuable space in the frequency spectrum."

Dr. Jolliffe emphasized that as the television industry develops, engineers have the obligation to see that the public gets better and better service and that the new developments which would be brought about by the stimulation of use are integrated into an over-all system.

"Engineers should not be satisfied that their television job is done", Dr. Jolliffe asserted, "until they have made it possible to project in the home pictures of adequate size in color, and also for anyone to attend - by television - all major happenings wherever they occur, in the United States or in any other part of the world. These objectives may be accomplished in a few years, or many years may be required."

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A special Easter service, to originate from United States Fifth Army Headquarters in the Appenine Mountains in Italy, will be broadcast over the Blue Network on Sunday, April, from 8 to 8:30 A.M., EWT.

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RADIO RECEIVING TUBE PRODUCTION SCHEDULES ADJUSTED

Adjustment of radio receiving tube production schedules, to meet military demands in the next six months, was effected recently after recommendations have been made by the Receiving Tube Scheduling Industry Advisory Committee, the War Production Board said Monday.

Over-all Army and Navy requirements, not including any overseas "must" or emergency orders, still exceed production by a small margin, WPB radio and radar officials reported. While the radio tube industry has done an excellent job in the war effort, WPB officials said, the present production of certain critical types is about 30 per cent below both the industry's own forecasts and military requirements. Representatives of seven receiving tube manufacturing companies, each of which is represented on the Advisory Committee, were told that all plants must maintain production schedules based on military requirements. Everything must be done to assure meeting the needs of vital Army and Navy projects, Government officials said.

Reports on recent conferences between Army, Navy and WPB officials, who met to speed up production of critical types of tubes, indicated renewed activities in branches of the Government interested in the problem, and announced a plan to enlist the cooperation of both the military and WPB field offices. Plans for more frequent reports from tube plants, designed to keep WPB and the services better informed on tube production by types, were announced, and industry members agreed to furnish the necessary data and information regularly.

As a means of speeding up tube production to a maximum, the recent WPB plan of expanding plant facilities was discussed. The plan provides a means of shifting plant facilities to areas where more labor of the type necessary is available. This is expected to meet demands and provide more efficient operation in all plants. It is believed the transfer of some facilities and activities will enable industry to keep all machines and production equipment in full operation, WPB said.

After discussion of over-all problems, the Committee reviewed the scheduling of all military orders among the seven manufacturing companies, recommending adjustments to assure that all orders for critical tubes be filled within the specified time limits, and leave some flexibility for the production of less critical tubes, even tubes for civilian use, after all military orders are filled, if materials are available. Until such demands are met, no prediction of availability of civilian tubes can be made, it was pointed out by WPB officials.

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Following the granting of licenses for that purpose, the Santa Fe Railway will proceed with experimentation of two-way radio in the operation of its trains. The Santa Fe also has a construction permit for two experimental radio stations in the territory between Chicago and Galveston and Chicago, Los Angeles and San Francisco.

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CBS OFFERS ITS BEST AT WHITE HOUSE SCRIBES' DINNER

Each year the National Broadcasting Company and the Columbia Broadcasting System alternate in furnishing the entertainment at the White House Correspondents' Association's Dinner. On the occasion of the twenty-second annual banquet of the Association last Thursday, it was Columbia's turn. Among the headliners they presented were Fanny Brice, the De Marcos, Danny Kay, Jimmy Durante and Mark Warnow and the Hit Parade Orchestra.

Paul W. Kesten, Executive Vice-President and Director of CBS, was introduced to the distinguished audience. Then for good measure Brig. Gen. Sarnoff was requested to rise. However, Mr. Sarnoff was prevented from attending and attention then centered on Frank E. Mullen, Vice-President and General Manager of NBC, who had been asked to take Mr. Sarnoff's place.

The United States Navy, accompanied by a chorus of Blue-jackets and Waves, were on hand. In fact the Statler was almost as rich in talent that night as in celebrities. Almost but not quite.

