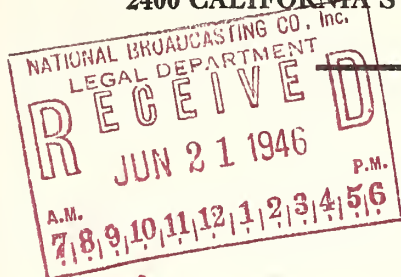


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HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.



INDEX TO ISSUE OF JUNE 19, 1946

"Televisionaries", Says McDonald Citing Vast Sums Needed.....	1
Don Lee FCC Net Jurisdiction Hearing Goes Over Until Fall.....	3
Complaint Against Duffy's Tavern Reaches FCC And Congress.....	4
Shouse Urges Publishers "To Look Before They Leap" Into FM.....	5
300,000 TV Viewers Reported In London.....	6
New Center To Demonstrate TV In "Middle Metropolitan" City.....	7
FCC Commissioner Walker Confirmed For Another 7-Year Term.....	7
9,603,000 Families Considering TV Set Purchase, Survey Shows.....	8
Naval Academy Cadets Visit Federal Telecommunications Labs.....	8
Govt. Officials Scramble For Washington TV Fight Tickets.....	9
Cosgrove Drafted For Third Term By Radio Manufacturers.....	10
NBC Turns Down Music Camp Broadcasts.....	11
OPA Gives Radio Cabinet Makers 3% Price Increase.....	12
Death Of John L. Baird, British Television Pioneer, Mourned.....	12
Scissors And Paste.....	13
Trade Notes.....	15

No. 1729

June 19

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June 19, 1946

"TELEVISIONARIES", SAYS McDONALD CITING VAST SUMS NEEDED

"Like the movies, television has had many false starts and failures. It will fail again unless it finds a box-office to pay the huge cost.

"The televisionaries are beating their drums again. They don't intend to harm anybody, but they can hurt your pocketbook and disappoint your hopes, just as they have at intervals for the past fifteen years."

Thus Gene McDonald, of Chicago, who himself owns a television station and is a manufacturer of television sets, touched off another blast in his one-man war against what he claims to be the launching of television without first providing a sound plan to finance its development. Commander McDonald's latest expression on the subject is an article "Television Will Cost Big Money" which will appear in Collier's for June 29th, which will be on the newstands this week (Friday, June 21st).

Although McDonald handles the discussion in his usual vigorous manner, he concludes more or less soothingly:

"There is nothing wrong with television that money won't cure. And the sooner we can convince televisionaries that the advertisers haven't sufficient money to pay for the type of continuous programs that will be necessary to make the public buy television receivers by the millions, the sooner the industry will start applying its brains to a technical solution to obtain a box office.

"When this problem is solved, television will become a great industry, and will have fulfilled its promise of bringing new and better entertainment to the American home."

Some of the outstanding paragraphs of the article follow:

"Television enthusiasts talk in terms of five or more stations per city. If there were five stations in one city, the cost of providing each with four hours of daily entertainment produced to motion picture standards would be two billion seven hundred million dollars per year. This is more than American business spends on every form of advertising combined, from direct mail and billboards to radio, newspapers, and magazines."

* * * * *

"Since television will be competing with the movies as a means of mass visual entertainment, there is no reason to believe that its production costs can be lower than the movies'.

"And there is one more illuminating comparison between radio and the movies. The motion picture entertainment on which the public spends one and one half billion dollars a year is ridiculously small in quantity when measured against radio's insatiable appetite. The entire production of new motion pictures averages only about two hours of new film per day, enough to fill the hours from 7 to 9 P.M. on one television network. Radio's four major networks alone produce sixty-four hours of new entertainment each day. The public pays five times as much for two hours of new movie entertainment as the advertiser pays for more than sixty-four hours of new radio entertainment."

* * * * *

"Here are some significant figures:

"There is no way of determining accurately the number of people who listen to radio every day, but it seems conservative to estimate the audience as at least 100,000,000 people. Radio is supported entirely by advertising, at a cost to advertisers of about \$400,000,000 per year.

"Magazines, weekly and monthly, have a circulation of about 174,000,000, and account for about \$450,000,000 of the nation's annual advertising bill. In addition, the public pays \$310,000,000 a year to purchase magazines to make the total cost about \$760,000,000.

"Daily newspapers have a circulation of about 48,000,000; Sunday newspapers, about 40,000,000. Cost to advertisers who use these papers is about \$660,000,000 a year and the public spends \$766,000,000 a year to buy these papers for a total of \$1,400,000,000.

