

# HEINL RADIO BUSINESS LETTER

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## HENDERSON BLASTS RADIO PRICE HIKES

Price Administrator Leon Henderson acted promptly and without hesitation in combatting alleged sharp practices on the part of jobbers and dealers by demanding immediate cancellation of recent "inflationary and unfair" price increases on radios and radio-phonographs.

He sent a caustically worded telegram to all wholesalers and retailers characterizing the price boosts as completely unjustified because a ceiling was imposed on manufacturers' prices February 9. He requested that prices be restored to the levels of February 10.

Retail price advances occurred on a nation-wide scale, Henderson said, immediately after the War Production Board announced last Thursday that the greater part of civilian radio production would be halted April 22 and the industry converted to war production.

Closely following the curtailment of radio set manufacturing the War Production Board ordered a drastic cut in the use of critical metals and plastics in musical instruments in order to save substantial quantities for weapons, planes and ships.

The cutting down of the 50 million dollar industry, which employs about 15,000 workers, covers the period from March 1 to June 1 after which it may be extended or made more drastic.

All musical instruments except radios, phonographs and radio phonographs - whose producers have been ordered to prepare for complete conversion to war work - are covered in the order, as well as such accessories as music stands, bows, picks and piano stools.

The order provides that in the three-month period manufacturers may use in total volume up to 75 percent of their average 1940 consumption for a similar period in instruments containing less than 10 percent of these materials by weight. In instruments containing 10 to 25 percent of the restricted materials, they may use up to 65 percent, and in instruments containing 25 percent or more of the materials, only up to 50 percent.

It is understood that a survey of stock, including tubes and spare parts now on hand in the radio manufacturing industry is at present under way by the Defense Communications Board. The main thing, the DCB is keeping its eye on is the supply of radio tubes. Just how many of these tubes and spare parts the jobbers and dealers will be allowed to keep without being charged with hoarding remains to be seen. The possibility of the confiscation of all radio supplies stored by wholesalers and retailers now looms.

An added wartime problem of the broadcasting industry is the virtual freezing of frequencies and the halting of station building and new construction.

This will cause a change in plans of somewhere around 30 station applicants. The Commission at present has 170 requests for new or improved facilities. About 150 construction permits have been issued but these will have to be re-examined to ascertain whether or not the new stations are necessary for areas not adequately served.

One critic expressed the opinion that the new stipulations appear to have been framed with the thought in mind of further efforts to break the so-called major network "monopoly", adding:

"The provisos that construction may be allowed if the project will produce 'substantial new primary service' are the cause of most uneasiness. Strictly interpreted, these will permit erection of stations in the radio desert west of the Mississippi and in a few islands in the East.

"Likewise present plants on the fringe of the poorly-served regions may be able to wangle more wattage and improve their competitive situation. But the operators who would be plunged into more torrid rivalry will be entirely unable to take a defensive step."

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#### CHARLES R. DENNY, JR., NEW FCC ASSISTANT GENERAL COUNSEL

Charles R. Denny, Jr., has been appointed as Assistant General Counsel of the Federal Communications Commission to succeed Thomas E. Harris, who has resigned to take a position as Assistant General Counsel of the Office of Price Administration. Mr. Denny, who is now in the Department of Justice, will join the Commission's staff within a week.

Mr. Denny was born in Baltimore, Md., on April 11, 1912. He has been for many years a resident of Washington, D. C., and attended the Washington public schools. He was graduated from Amherst College in 1933 and from the Harvard Law School in 1936.

From 1936 to 1938, Mr. Denny was employed by the Washington law firm of Covington, Burling, Rublee, Acheson & Shorb. Since that time Mr. Denny has been employed by the Lands Division of the Department of Justice. He is at present the Chief of the Appellate Section, and has had extensive appellate court experience.

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## TWO-YEAR LICENSE PROVIDED FOR NONBROADCAST RADIO SERVICES

In conformity with extension of the licensing period of standard and relay broadcast stations of from one to two years, authorized October 11, 1941, the Federal Communications Commission has now fixed the normal license term for most of the other types of radio services accordingly.

As in the case of standard broadcast, the new rules stagger the renewal time to further relieve the burden of routine paper work on the part of the Commission and the licensees. It will be necessary under this plan to issue some renewals this year for periods varying from one year to 27 months in order to get the staggered system working.