The President was there, of course, the Vice-President, the Speaker of the House, Secretary of Commerce Wallace and all the members of the Cabinet except Madame Perkins (it being a stag affair). Mr. Justice Bynres, Judge Vinson, General Marshall, Admiral Leahy, Admiral King and General Vandegrift. Two head tables were inadequate to seat even a small portion of the notables.

Bob Trout, former Washingtonian, acting as master of ceremonies, took the occasion to deny a rumor which he said had been going the rounds that it was his father who had represented CBS at President Roosevelt's first Fireside Chat. Actually, Mr. Trout said, it was his grandfather. (Actually it was Bob himself). The announcement that Frank Sinatra could not be present owing to illness drew applause from the audience.

Jimmy Durante smoking an old cheroot made the diners laugh when he suddenly stopped his performance and ejaculated, "What a stinker this cigar is that General Marshall gave me."

Evidently no one had tipped off the Earl of Athlone, Governor General of Canada, the President's house guest, that business suits were in order. He appeared in full evening dress with a white carnation and being six feet tall with a luxurious gray moustache was a grand sight to behold from any direction.

President Roosevelt presented the Raymond Clapper Memorial Award of \$500 to Raymond P. Brandt of the St. Louis Post Dispatch. It was the first presentation of the award, established soon after the columnist and radio commentator was killed in a plane crash in the Pacific. The award was for one "whose work in the previous year most closely approximated the reporting that was characteristic of Raymond Clapper."

Among those present at the dinner from the radio industry were:

Bill Bailey, Broadcasting Magazine; Frank J. Beatty, commentator; Carl J. Burkland, Manager, WTOP; Washington; Martin Codel; Douglas Coulter, Vice-President, Columbia Broadcasting System; Wayne Coy, Station WINX, Washington, D.C.; George Crandall, Director, Public Relations, Columbia Broadcasting System, New York; Frank Folsom, Vice-President, RCA Victor Division, Radio Corporation of America; Earl Gammons, Director, Washington office of Columbia Broadcasting System; Earl Godwin, commentator; Paul Hollister, Vice-President, Columbia Broadcasting System, New York; Philip G. Loucks, Counsel, FM Broadcasters; Edward McGrady, Radio Corporation of America, Washington; Claude A. Mahoney, Commentator; Clarence L. Menser, Vice-President, National Broadcasting Company.

Also, Eugene Meyer, President of Station WINX, Washington; Maurice B. Mitchell, Public Relations, WTOP, Washington; Drew Pearson, Commentator; Paul Porter, Chairman of the Federal Communications Commission; Byron Price, Director, Bureau of Census; Joseph H. Ream, Vice-President, Columbia Broadcasting System; Frank M. Russell, Vice-President, National Broadcasting Company, Washington; John F. Royal, Vice-President, National Broadcasting System; Fred Shawn, National Broadcasting Company, New York; Carleton D. Smith, Manager, Station WRC, Washington; Frank N. Stanton, Vice-President, Columbia Broadcasting System; Nathan Straus, President of WMCA, New York; Sol J. Taishoff, Editor, Broadcasting Magazine; Col. Albert L. Warner, Director, Broadcasting, War Department; Paul W. White, Director of News Broadcasts, Columbia Broadcasting System, and Paul Wooton, McGraw Hill Publications.

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I. T. & T. FORM WORLD-WIDE SCIENTIFIC CORPORATION

Through the formation of a \$2,000,000 corporation uniting their efforts, electronic scientists of International Telephone and Telegraph Corporation functioning in America and numerous other countries will be grouped in a world-wide organization, with headquarters in the United States. Announcement of the corporation, formed in Delaware as International Telecommunication Laboratories, Inc., was made Tuesday by Colonel Sosthenes Behn, President of I. T. & T. and Chairman of the Board of Directors of the new company. The scientific corporation was created to make possible ultimately an exchange of inventions and closer coordination of I. T. & T.'s world-wide electronic research work, including advancements in radio, television, and other branches of the communications arts and the aids to aerial navigation which they will afford in the postwar era.