"Movies have a total of 4,940,000,000 paid admissions per year, for which they collect \$1,500,000,000.

"In spite of their large advertising revenue, newspapers and magazines require income from their circulation in order to operate as businesses. Radio is the only large-scale purveyor of news and entertainment that has been able to exist solely from the sale of advertising. The advertiser pays for everything that goes out over the air, including Presidential speeches, public service programs, sustaining programs, etc., because advertising is radio's only source of income.

"On the other hand, some publications have prospered entirely or largely from their circulation revenue, with little or no income from advertising. The movies are doing nicely without any advertising revenue at all; their box-office income is nearly four times what the advertisers spend for radio, although their daily audience is only a fraction of radio's.

"Radio has succeeded with its present commercial setup because it is cheap, but there is no indication that television will be the same. The eye is much more fickle than the ear. People

can listen to radio with half an ear, can enjoy the same music played over and over again, are even free to do other things while listening to the inexpensive plays presented by radio. They can lay down a newspaper or magazine, pick it up later, and continue reading where they left off (they may even see the same ad four or five times).

"But television, to hold interest at all, must present such superlative quality that it will draw the viewer from all other activity with never an inattentive pause. There can be no backtracking to pick up loose ends. Television producers have already learned that once a viewer's attention wavers, he is lost for that particular show, which means that the advertiser can count him out when the carefully planned commercial is presented."

* * * * *

"Various reasons have been advanced to explain these (commercial) failures. Business cycles, technical changes, The Federal Communications Commission and the war have all been successive whipping boys, and it is probable that now some are preparing to put the blame on James Caesar Petrillo, boss of the American Federation of Musicians. The real reason is that the industry has consistently followed a blind alley of illusion instead of studying and finding solutions for the full scope of television's problems."

* * * * *

"We are not manufacturing black and white receivers for the wave bands now assigned to television because we know that these sets would become obsolete within the next year or two, but we are building receivers for the new high-definition, full-color television. These sets will not be sold; they will be loaned to our executives and engineers. We have no intention of placing them upon the market until we are reasonably sure that television is on as sound a basis artistically and economically as it is technically."

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DON LEE FCC NET JURISDICTION HEARING GOES OVER UNTIL FALL

The hearing set for last Monday in the case of the Federal Communications Commission versus the Don Lee Network, has been postponed until October 5th. The network had been charged with possible option time violations.

Don Lee had made the point that it couldn't be guilty of violating the anti-monopoly rules since the rules do not apply to networks but only to licensees.

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COMPLAINT AGAINST DUFFY'S TAVERN REACHES FCC AND CONGRESS

Representative Thomas J. Lane (D), of Massachusetts, brought to the attention of the House a complaint Patrick J. Scanlon, a Catholic of Lawrence, Mass., had made to the Federal Communications Commission with regard to the Duffy's Tavern program over the National Broadcasting Company and sponsored by the Bristol Meyers Company of New York. Mr. Scanlon wrote:

"I have written this sponsor regarding their sponsoring of this offensive program, which, in our opinion, is a direct insult to people of Catholic faith and Irish ancestry, but a reply from them states that they are unable to control this person who broadcasts under the name of Ed Gardner, and are, therefore, unable to remedy the situation.

"The Bristol Myers Co. admits that the program is offensive but that they are unable to do anything about it, as this person, Gardner, persists in his weekly insults, with the full knowledge that the program is offensive.

"A letter to NBC brought no satisfaction."

Mr. Scanlon enclosed an editorial from the Pilot, official organ of the Catholic Archdiocese of Boston which read, in part:

"Just after St. Patrick's Day we referred editorially to the radio program Duffy's Tavern, sponsored by the Bristol Myers' products, Minit-Rub and Vitalis. It seemed to us that the Vitalis and Minit-Rub humorists showed poor taste in dragging the revered name of St. Patrick into the whisky-soaked atmosphere of Duffy's saloon. We accused them of nothing worse than bad taste. It was never our thought that Archie, the manager, and his supporting cast intended a deliberate insult to Catholics. But after the program the evening of May 31, we are not so certain that the Duffy's Tavern people are merely having fun.

"The May 31 program opens with Archie's account of a wake he attended the previous evening. The wake was a rowdy, disreputable affair. And as usual the characters were O'Flaherty, O'Rourke, etc.

"So apparently Minit-Rub and Vitalis intend to go on lampooning Americans of Irish antecedents. They know that the humor of the Duffy's Tavern program conveys offense. And while there is no law to punish boorishness, neither is there any law compelling Catholics to make boorishness profitable."