The new staggered expirations will become effective beginning in April. However, this does not waive the requirement that renewal applications be filed at the usual time this year.

Many existing rules have been changed to provide for the longer license period and to stagger the expiration dates in that connection. Thus, after the first renewal has adjusted the various classes of stations into their proper place in the schedule, regular licenses in the following services normally will run for two years, with expiration dates as noted:

Fixed Public (Dec. 1); Coastal and Marine Relay (Feb. 1) Aviation, other than aircraft and Alaska stations (Mar. 1); Scheduled Aircraft other than Alaska (April 1), and Special emergency (May 1); Also Forestry and marine fire (Dec. 1); Police (Feb. 1, Mar. 1, April 1, May 1, June 1, and July 1, depending on States in which such services are located); Miscellaneous, other than Intermittent (May 1).

Licenses for experimental stations will continue to run for a period of one year, and in services other than broadcast will expire by class on October 1 or November 1. The expiration date for experimental stations in the broadcast service will continue as now.

One-year license periods will continue to apply to all classes of stations in Alaska, with expiration date fixed as January 1, and also to non-scheduled (itinerant) aircraft stations in the aviation service. In the latter category, persons with names in the alphabetical group A to L inclusive will have August 1 as their expiration date, and those in the rest of the alphabet, September 1. The license period and expiration date for stations in the Intermittent service is unchanged.

Police stations licensed in states whose state names begin with A, C, D and F will expire February 1; those in states with G, I, and K, on March 1; those in L and M states, April 1; those in N states, May 1; those in O, P, R and S States, June 1; and those in T, U, V and W states, and territories and possessions other than Alaska, July 1.



The staggered plan will balance the amount of renewal work at the Commission and avoid the peaks of filing renewal applications. Under present practice, approximately 4000 emergency station licenses expire May 1, and about 2500 aircraft station licenses on August 1, whereas there are no renewals in the months of June, July, September, and November. The new plan, drafted with the needs of the various services in mind, will spread this load so that the renewal peak in any one month will not exceed a thousand applications.

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## CENSOR LISTS RADIOGRAM AND CABLE RESTRICTIONS

The Office of Censorship, announcing regulations governing cablegrams and radiograms, detailed a dozen subjects to which no reference may be made.

Except in press dispatches, for which separate regulations have been issued, international communications may not contain references to any of the following:

Location, identity, description, movement or prospective movement of any merchant vessel, aircraft, naval or military vessel or naval or military force, including the collective or individual personnel thereof, operated by the United States or other nations opposing the Axis powers.

Also barred are references to:

Weapons, installations, supplies, material or equipment of the United States or other anti-Axis nations.

Location, description or capacity of existing or proposed private or Government-owned or controlled plants, yards, docks, dams, structures.

Civil, military, industrial, financial or economic plans of the United Nations, or the personal or official plans of any official thereof.

Employment of any naval, military or civil defense unit.

Reports on production and conditions in mining, lumbering, fishing, livestock and farming.

The weather - past, present or future.

The regulations also contain a prohibition against "any other matter, the dissemination of which might directly or indirectly bring air or comfort to the enemy, or which might interfere with the national effort of or discharge the foreign relations of the United States or other anti-Axis nations."

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## CLOSE VOTE SEEN IN PRESS-RADIO ELIMINATION

Whether the purge majority members of the Federal Communications Commission have evidently tried to make of newspaper-owned stations will be effective, apparently depends on a single vote. The hearings, which have dragged along for nearly a year and estimated to have cost \$250,000, seem to have ended as of last week with the testimony of James G. Stahlman, former President of the American Newspaper Publishers' Association and owner of the Nashville Banner radio station.

It is believed that those who were members of the Commission when the hearings began will vote the same as they did then with the exception of Commissioner Payne, who this trip will probably cast his ballot for the newspapers. Mr. Payne explained that he originally voted against the issue simply to bring up a test case. In favor of forcing newspapers to give up their stations the prediction is made that the lineup will be Chairman Fly and Commissioners Walker, Durr and possibly Wakefield. Favoring the newspapers will be Commissioners Craven, Case and Payne. The doubtful man seems to be Wakefield. If so, he is in a position to throw the thing one way or the other.

As one observer sees it, while ostensibly undecided, the quartet headed by the Chairman repeatedly disclosed by the tone of questions and casual observations a strong conviction that public interest will be promoted if all links between the two media are severed. Similarly the Case-Craven-Payne wing reflected equally deep feelings that such a policy will be undesirable besides unquestionably a direct violation of the Constitution.