E. M. Deloraine, internationally known scientists and General Director of Federal Telephone and Radio Laboratories, New York, is President of the organization. The corporation is owned jointly by I. T. & T. and a subsidiary, International Standard Electric Corporation. Among the other officers elected were Harold H. Buttner and Douglas B. Baker, Vice-Presidents; Paul F. Swantee, Comptroller; O. C. Buchanan, Treasurer, and C. Douglas Webb, Sec'y.

Because International Telephone and Telegraph Corporation has research and development laboratories in New York, as well as in London and Paris and numerous manufacturing companies and communications operating systems in many parts of the world, the need of a single organization to coordinate the scientific work of these widely separated groups is obvious. International Telecommunication Laboratories, Inc., will concentrate upon initiating inventions, developing them, and providing an interchange of information on postwar activities among System laboratories, and manufacturing and communications subsidiaries.

International Telecommunication Laboratories, Inc., comes into existence against an impressive background of technical accomplishment by I. T. & T. laboratories. In England and France, the laboratories of the associated and licensee companies of the System have made many notable contributions to the advancement of communications. It was more than a decade ago that, from the European Laboratories, the Micro-ray emerged. With the development of Micro-ray came television, radio relay systems and pulse time modulation.

When Paris was retaken in the swift Allied advance, the I. T. & T. laboratories there were found intact and this unit is now turning out communications equipment for the U. S. armed forces and their allies. It has been revealed that the System's Paris laboratories had a radio station working for the U. S. Army within 24 hours after the liberation of the City and many additional stations shortly afterward.

The New York laboratories of Federal Telephone and Radio Corporation, since their formation in 1941, have concentrated on technical development work for the armed forces of the United Nations. These laboratories have made a number of outstanding electronic contributions to the war effort, including the development of marine direction finders designed to meet specific requirements of the United States Navy; direction finders which provide radio bearings for military aeroplanes; the radio instrument landing system for aircraft now adopted by the U. S. Army Air Force and Civil Aeronautics Administration as standard. They have also contributed aerial navigation systems providing aid to the operation and guidance of aeroplanes in flight.

They have further provided giant 200 kilowatt vacuum tubes for the Office of War Information's powerful new global shortwave transmitters.

Although I. T. & T.'s American, French and English laboratories are completely engaged today in aiding our war effort, the formation of International Telecommunication Laboratories, Inc., is in anticipation of the important role I. T. & T. expects to play in providing improved international communications in the post war period.

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NAB REPORTS ON WAR MESSAGE VALUATION

\$161,752,000 was the value of time on the air and performers' services provided by United States radio stations, networks and radio advertisers for delivering war messages to the public in 1944, the National Association of Broadcasters announced Monday. This represents an increase of 8% over the volume of 1943 messages, according to War Advertising Council evaluation procedures.

Radio advertisers contributed \$64,000,000 of this amount. Stations and networks provided \$78,000,000 while performers' services for all three are estimated at \$20,000,000.

The Treasury Department was the largest recipient of radio support, with a figure of \$43,352,000, largely for the sale of War Bonds. War Food Administration and the Department of Agriculture came second, with \$15,567,000 in free service. The War Department, Navy Department, War Production Board, War Manpower Commission, Office of Price Administration, Office of Defense Transportation and others were recipients of free broadcast service ranging from \$1,000,000 to \$12,000,000 each.

Valuations were evolved in accordance with the formula adopted by the Media Committee of the War Advertising Council. Estimates were produced at gross rates. Announcements carried within the framework of programs were assigned a value in proportion to the percentage relationship of war message length to the NAB Code stipulation on the length of commercial copy.

The tabulation was made from records maintained by stations and networks for the second half of the year together with an estimate for the first half of the year based on the adopted procedure.

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SHAWN OF WRC BOOSTED TO N.Y.; WHEELER SUCCEEDS HIM

Fred Shawn, WRC Program Manager, who is generally acknowledged to be the man who conceived the idea of the Mile of Dimes drive for the benefit of President Roosevelt's Warm Springs Foundation, has been promoted to be Assistant to C. L. Menser, Vice-President in Charge of Programs of the National Broadcasting Company. Word of Mr. Shawn's elevation comes from Carleton D. Smith, General Manager of WRC in Washington.