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Nell Daugherty of Station WSTC at Stamford, Conn., was re-elected Chairman of the first district of the Association of Women Directors of the National Association of Broadcasters at the annual business meeting of the group at Portsmouth, New Hampshire.

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SHOUSE URGES PUBLISHERS "TO LOOK BEFORE THEY LEAP" INTO FM

Addressing the National Editorial Association at Estes Park, Colorado, last week, James D. Shouse, Cincinnati, Vice-President of The Crosley Corporation in Charge of Broadcasting, cautioned the editors and publishers against going into FM broadcasting without carefully considering what they are getting themselves into.

"A great many smart people in our industry", Mr. Shouse said, "have both written and gone on record verbally as to just what is going to happen in broadcasting. They have projected Frequency Modulation in quite specific terms. The Columbia Broadcasting System already has on paper a Frequency Modulation network of two hundred stations, and they propose that Amplitude Modulation - our present form of broadcasting - will rapidly disappear from the picture. They may be right, but I doubt it.

"In 1944, in a talk which I gave before the Radio Executives Club in New York, I said, in substance, that for the past two or three years Frequency Modulation appears to be attracting much more attention than Television. This I could never fully understand. Now we have an experimental Frequency Modulation station in Cincinnati and have applied for one in Columbus. We may apply for additional ones, but I cannot help but feel that a great deal of the impetus, the promotion and the preferential consideration being given to Frequency Modulation arises out of the general problem of allocation of broadcasting facilities, as distinguished from any real need for Frequency Modulation on the part of the public.

"I have never been able to understand why the mere fact of being able to do approximately the same thing, but in a different way, represents an impelling reason to induce a replacement of one form of broadcasting for another. I think that very influential forces in the industry, who are concerned primarily with an equalization of facilities, see in Frequency Modulation a means whereby all broadcasters can be put on a common denominator. American business has not, and I doubt seriously whether it ever will, react to such a desire, no matter how strong it might be on the part of some broadcasters who hope, through Frequency Modulation, to cut all broadcasters down to their level. If the things claimed for Frequency Modulation are as definite and as positive in fact as the claims are in theory, I think it would be well to assume that the people, today, who are big in Amplitude broadcasting will continue to be big in Frequency Modulation broadcasting. Television, on the other hand, does not represent a new way of doing the same thing that has been done before. It does not supplement a coupe with a sedan. I am inclined to believe, therefore, that Television, given a fair opportunity to do so, may cause an appreciable slowing up of the Frequency Modulation movement. * * * *

"Now the problem which Frequency Modulation prompts is simply this: our present standard broadcast band for Amplitude broadcast stations is about used up. There are today few communities in the country where Amplitude Broadcasting frequencies may

be additionally assigned. There are still some twenty stations in the United States assigned to the exclusive use of 20 frequencies, and the Commission is attempting to formulate a basis for deciding whether or not these frequencies shall any longer be assigned for exclusive use, but shall be duplicated, thus providing room for some thirty, forty or fifty additional stations in the standard broadcast band.

"The real problem presents itself in the economic aspect of broadcasting in a small community. The fact that Frequency Modulation will permit almost anyone in a small town to build a station does not carry with it the assurance, nor in many cases the likelihood, that the station can support itself. As the structure of broadcasting is broken down into smaller and smaller units, the cost of supplying service to the American people is bound to increase, and under our American system these increased costs can not be met by Government subsidy, which I assure you I do not favor any more than you would favor it in the conduct of your newspaper publishing. These costs can only be met from advertising. I know of no one in this industry who is smart enough to tell how far costs can be increased without broadcasting hitting the dividing line between a good advertising buy or a bad one. I, personally, believe that there is room for a great many more broadcasting stations in this country. I equally feel that the big metropolitan markets are already being adequately served and that the best opportunity of increased service to the American people is to provide more stations in smaller towns. * * * *

"I would not like to see you be sold a bill of goods on Frequency Modulation one way or the other. Frequency Modulation to some of you offers a real potential for increased service; for others of you, there are still some Amplitude broadcasting available. I can only urge that before you leap, you look. Before spending money on applications and transmitters, spend a smaller amount of money for a careful, exhaustive and comprehensive study of your market in its relation to broadcasting. The Commission, I am sure, will supply all possible help to you, and I would additionally urge that those of you who are interested in Frequency Modulation, or Amplitude Modulation, spend a modest amount of money in analysis and investigation. It will save you, I am sure in many cases, a lot of uncertainty, confusion and heartache."