The assertion has been made that the newspaper applicants for FM stations will lose even if they should win as between now and the time their applications have been filed, war priorities will have gone into effect and they now would not be able to secure the materials to construct the new stations.

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## DILL STUBS TOE OVER CONGRESSIONAL PENSIONS

Apparently former Senator Clarence C. Dill, of Washington, co-author of the original Radio Act, and well known to the industry, got himself into somewhat of a jam as a Defense Bonds speaker by bringing up the subject of and being understood as favoring pensions for Congressmen. This was revealed when Senator Mead, of New York, sponsor of the pension bill in the Senate, asked to have a radio address printed in the Congressional Record, which Mr. Dill made on the subject of Congressional retirement, saying:



"The former Senator has written me a letter on the subject, that the reports of the statement he gave out were grossly exaggerated and misleading. I quote from his letter to me, dated February 11, 1942, as follows:

"I might add that the newspaper story that went out from Spokane to the effect that I had made a speech at the Athletic Round Table in which I said that when I was in Congress that the Chaplain looked and Congress and prayed for the country is not only false but malicious. That is such an old chestnut anyhow that even if I had thought about it, I wouldn't have used it, and I never could see anything very funny about it when I first heard it."

Senator Dill started his address by saying:

"A few days ago I received a letter from Mrs. Rosetta Thomas of South 321 Greene Street, Spokane, in which she writes:

"Dear Mr. Dill: Will you explain over the radio that \$5,000-per-year pension which the Congressmen and Senators voted to themselves? Some of the women say they will not buy stamps or bonds if the Congressmen and Senators are going to steal it all. Is it true or not?

'Rosetta Thomas.'"

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#### KNOX QUERIED ON WINCHELL'S DUAL ROLE

The question of how Walter Winchell can broadcast each week in a commercial capacity and still retain his naval rank was raised in Congress last Thursday.

Secretary of the Navy Frank Knox was asked by members of the House Naval Affairs Committee to explain why Newspaper Columnist Walter Winchell is permitted to make radio broadcasts sponsored by a hand lotion firm while on active duty as a naval officer.

"Winchell should be assigned to duty at Samoa or permitted to resign", one committee member said.

The columnist, a lieutenant commander in the Naval Reserve, has been on active duty since the Nation entered the war and thus wears full uniform. He said in his first wartime broadcast that the Navy had asked him to continue his newspaper and radio activity.

Mr. Knox was understood to have told the committee that he knew very little about Winchell's case and that he would ask Rear Admiral Randall Jacobs, Chief of the Bureau of Navigation, to supply details.

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## DEAL STILL DISCUSSED TO BUY ALL U.S. SHORT-WAVE TIME

Apparently things are shaping up for the plan of the Government either to buy all the time of the U. S. short-wave stations - G. E., Westinghouse, Crosley, CBS and NBC - or take over the stations altogether.

According to the present plan, the Office of the Coordinator of Information, William J. Donovan, will take over sixteen hours daily of the time of the stations and the Office of the Coordinator of American Affairs, Nelson Rockefeller, is expected to make use of the remaining eight hours.

The Director of the Budget has received a request for funds for the project and is expected to approve the undertaking soon.

It was said that the Donovan organization would employ the stations from midnight to 4 P.M. for broadcasts to various parts of the world, the best evening hours for Europe, and that the Rockefeller agency, interested exclusively in Latin America, probably would use the hours from 4 P.M. to midnight daily, the best evening hours for South America.

It is reported that it would cost about a million and a half dollars a year to buy all the time but the expenditure would be greatly increased by a 500 percent expansion of short-wave broadcasting capacity said to be contemplated. Also a larger amount would be involved if the stations were bought outright. Mr. Donovan is supposed to advocate buying only the time but Mr. Rockefeller is said to favor buying the stations.

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## MRS. ROOSEVELT HITS RADIO AND PRESS IN PENSIONS FIGHT

Mrs. Roosevelt defending the bill for pensions for Congressmen, which also carries with it an estimated \$37,500 pension for the President, charges radio and the press with "obscuring" the issue. In her column "My Day", she writes:

"It seems to me fairly obvious that the principle of this bill is good. The timing may be bad, so, perhaps, it should wait until this war is over. There may be amendments which are necessary in order to prevent people from getting a pension except on an insurance basis.