George Y. Wheeler, Assistant to Carleton D. Smith, General Manager, WRC, will succeed Mr. Shawn as Program Manager. Eugene Juster, WRC continuity editor, will become Mr. Wheeler's assistant in charge of a newly-created Program Service Division.

In radio for 13 years, Mr. Shawn started as an announcer at WLW, Cincinnati. He joined NBC in Washington in 1933 as an announcer-producer and was subsequently named assistant to Kenneth H. Berkeley, then General Manager of WRC and WMAL, Washington; Following separation of the two stations, he became Program Manager of WRC.

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OVERSEAS RADIO-CABLE MERGER ACTION THIS SESSION DOUBTED

A communications official ventured the opinion that while a bill might be introduced in this session of Congress proposing the merging of our international communications systems, he believed there was small likelihood that such a bill could be finally acted upon before adjournment. This calculation was based upon the fact that Government officials would require at least another week to present their case. Then the Senate Interstate Commerce Sub-Committee, which is investigating the situation will adjourn for 10 days. Following the commercial companies will have their innings which may occupy another two weeks. Then another 10 day recess. Then the labor unions, representing the employees who will likewise occupy a week or two. Then still another recess.

Following this will come the users of the facilities, the customers of the communications company. It may then take the Senate Subcommittee several weeks to make its report.

This would bring the proceedings up to the middle of June or July 1st. Then, however, a bill would have to be written and introduced into the Senate, and if much time elapsed, further hearings held. Assuming a bill finally passed the Senate, there would be similar proceedings in the House - that is if Congress had not adjourned by that time for a mid-Summer siesta. All of which might easily take another year.

Senator Wheeler (D), of Montana, Chairman of the Sub-Committee, contended that facilities for bringing in foreign news to the American press should operate independently of any postwar international communications monopoly.

The Chairman asserted that preservation of Press Wireless, Inc., is essential to American policy in the field of communications.

Senator Wheeler said that he was personally opposed to a Navy proposal calling for a private communications corporation with 5 of its 20 Directors drawn from the Cabinet, with inclusion of Press Wireless in the vast American monopoly.

"Press Wireless was set up as a non-profit organization to handle news for the newspapers of this country", Senator Wheeler told a newsman. "A continuation of its independent service is important to our free press."

The National Association of Broadcasters, stating that it had received several queries as to whether or not the proposed merger involves international broadcasting, set forth that this matter was brought out in the course of the testimony of FCC Chairman Paul A. Porter last week.

Senator Wheeler said to Mr. Porter: "I presume that when Secretary Forrestal and Admiral Redman were referring to a merger of international communications, they were referring to radio communications and particularly to point-to-point facilities."

Mr. Porter replied, "That is correct. We are referring to common carrier, all three of us, as distinguished from international broadcasting.International broadcasting is, of course, a separate and distinct problem. A problem distinguished from the one we have before us."

Chairman Wheeler than observed, "Some of them did not seem to be entirely clear with reference to that."

"It should be made quite clear that international broadcasting is in no way involved in the present merger proposal", the NAB concluded. "The only question being considered is the consolidation of international common carrier or point-to-point communications services."

The Senate hearings began their second week Tuesday with the testimony of Maj. General Harry C. Ingles, Chief Signal Officer of the War Department; Francis Colt de Wolf, Chief of the Telecommunications Division, representing the State Department; and Charles I. Stanton, Deputy Administrator of the Civil Aeronautics Administration.

Chairman Wheeler first asked for a statement from the State Department to which Mr. deWolf replied that they were not ready to testify. The Chairman in questioning this said that they had had two years to study the problem and he could not understand their not being ready, whereupon Mr. de Wolf said that "We have a new team." Asked who composed the new team, Mr. de Wolf replied, "Mr. Clayton. He said he would be ready by Saturday."

After this Senator Wheeler called upon General Ingles and among the points brought out by him were that there are fundamental differences between military and commercial communications. It was his opinion that the greatest contribution which the military communication system could make to international commercial communications of the United States is in the future availability of considerable quantities of equipment which may be used in the construction of a system designed to serve public communications.