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300,000 TV VIEWERS REPORTED IN LONDON

Opening telecast of the London Victory Parade last Friday after seven years of war-imposed inactivity, was viewed by 300,000 persons, according to dispatches from there.

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NEW CENTER TO DEMONSTRATE TV IN "MIDDLE METROPOLITAN" CITY

Development of an outstanding radio center is nearing completion in Fort Wayne by the Farnsworth Television & Radio Corporation. It is designed to provide Northeastern Indiana with television, frequency modulation and improved regular amplitude modulation broadcasting services, all originating and controlled from newly built central studios in downtown Fort Wayne. Facilities for all three services will be among the most complete and modern in the country, E. A. Nicholas, President, said.

Final touches are now being put on the Center's new studios. Farnsworth's AM station, WGL, already has begun originating programs from the new all-purpose quarters.

As a part of the Fort Wayne Radio Center development program, WGL has applied to the Federal Communications Commission for an increase in power, so that its improved facilities may be made available to a larger public audience.

FCC hearings on Farnsworth applications for an FM broadcasting license are scheduled to begin June 27 in Fort Wayne, Mr. Nicholas said. If granted this license, the company plans to have an FM transmitter of latest design, built in its own engineering laboratories, in operation by early Fall.

Mr. Nicholas revealed that Farnsworth television transmitting and receiving equipment is currently being field tested in the Fort Wayne area, an experimental license for this purpose having been granted by the FCC in May. Application for a commercial license will be made at a later date, he said, with the aim of developing Fort Wayne, a city of 130,000, into one of the outstanding pioneer television broadcasting centers in the United States.

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FCC COMMISSIONER WALKER CONFIRMED FOR ANOTHER 7-YEAR TERM

Paul A. Walker, the only original member of the Federal Communications Commission, was confirmed by the Senate last Saturday for another seven-year term at a salary of \$10,000. Little doubt was expressed that Commissioner Walker would be confirmed but the formal action was delayed by a pressure of other matters on the Hill due to the desire of Senators to get home to prepare for Fall elections.

Commissioner Walker was appointed by President Roosevelt in 1934. He was formerly Chairman of the Oklahoma Corporation Commission having Statewide jurisdiction over common carriers. Commissioner Walker was credited with being the mainspring which activated the FCC's A. T. & T. investigation some years ago.

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9,603,000 FAMILIES CONSIDERING TV SET PURCHASE, SURVEY SHOWS

A possible market potential for home television receivers which may reach nearly 10 million sets during the next five or six years providing telecast facilities are made available in all urban areas was revealed Tuesday by Frank Mansfield, Director of Sales Research for Sylvania Electric Products, Inc. He based his report on the answers given by home radio listeners, 28% of which are now located within range of existing television transmitters. "The public", he said, "was asked if it wanted television; what price it thought it would pay for a home receiver; and results it would expect from the set."

"26.6% of the urban families interviewed said they definitely planned to buy a television receiver", he continued, "and 18.5% were considering television but had not definitely made up their minds. In other words, 45.1% or possibly 9,603,000 families are considering television but had not definitely made up their minds. In other words, 45.1% or possibly 9,603,000 families are considering the purchase of a home television set. These possible prospects are pretty evenly distributed in different income groups. The only significant drop is in families with normal annual incomes of less than \$1,000."

When asked how much they thought they would pay for a television receiver, Mansfield stated that 58.9% said they would pay from \$100 to \$249 and 31.0% said they would pay from \$250 to \$500. Only 3.4% said they would pay less than \$100 while 5.9% appeared to be willing to pay more than \$500. The average price for all families interested in the purchase of a television set was in the \$250-\$500 range.

Commenting on what the public expects from a television receiver, Mr. Mansfield said that a set designed for four people viewing at one time apparently filled the average need of about 80% of the families.

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NAVAL ACADEMY CADETS VISIT FEDERAL TELECOMMUNICATIONS LABS.

A group of officers from the United States Naval Academy at Annapolis, who are specializing in electronics engineering as part of the Navy's program to keep the United States in the forefront in this highly important field, last week visited the Federal Telecommunication Laboratories, Inc., in New York City.

The next day the group visited the laboratories of FTL at Nutley, New Jersey. There they viewed the latest developments of radio aids to aerial navigation and witnessed a demonstration of ultra-high frequency direction-finder operation. The direction-finder system, developed by International Telephone & Telegraph Corporation engineers, recently was accredited by the Navy as playing a major role in combating the Axis submarine menace during the war.