"It may be embarrassing to vote yourself a pension, but who else can do it? And you are voting for the future as well as the present. I think it is important to have the principle of insurance for old age established for every group of citizens, and doubly important for the public servant to be secure and, therefore, beyond temptation or threat.

"I want to add this to clarify the whole situation. So much that the people are discussing today is obscured for them by the press and radio, instead of being made simple and clear."

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## DIVIDED JURY ON "THIS IS WAR"

Arguing that the United States should "talk less and act more", criticism is voiced in Variety of the government's widely heralded presentation "This Is War" which made its bow last Saturday night (February 14) at 7 P.M., E.W.T., and is to be heard each Saturday night at the same time. The broadcast is unique in that it is put on and carried without cost to the Government by all four networks.

"The inaugural of the super dooper, morale building program 'This Is War' produced a sharp division of opinion among psychological warfare experts and radio critics. The unfavorable viewpoint summed up with the taunt, 'Big Talk and No Victories'", Variety comments. "The favorable viewpoint argued that certain things must be said and the Norman Corwin-directed series was saying them. It was held that critics did not review last Saturday's 'This Is War' broadcast but instead emotionally reacted to the Normandie, Singapore and Dover Straits.

"While the all-out from way-backers were calling Corwin's starting program too tepid and tame, the religious types were expressing shock and disapproval at the 'extreme' views and phraseology.

"There also has developed the possibility that appeasement, negotiated peace and Roosevelt-hating elements are out to discredit the program because of its supposed endorsement by the President. Some observers thought they detected this line in the pleased whoops following disclosure that a singing turn on the first broadcast, the Almanacs, were 'Communist favorites'. The implication slyly conveyed is that the program's propaganda with its blasts against the Axis is somehow un-American. If there is a conscious campaign against the Government's own war propaganda on the air this would presumably be sabotage in the best Nazi manner.

"Both the Rockefeller organization and the networks opposed sending the show to South America, but the pressure on them was from places too high to be denied. 'This is War' has been dubbed in radio circles 'The President's Own Show'. It will be aired regularly to S.A.

"Objection to it is that it is strictly domestic propaganda and not the type of stuff to be sent to Latin America. Following several months of disastrous American and British defeats, Rockefellerites and CBS and NBC experts feel that the U.S. has already done enough drum-thumping on its own behalf and the time has arrived when we must either show our military might or shut up.

"As a result, the Corwin script was completely rewritten and toned down in the translating process. Most blatant of the propaganda was deleted."

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 ::: TRADE NOTES :::  
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The American Communications Association, of which Joseph P. Selly is President, has invited FCC Chairman James L. Fly to address the Association's annual convention at Atlanta, Ga., on April 13.

The Federal Communications Commission has proposed to deny the application by the Butler Broadcasting Corporation for a new standard broadcast station at Hamilton, Ohio, to operate on 1450 kc. with 250 watts power, unlimited time. As a result of hearing, the Commission concludes that public interest, convenience or necessary would not be served by such a grant.

Delayed by failure of necessary equipment to arrive on time, the inauguration of The Milwaukee Journal's new 50,000-watt FM transmitter for W55M has been postponed from February 15 to Sunday, Feb. 22.

A new 15-minute radio news program will be carried three times a week over 48 stations of the Columbia Broadcasting System and seven FM stations of the American Network, beginning Tuesday evening, March 3. The program is sponsored by the G-E Radio and Television Department.

Two hundred and sixty-four different advertisers used WOR to sell their products and services during the fiscal year 1941 - the largest number of sponsors to buy time on WOR in the history of the station.

William B. Lodge, engineer-in-charge of the Radio Frequency Division of Columbia Broadcasting System, has been given a leave of absence to do research work for the National Defense Research Council.

Station WAGE, Syracuse becomes a basic affiliate of the Blue Network on March 1. Making a total of 115 affiliates, Station KFEQ, St. Joseph, Mo., will join the Blue Network as a basic supplementary outlet, effective March 15.

There are now 63 commercial FM transmitters authorized throughout the country. Twenty-four are on regular schedules, along with eleven experimental stations.

Edwin A. Kraft, Kodiak, Alaska, has been granted a construction permit for a new station to operate on frequency 1230 kc., 250 watts, unlimited time.