General Ingles further felt that a voluntary merger and not a mandatory merger is more advisable with respect to the communications companies in the international field. He felt a partial merger would be advantageous. General Ingles in his statement said:

"I am fully aware of the numerous perplexing problems which must be solved before a merger of international communications can be realized. Such a merger, if consummated, would result in a monopoly. * * * Whether such regulatory control as is now exercised by the Federal Communications Commission is sufficient is a matter upon which the War Department does not feel itself competent to comment. The War Department does not desire to go on record as to the extent of such control, believing that such a determination should be made by the Congress. Problems of corporate structure, the role of submarine cables and press communications involve far-reaching considerations aside from any military aspects and, as I

have previously stated, the War Department is not sufficiently concerned with these matters in its daily operations to express authoritative opinion thereon. We are interested only in the aspects of national defense, and any international communication setup which will provide communications facilities for the national defense can be utilized by the War Department."

When questioned as to how much money the Army has invested in equipment in the matter of communications, General Ingles replied "About \$162,000,000." Chairman Wheeler said it had been rumored that the sum of \$250,000,000 had been spent, but General Ingles said the figure is nearer \$162,000,000. Upon further questioning, the General said that about 90% of this figure is for equipment and buildings overseas.

Mr. Stanton recommended to the Sub-Committee that the projected consolidation should not go beyond a merger of all record-type communications into one organization and a merger of voice-type communications into a separate competing organization. He said he is concerned mainly with "relatively restricted but highly important phase of international communications - that of radio communications and radio navigational facilities required for international civil aviation.

It was said there was a possibility that the State Department might submit its position next week, probably April 35d. The Sub-Committee may also, it was reported, hold an executive session later next week on some of the material from Government departments which involves aspects of military secrecy. Also it is thought that the Assistant Secretary of State MacLeish and OWI officials may be called with respect to projected spectrum needs after the war.

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KESTEN ASSURES FINER TELEVISION IN COLOR

Finer television in color seems sure, the annual report of the Columbia Broadcasting System made by Paul W. Kesten, Executive Vice-President, says, and the company has contracted with the Federal Telephone and Radio Corporation for the first experimental transmitter capable of broadcasting the improved picture in full color. It is to be established in the Chrysler Tower in New York as soon as war priorities permit. A second transmitter has been tentatively ordered from General Electric Company for installation on a peak near Hollywood, Cal.

Mr. Kesten reported that secret electronic work and research for the Government as a war job had made company engineers sure of their opinion "that post-war television, simply by following in the footsteps of military electronics, could emerge at a much higher level than its pre-war 'freeze', with pictures twice as clear, twice as sharp, and perhaps twice as large."

Net profit of CBS was \$4,678,361 for 52 weeks ended Dec. 30, equal to \$2.72 a share, comparing with \$4,535,941, or \$2.64 a share, in the preceding fiscal year. Gross income was \$84,905,830, against \$75,166,440.

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DENNY CONFIRMED BY SENATE AS MEMBER OF FCC

Charles R. Denny, Jr., was confirmed on Monday, March 26th by the Senate to be a member of the Federal Communications Commission for a term of 7 years from July 1, 1944.

Mr. Denny was formerly General Counsel of the FCC before being named as a Commissioner. He had served as an Assistant Attorney General in the Justice Department from 1938 to 1942, at which time he went to the FCC as Assistant General Counsel and became General Counsel in October, 1942.

Mr. Denny is a Democrat and was born in Baltimore, Maryland, in 1912. He attended Washington, D.C. Public Schools and later graduated from Amherst and the Harvard Law School.

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WESTERN UNION AUTHORIZED TO EXPERIMENT WITH RADIO

The Federal Communications Commission has granted applications of the Western Union Telegraph Company for authority to make experiments to determine the practicability of the use of radio relay circuits for the transmission of its regular commercial traffic, with a view to the ultimate transmission of its common carrier traffic upon a regular basis. In granting the applications, the Commission authorized the company to conduct certain experiments for the purpose of developing an ultra-high and super-high frequency wide-band beamed communication system by means of a chain of radio relay stations extending from Camden, N.J. to New York, N.Y., with intermediate unattended radio repeater stations at Bordentown and New Brunswick, N. J. A period of two years in which to complete construction was authorized.