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GOVT. OFFICIALS SCRAMBLE FOR WASHINGTON TV FIGHT TICKETS

Most everyone connected with the National Broadcasting Company in Washington from Frank M. Russell, Vice-President, and Carleton D. Smith, General Manager, down to little Miss Mary Cavanaugh, in charge of the press, has been in hiding for the past three days from an unprecedented horde of Government officials (many in the very top brackets) seeking tickets for the Washington television showing tonight (Wednesday, June 19) of the Joe Louis-Billy Conn heavyweight championship fight.

"I am afraid to go out on the street for fear about three people may shoot me", Miss Cavanaugh exclaimed.

Although there has been little publicity locally about the Washington showing, word quickly got around town about it to such an extent that before anyone now calling NBC can state his business he is apt to be greeted with "Sorry, no more fight tickets."

The crowd which can be accommodated is limited to the Hotel Statler ballroom, the largest in the city, where NBC is throwing a grand party tonight (Yankee Stadium weather permitting) to which President Truman, Cabinet members, 350 Senators and Representatives, Supreme Court members, FCC officials and others have been invited. Acceptances are pouring in fast and have already been received from Secretary of Commerce Wallace, Attorney General Tom Clark, Secretary of the Interior Krug, and Secretary of the Treasury Snyder.

Adding to the realism of the occasion are specially printed "NBC Television Ringside" tickets of admission, a facsimile of the real thing at Yankee Stadium.

Plans for the telecast have been completed by the staff of WNBT, NBC's television station in New York. Five cameras, including three new RCA Image Orthicons, are to be located at the righside. A special control room to handle the five-camera pickup is being built at the stadium. Microwave relays, as well as calbe circuits to NBC's control room at Radio City, will be employed.

From Radio City the telecast will be carried by A. T. & T. coaxial cable to the top of the Empire State Building where it will be broadcast to the New York area. It will also be carried from Radio City by coaxial cable to Philadelphia where it will be broadcast by Philco station WPTZ and to Washington to the A. T. & T. terminal where it will be furnished to the Dumont Television Station W3XWT in Washington and to the official NBC Washington viewing at the Hotel Statler.

According to the New York Times, the television rights for the fight cost NBC \$125,000.

"Undoubtedly television has hurt the ticket sale", James P. Dawson wrote in the Times. Private parties are being arranged within the range of television's limited scope by some boxing followers who rebelled at the \$100 ringside charge and others who prefer the comfort of home to the inconvenience ordinarily associated with such a huge undertaking."

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COSGROVE DRAFTED FOR THIRD TERM BY RADIO MANUFACTURERS

Drafted for a third term as President of the Association was R. C. Cosgrove, Vice-President and General Manager of The Crosley Corporation, Cincinnati, Ohio. Mr. Cosgrove was reelected and inaugurated in the presence of the membership of the Radio Manufacturers' Association in Chicago last week, and was presented with a trout fishing kit on behalf of the RMA Board of Directors, by former President and now Treasurer Leslie F. Muter. Over 500 industry leaders attended the event. Mr. Muter was reelected to an eighth term as Treasurer of RMA.

The other officers for 1946-47 are:

Vice-President and Chairman of Set Division - Henry C. Bonfig, of Chicago, succeeding E. A. Nicholas of Fort Wayne, Ind.
Vice-President and Chairman of Tube Division - M. F. Balcom of Emporium, Pa., reelected
Vice-President - Fred R. Lack of New York City, succeeding George Lewis of Newark, N. J.
Vice-President and Chairman of Parts Division - J. J. Kahn of Chicago, succeeding R. C. Sprague of North Adams, Mass.;
Vice-President - Allen Shoup of Chicago, succeeding Thomas A. White, of Chicago.
Executive Vice-President-General Manager and Secretary - Bond Geddes of Washington, reelected
General Counsel - John W. Van Allen of Buffalo, reelected.

New RMA Directors elected to the Board which was enlarged from 34 to 42 members are : W. J. Barkley, of Cedar Rapids, Iowa; Henry C. Bonfig of Chicago, Ill.; Lloyd H. Coffin of Salem, Mass.; George R. Haase of St. Charles, Ill.; Lloyd of Hammarlund of New York, N.Y.; Larry F. Hardy of Philadelphia, Penna.; W. P. Hilliard of Baltimore, Md.; Harold C. Mattes of Chicago, Ill.; A. D. Plamondon, Jr., of Chicago, Ill.; Allen Shoup of Chicago, Ill.; Ross D. Siragusa of Chicago, Ill.; C. M. Srebroff of Long Island City, N.Y.; and J. Hall Stackpole of St. Marys, Penna.