Mrs. Roosevelt and Senor Eurico Penteado, Commercial and Financial Attache for Brazil in Washington, and Chief of the Pan American Coffee Bureau, presented the Library of Congress with a complete set of scripts and records of her weekly Blue Network broadcasts. It is explained the material is being turned over for the study of students.

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## STORER HEADS NEW BLUE NET PROGRAM DEPARTMENT

With the appointment of Douglas F. Storer as Manager of the newly organized Commercial Program Department, the Blue Network strikes a new note in network service to advertising agencies and all others interested in commercial radio.

Mr. Storer has had wide experience in commercial radio, according to a Blue Network bulletin. Following his graduation from Dartmouth College in 1921, he became an account executive with the John Curtiss Advertising Agency.

In 1929 he reorganized and managed Stations WGHP (now WXYZ), Detroit, and WSPD, Toledo, and in 1931, left Curtiss to become Director of Radio for the Blackman Company. In 1935, Mr. Storer joined Rockwell, O'Keefe and in 1936, opened his own offices.

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## A FEW WORDS ABOUT MR. MC COSKER OF WOR

WOR will celebrate its twentieth birthday-February 22nd. In that connection some interesting highlights in the station's history include this reference to Mr. McCosker, whose name has become synonymous with WOR:

"1924 was the year that a young man by the name of Alfred J. McCosker joined the staff of WOR as the station's first publicity director. To radio, McCosker brought the sense of showmanship he had learned in the motion picture industry, and the news sense he had acquired in the newspaper game. He was more than a publicity man in those days - he was probably the first radio special events man.

"Ever alert to the potentialities of radio, he sold the medium persistently to artists and to the public. Time and time again, he was responsible for broadcasts that won new listeners, broadcasts that put WOR on the front pages.

"He cornered celebrities of all sorts - opera singers, actors, movie stars, authors, statesmen, artists - and brought them out to Newark for their first broadcast. He persuaded Charlie Chaplin and Thomas A. Edison to go on the air for the first time. It was McCosker who arranged the broadcast of 'the shot that was heard around the world' - when Justice Salvatore Cotillo tested a new bullet proof vest by firing at a man who wore the impenetrable garment.

"In 1926, McCosker became Manager of WOR, and in 1933 its President.

"There wasn't anything impressive about the first broadcast. No fanfare, no official ceremonies. In a stuffy little rug-draped room off in a corner of the furniture and radio department of the L. Bamberger & Co. store in Newark that served as studio, office and transmitting site, some one put on a recording of 'April Showers', pulled the big horn-shaped microphone close to the phonograph. An engineer threw the switch of the 250 watt reconditioned transmitter that DeForest himself had once used in some experiments, and WOR was on its way.

"In the first few months when the station's staff (all five of them!) learned that WOR had been heard in Staten Island, Asbury Park and Brooklyn, they were excited - and proud. They took a newspaper ad to tell the world about it.

"One of the engineers who helped put the station on the air that February 22 was J. R. Poppele, a young man, who had the title of 'assistant operator'. Two months later the chief engineer resigned; said he didn't think radio had any future. Poppele became chief engineer, a post he still holds. In twenty years he has seen radio find its future, has helped WOR grow from a 250 watt to the maximum power of 50,000 watts and a position as one of the nation's greatest stations."

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#### RADIOS VIEWED AS NECESSITIES

A reader of the New York Times, Mark Groskin, recently wrote to the editor of that paper:

"Now that curbs are being planned for all types of consumer goods, I believe it is not in the interest of national defense to limit by a planned scarcity the opportunity of our people to own more radios. This is the one best piece of small equipment to help in our national defense - which will be used in homes, factories, on farms, on ships, on trains, not for entertainment, but for keeping up our national morale, if or when air raid warning signals are sent out.

"We have already been instructed over the radio as to how to recognize air raid warning signals, and these practice tests go on regularly. We have also been instructed to keep our radios going if an air raid is on. How, then, can those who do not yet own a radio be warned and safeguarded if the very means to detect these air raid dangers are prohibited to them?"

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Read in Leonard Lyons column: "N.B.C.: Your rival chain, C.B.S., will try a television innovation next Friday. Linton Wells, the commentator, will conduct the new program-series."

Also, "Music Corporation of America: A large group of the artists whose contracts were transferred to you when the CBS Artists Bureau was disbanded, have organized to break their contracts."

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