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WILL TRY TO COVER ALL OF CHILE WITH ONE STATION

Station CB114 in Chile, scheduled to go on the air within a few weeks, will be the first longwave broadcast station to reach cities and towns throughout the curving 2600-mile length of Chile, from Arica on the nation's northern border to Punta Arenas, southernmost city in the world, according to the RCA International Division, whose Chilean company designed and built the station.

Recently completed on the plains outside the capital city of Santiago, facing the snow-capped mountains, this 50-kilowatt station has been specially-designed and situated to overcome the longwave radio transmission problems presented by Chile's rugged topography and long, narrow geographical configuration. Because of these characteristics, the country heretofore has been dependent on shortwave broadcasting for national coverage.

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 ::: SCISSORS AND PASTE :::
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Credits Porter With Talking Horse Sense
 ("Variety")

When Paul A. Porter, the new Chairman of the Federal Communications Commission, clarified his position before the National Association of Broadcasters in Washington last week, it was only natural that his first concern should have been for that growing canker, "excessive commercialism". This, of course, isn't a controversial issue, for even as Porter himself pointed out, many of the nation's influential broadcasters are agreed on this point. He was merely giving due warning that henceforth the FCC would be guided by a new system that will measure performance against promise in granting of renewals.

Serious thought should be given to the very telling mirror that Porter holds up to radio, in which is envisioned an ominous future that merits the entire industry's immediate concern.

Of course, clear sailing with a fine, swift breeze lulls into security, but it certainly must have been evident to all broadcasters during the past quarter of a century of constant progress that the novelty of radio as such would wear off, and that it would be weighed primarily on its contribution to the public. Radio can never hope to be judged on exactly the same plane as any other entertainment media. It partakes of something that is free, and in utilizing the air, it of necessity must repay for this cuffo utility. A new set of rules must govern an entertainment that the people can control by a twist of the dial. A far-sighted broadcaster should readily see that such practices as excessive commercialism, lack of participation in civic enterprises, giving a brushoff to the educational potentialities of radio, failure to encourage experimentation - in fact, ignoring that segment of radio that now comes under the heading of public service programming - must inevitably lead radio to a slow death.

It's pretty obvious by now that Barnum was right only up to a certain point. The public may be slow to realize its rights, but in the long run it generally demands them, in one way or another. Radio will have to pay the piper, and if the final judge - the listening public - should decide that the industry as a whole is not giving full value, if the abuses remain unchecked, the retaliation can be twofold: a lack of listeners will mean lack of revenue, or else Government control can be forced, with a resultant curtailed industry.

An FM Adaptor

(Sidney Lohman in "New York Times")

Demonstrations of converters to enable existing frequency modulation receivers to cover the band between 84 and 102 megacycles was interpreted last week as increasing the likelihood of a shift of FM to the higher band, as proposed by the Federal Communications Commission. FCC engineers showed one converter, which they said, they had built of parts costing about \$9. The Hallicrafters Company, manufacturers of communications receivers, reported it could furnish a three-tube converter at \$11 each, or a single-tube device for about \$5.60.

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:::: TRADE NOTES ::::
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There will no longer be the delicate question as to whether William S. Paley, President, on leave of the Columbia Broadcasting System, will have to salute his former employee, Captain Harry C. Butcher, U.S.N.R., Vice-President on leave of CBS, and aide to General Eisenhower first. It used to be that way but with Bill being made a Colonel in the Army, he will have exactly the same rank as an Army Colonel and a Navy Captain are of equal rank. However, they will both still have to salute Brig. Gen. Sarnoff, President of the Radio Corporation of America.

Discussing the television situation, a prominent network operator said:

"In my opinion every station owner should stake out a television claim. I believe television to be far more important than FM."