President Cosgrove and other industry leaders urged de-control of the radio industry from OPA, and Mr. Cosgrove stated that such release might occur in sixty days or so.

"We are going to continue to have troubles", President Cosgrove told the industry leaders, "with terrific waste of time

and money until we have complete decontrol of the radio business. Control of such a large and complex industry is simply impossible and when we put arbitrary controls on it, the results are that the public has paid more, receives poorer quality and has obtained only a fraction of the number of radio sets which we would have had without OPA."

OPA decontrol also was urged by Robert C. Sprague, President of Sprague Electric Company, North Adams, Mass., and retiring Chairman of the RMA Parts Division. He and other speakers at the many industry meetings also stressed the critical shortage of copper, wood for cabinets, tin, tungsten, steel and other materials.

Increasing production of tubes was predicted by Vice President M. F. Balcom of Sylvania Electric Products, Inc., Emporium, Pa., Chairman of the RMA Tube Division, in one of the convention addresses.

Director of Ben Abrams, President of Emerson Radio & Phonograph Corp., New York and Chairman of the RMA-OPA Liaison Committee, told the convention that while receiving set production was now virtually at a normal prewar level, there are difficult material shortages. Mr. Abrams urged the industry to diversify its home receivers and also to promote television and other new electronic services.

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NBC TURNS DOWN MUSIC CAMP BROADCASTS

Dr. Joseph E. Maddy, founder and Director of the National Music Camp which will open its nineteenth season in Interlochen, Mich., June 30th, said Tuesday that the National Broadcasting Company has informed him it has no place on its Summer schedule for the Camp broadcast which was an NBC feature for twelve years.

The broadcast was banned in 1942 by an edict of James C. Petrillo, head of the AFL American Federation of Musicians, but Dr. Maddy wrote NBC last May 31 suggesting the broadcast be resumed "now that the Lea bill has broken Mr. Petrillo's control over the broadcasting industry."

The Lea Act, whose constitutionality is now being challenged by Mr. Petrillo, specifies that it is a misdemeanor to coerce, compel or restrain a radio station to refuse to carry non-commercial educational broadcasts.

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Owners of amateur radio stations in the Tenth Coast Guard District comprising the waters of Puerto Rico and adjoining United States islands, are being urged to join the Coast Guard Auxiliary. The commander of this district, who is seeking these new members for the Auxiliary, has announced that it is planned to set up a radio network which would operate in conjunction with the visual storm warning service.

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OPA GIVES RADIO CABINET MAKERS 3% PRICE INCREASE

Radio cabinet manufacturers have been given an additional three per cent OPA price increase on wood cabinets effective today (June 19, 1946) bringing the total industry price increase to 21 per cent above October 1941.

Prices of radio sets are not affected by today's action. A recent wage-price adjustment of ceiling prices on receiving sets was sufficient to reimburse the producers for the three per cent increase in wood cabinet costs now being authorized, OPA said.

Manufacturers who have received individual firm adjustments under the reconversion orders may not automatically increase their existing ceiling prices as a result of today's action, the agency stressed.

OPA today also altered the pricing method set up for manufacturers introducing new models. Heretofore, ceilings for new models were to be determined by reference to prices of comparable models sold in October 1941 or March 1942. Under today's revision, ceiling prices of models now being produced are to be taken for comparison.

Only when a model about to be introduced is unlike any model the manufacturer has recently been producing may he use a base period model for purposes of calculating an in-line price, OPA said.

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DEATH OF JOHN L. BAIRD, BRITISH TELEVISION PIONEER, MOURNED

Regret was expressed here upon receipt of news of the death of John L. Baird, known in England as the "father of television" at his home Bexhill, Sussex. He was only 58 years old. Mr. Baird had been ill since February.

Mr. Baird produced one of the first practical television apparatus for instantaneous transmission of scenes over a distance by wire or wireless. He also invented the noctovisor, an apparatus for seeing in the dark by invisible rays.

Mr. Baird gave the first demonstration of true television in Britain at the Royal Institution in January, 1926, and the British Broadcasting Corporation began its television service with the Baird system in September, 1929.

Of him the New York Times said editorially:

"John Baird died not exactly a disappointed man, inasmuch as his rare gifts had been recognized from the very first demonstration of his television set, but certainly a man who knew that he had hit on something that it was beyond his power to exploit even though the necessary capital was at his disposal. Something better than the Nipkow method of scanning with a perforated disk was needed, and only a physicist who knew his electronics could devise it.

(Continued at bottom of page 16)

6/19/46

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 ::: SCISSORS AND PASTE :::
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FCC Gives Sen. Pepper's Brother A Radio License In A Hurry
 (Ned Brooks, Scripps-Howard Staff Writer)

Frank W. Pepper, younger brother of Sen. Claude Pepper (D. Fla.), has entered the radio broadcasting business in Tallahassee under authority of the Federal Communications Commission and with \$2,000 borrowed capital, it was disclosed today (June 8) in Washington.

The younger Mr. Pepper is President of the new broadcast firm, Tallahassee Appliance Corp., which won its FCC license within six weeks after its application was submitted.

His five associates, FCC records showed, put up the \$15,000 cash with which the company began operations, with Mr. Pepper contributing a \$5,000 note which a banker-partner agreed to discount. Mr. Pepper thereby became a 25 per cent stockholder in the firm.

Senator Pepper, prominent as an administration stalwart, has no connection with the firm. His office said he had taken no part in the proceedings before FCC.

Commission officials said there was nothing unusual in the promptness with which the license was granted.

The Pepper license was granted without a hearing, which officials said is common practice where engineering problems are simple. They explained that the Florida station is a low-power (250 watts), local operation.

The Tallahassee station was assigned the frequency it asked - 1450 kilocycles - and was granted unlimited time on the air.

The application listed Mr. Pepper's partners as Frank W. Hazelton, with experience in communications work; B. K. Roberts, Attorney; W. Godfrey Smith, banker; Emanuel Joanos, retired restaurant and hotel proprietor, and W. H. Wilson, construction firm president.

Mr. Pepper, who is 29, was discharged from Navy Intelligence last December. He listed his assets at \$1350 of which \$600 was in cash and \$750 in Government bonds. Mr. Smith, the banker, told the FCC that his firm, Capital City National Bank, had agreed to discount Mr. Pepper's \$5000 note.

The application estimated the new station's cost at \$15,025, its monthly cost of operation at \$3,000 and its monthly revenue at \$4200. It was approved despite failure to specify the location of its transmitter, an omission which FCC officials said was not uncommon.

The company also said it had no network tieup, but expected to make one.

Elliott Roosevelt-Faye Emerson Platter Chatter Tryout
 ("Variety")

"At Home With Faye and Elliott", new 15-minute, five-a-week transcription series employing Elliott and Faye (Emerson) Roosevelt, is scheduled for first broadcast in 28 markets, including 23 in Canada and five stations on the Coast. Bow-in will be unique, in that show was bought with auditions on strength of Roosevelt name, and transcription record of Kermit-Raymond Company, producers.

Series is being auditioned this week in New York for a client, with six stations as outlets, in New York, Chicago, Detroit, Boston, Cleveland and Philadelphia.

Show's format differs from other breakfast, Mr. and Mrs. programs in that the Roosevelts take a back seat to their daily guest star who holds spotlight. Nine programs have been waxed so far, with Hildegard and Anna Sosenko; Sgt. Mickey McKeough, Gen. Eisenhower's orderly; Henry Kaiser; Martha Scott; Orson Welles; Lucille Ball; George Jessel, and Gen. C. R. Smith, President of American Air Lines, as guests. Producer Ray Green plans to do 260 platters in all, for two series of 26 weeks, 130 shows each.

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ABC Lists Stockholders
 (Sidney Lohman in "New York Times")

As part of its presentation to the Federal Communications Commission in support of its application for a television station in New York, the American Broadcasting Company submitted a list of persons owning blocks of stock in the broadcasting chain. Here is the list:

Edward J. Noble, 74.07%; Justin W. Dart, President, United Drug Company, Los Angeles, 5.22%; Robert E. Kintner, ABC Vice-President, 4.26%; Mark Woods, ABC President, 3.86%; Owen D. Young, Chairman of the Board, General Electric Company, 2.09%; Franklin S. Wood, attorney for Mr. Noble and member of the Board of ABC, 2.09%; Mrs. Abrelia Seely Hinckley, wife of Robert H. Hinckley, ABC Vice-President, 2.09%; Mrs. Ethel T. Noble, wife of Mr. Noble, 1.67%; Earl E. Anderson, ABC Vice-President, 1.56%; and C. Nicholas Priault, ABC Vice-President and Treasurer, 1.56%.

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Suggests Amending Constitution To Assure Radio Freedom
 ("New York Journal-American")

The Constitution of the United States should be amended to give the American radio the same legal recognition it gives the American press, and to assure it the same Freedom. * * *

Legislation by Congress has been demonstrated to be entirely inadequate for the purpose.

There is already a great deal of legislation respecting the control of radio, but none of it has served to keep the radio Free.