The British Institution of Radio Engineers has cabled the Television Broadcasters' Association, Inc., inviting TBA to send a representative to Great Britain to attend a conference on international television standards scheduled to be held in London next month.

Raytheon Manufacturing Company - Seven months to Dec. 31: Net sales \$96,640,657, and net profit, \$2,409,167, after charges and provision of \$6,300,000 for Federal income and excess profits taxes, equivalent, after preferred dividends, to \$3.26 each on 732,723 common shares.

The people of six Brazilian cities now are able to speak to each other by telephone as a result of the opening of radiotelephone service linking the public telephone systems of Recife, Bahia, and Natal with recently opened circuits making possible radiotelephone connections between Rio de Janeiro, Porto Alegre and Curitiba. This communication milestone, engineered by technicians of the International Telephone and Telegraph Corporation, is an important step toward achievement of a national radiotelephone network for Brazil, authorized during the past year by President Getulio Vargas.

The report of the Western Electric Company for 1944 signed by Clarence G. Stoll, President, disclosed that several new varieties of radar equipment are under development. Last year about 50 percent of the company's war production represented radar and related equipment, it says. The remainder of Western Electric's 1944 output largely was made up of complicated electronic equipment as well as radio and wire communication equipment specially designed for war purposes, Mr. Stoll reports.

A cartoon "Grin and Bear It" drawn by Lichty pictures a scene in a broadcasting studio and has a commentator saying: "And Tokyo is a mass of flames - in Germany, the Army is collapsing, the party leaders are fleeing in confusion, and the end seems imminent - and NOW important news from my sponsors!"

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In the proposed findings the Federal Communications Commission adopted an order denying renewal of license to Station WOKO, Albany, New York, because of misrepresentations in the applications to the old Federal Radio Commission and the FCC and concluded that they could not be entrusted with the exercise of a license.

Western Reserve University of Cleveland, O. will erect a Communications Institute of Arts and Sciences to explore the possibilities of television and other radio arts. Television courses are to be offered at the university, with practical experience gained from experimental work in two large television studios to be erected in the new building.

Eli E. Oberstein, Chairman of the Committee on Elections certified to the ASCAP Board of Directors today, March 28th, the following results of the annual election:

For the writers in the Popular field: Gene Buck was re-elected by a vote of 75,242; George W. Meyer, re-elected by 71,036; Ray Henderson, re-elected by a vote of 70,439. In the Standard Field: John Tasker Howard replaced the incumbent Director, Geoffrey O'Hara. Mr. Howard's vote was 48,915.

For the publishers in the Popular field: Max Dreyfus for Crawford Music Corp., 5,166; John J. O'Connor for Warock Music Co., 5,112; Jack Mills for Mills Music, Inc., 4,800. In the Standard field: Donald H. Gray for H. W. Gray Company, Inc., 4,507. These directors were all incumbents.

Aided by wire recordings taken on air missions over Germany, Japan and other areas, the Army Air Forces and the Blue Network are to cooperate in a series of Saturday afternoon eye-witness broadcasts about the battle of the sky. Combat reporters will make recordings on General Electric wire recorders in the planes. Records of both bombing and fighting actions as they occur will be rushed to this country for inclusion in the programs. New York is the control point for the series, listed as "The Fighting AAF", to start at 1:30 P.M. March 31st.

Commissioner E. K. Jett of the Federal Communications Commission will tell about the postwar uses of "walkie-talkie", the one-man broadcasting outfit, in an interview with CBS Science Editor Watson Davis on "Adventures in Science" Saturday, March 31 (WABC-CBS, 2:15-2:30 P.M. EWT. from Washington).

"Walkie-Talkie" today providing shortwave communication between combat units, looms as a postwar citizens' radio communication service. Commissioner Jett will discuss the possible uses of the "walkie-talkie" by doctors and other professional men; by farmers, and by stores and businesses to keep in contact with delivery trucks.

Irvin Graham, formerly Advertising and Sales Promotion Manager for Sesac, joined the Columbia Broadcasting System March 26th, as Promotion Manager for Radio Sales, the spot Broadcasting Division of CBS.

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