The inherent weakness of such legislation is that it depends for interpretation and enforcement upon bureaucratic agencies which refuse to respect or be bound by the intent of Congress and which distort the law and assume and usurp powers under it in defiance of the authority of Congress.

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::: TRADE NOTES :::
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Included in the Committee delegated by Eugene Meyer to run the Washington Post is Wayne Coy, who has title of Assistant to the Publisher, and who is in charge of the Post's broadcasting station WINX. Mr. Meyer, who was recently elected President of the International Bank, will, however, retain his ownership interest the Post.

The statement of Frank Stanton, President of the Columbia Broadcasting System, at the Clear Channel hearings, has been re-printed in the form of a brochure captioned "FM - The Key to Future Radio Allocations."

William S. Paley, Chairman of CBS, was an honorary pall-bearer at the funeral of Maj. Edward E. Bowes in St. Patrick's Cathedral Monday morning. Francis Cardinal Spellman officiated and more than 2,000 persons attended the service.

Among those listed as leading in the last 12 months' earnings were Walter Winchell, commentator, and columnist - \$97,241, and Niles Trammell, President, National Broadcasting Company - \$84,200.

Emerson Radio and Phonograph Corporation and Subsidiaries - Twenty-six weeks to May 4: Net income \$343,909, equal to 85 cents a share, compared with \$514,575, or \$1.29 a share for twenty-six weeks to May 5, 1945.

The American Radio Relay League, national association of amateur radio operators, has designated the week-end of June 22-23 for its first postwar nationwide test of amateur portable and mobile emergency radio equipment.

Addressing the graduates of Indiana University at Bloomington, Associate Justice Wiley Rutledge of the U. S. Supreme Court said there was evidence that the press, "with notable exceptions", might be departing from the Jeffersonian standard. The radio, he added, "is so much devoted to advertising and sheer entertainment that it performs not half its possible function for public enlightenment in relation to the duties of citizenship."

The affiliation of radio station KVI as the Seattle-Tacoma outlet of the Don Lee network effective August 1, 1946, replacing stations KOL, Seattle and KMO, Tacoma, was announced by Lewis Allen Weiss, Vice-President and General Manager of Don Lee.

KVI with its unique double pear-shaped pattern coverage of 72 percent of the population of Washington from its salt-water transmitter site on Vashon Island in Puget Sound, midway between Seattle and Tacoma, has a power of 5,000 watts on 570 kilocycles.

Rear Admiral Harold N. Miller, Director of Navy Public Relations, who has made himself popular with radio as well as press men in Washington, was married last week to Mrs. Mary Whatley-Smith, 30 year old widow of a British Army officer.

Admiral Miller, who at 43, is the youngest Admiral in the Navy, hails from Iowa, was graduated from the Naval Academy in 1924, and was Public Relations Officer for Admiral Nimitz when the latter was Commander-in-Chief of the Pacific Fleet.

The Crosley Corporation reported a net profit of \$1,453,-065 for the year ended on December 31, 1945, equal to \$2.66 per share on outstanding capital stock. This compares with revised earnings of \$2,688,529, or \$4.93 a share in the previous year.

Irving B. Babcock, President, said Aviation Corporation, which purchased the controlling interest of the company last August, now owns 90.9 percent of outstanding stock.

Two new stations will affiliate with the American Broadcasting Company,--Effective June 19, KUGN of Eugene, Oregon, as a Pacific Coast Supplementary station and on August 15, WJOY, of Burlington, Vermont, joins ABC as a Basic Supplementary station.

Merle S. Jones, Vice-President of WOL Cowles Washington Mutual outlet, has signed Z. V. Gwynn, known in radio and trade circles as "Easy" Gwynn. Mr. Gwynn comes directly to WOL from WIBC-Indianapolis, where for the past two years he has rolled up the highest Hooper ratings in the Hoosier city with his program "Easy Does it".

Gwynn's signing is the final step toward the Cowles outlet complete changeover in WOL program structure. Station's power increase to 5,000 watts will be announced shortly and entire program structure has been revamped with changes to take place coincident with new power.

A new issue of 120,000 shares of Hoffman Radio Corporation, common stock (Par value \$1.00 per share) Price \$6.00 per share is being advertised in the Washington papers.

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(Continuation of story "Death Of John L. Baird, British Television Pioneer, Mourned" on page 12)

So it happened that the television set of today, which relies on an inertialess beam of electrons for scanning, soon displaced Baird's method. The model in the South Kensington Museum is as far removed from what we call television as the steam horseless, carriage from the gasoline-driven automobile."

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