

HEINL RADIO BUSINESS LETTER

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WASHINGTON, D. C.

NATIONAL BROADCASTING COMPANY, INC.
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No. 1436

June 9, 1942

BBC MAKES BIG STRIDES IN RECORDING WAR BROADCASTS

Now broadcasting in 40 languages, not counting English, Welsh and Gaelic, the British Broadcasting Corporation in its all-out war effort has been giving special attention to the recording of war broadcasts.

"The BBC Recording Service today has three main activities", it is officially explained. "The first is to record things which happen when listeners are asleep or at work, and to play them back when they are awake or at leisure. The second is to send out recording cars to bring back the voices and sounds which cannot be produced in the studio. The third activity is, for the benefit of posterity, to preserve in sound some of those things which characterize our life and times.

"In carrying out the first of these, the Recording Service played a valuable part in forging a closer link between Britain and the U.S.A. Divided from America not only by three thousand miles of sea but also by five hours of time, listeners in this country heard the reproduction from records of speeches by President Roosevelt which they would otherwise have heard only by getting up in the small hours. Millions of people in Britain enjoyed the weekly American Commentary and regarded the speakers as old friends.

"From other quarters too - from Chungking, from Bombay, from Cairo, from Moscow - a twenty-four hour recording service receives - and retains on steel tape, non-inflammable film, acetate disc, or wax record - a first-hand account of the war on Naziism.

"The BBC's own recordings, of which there are already over ten thousand, are supplemented by a hundred thousand commercial gramophone records. With the development of European and Overseas broadcasts these two collections of recordings doubled their scope and acquired new importance. The Recording Service may be asked to choose and despatch at short notice, to any part of the world, such varied material as recordings by Sarah Bernhardt or Woodrow Wilson, or eye-witness accounts of the Dreyfus trial, the eruption of Krakatoa, the arrest of Crippen, or the sinking of the "Titanic".

"Nor is the Recording Service solely dependent on these permanent recordings, nor yet on those made through the medium of the transatlantic telephone or short-wave transmissions from overseas. Its second main activity requires that a fleet of mobile recording units should be based not only in strategic points in Britain, but as far afield as Cairo, to bring back into the common pool stories of life and death from the various war zones.

"Recording is also one medium whereby the Dominion forces in Britain and the children evacuated overseas are able to keep in touch with their homes. 'Greetings from Cairo' and 'Children Calling Home' have taken the place of the field postcards of the war of 1914 to 1918, on which one had the option of saying 'I am well', or 'I am ill'.

"The third activity of the Recording Service - to preserve in sound the history of our times - may be thought the most important of all. Events move so swiftly nowadays that they soon become involved in an obscurity from which the historian can hardly disentangle them. A member of the Brains Trust, when asked at which of the great events in history he would most have liked to be present, chose the occasion of the death of Socrates and the discussion on the immortality of the soul which preceded it. There were no recording machines then, but we can promise that our children's children will, if they wish, hear the sound of the guns defending Moscow in 1941 or the voice of Winston Churchill challenging Nazi domination."

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IDAHO ALSO STACKS HIGH IN RADIO

The Census report shows Idaho homes as having a high proportion of radios:

OCCUPIED DWELLING UNITS WITH RADIO FOR STATE AND CITIES OF 25,000 OR MORE: 1940

(A dwelling unit was enumerated as "with radio" if it contained a usable radio set or one only temporarily out of repair)

Area - Idaho The State	Total	With Radio	No Radio	Not Reporting Radio
Total Dwelling Units (including urban)	141,727	118,824	18,697	4,206
Rural-nonfarm dwelling units	41,235	33,697	6,363	1,176
Rural-farm dwelling units	49,718	40,332	8,068	1,318
Boise City	7,866	6,984	504	378

A BROADCASTER WHO HAD TO BE COAXED INTO WHITE HOUSE

The presentation of the First Annual Atlass Scholarship for the outstanding radio student at Northwestern University last week brings to mind the fact that its donor, Ralph L. Atlass, head of WJJD, of Chicago, and WIND, Gary, Indiana, is probably one of the few broadcasters who didn't jump at his first chance to meet a President in the White House.

It was in the early days of radio when there was a regular receiving line each day at noon and it was customary for the Chief Executive to greet prominent visitors to the city. Calvin Coolidge was President when Mr. Atlass, then just getting his start in radio, made one of his first visits to Washington.

Thinking he would jump at the chance to meet the President, a friend made an appointment for the noon session that day at the White House for the young man from Chicago. To his amazement Mr. Atlass balked absolutely. "Why should a person as unimportant as I am take up the time of a man as busy as the President of the United States. I haven't anything in particular to talk to him about and I don't want to ask him to do anything for me."

It was explained to Mr. Atlass that those who visited the White House who didn't want anything were rare birds indeed, and were doubly welcome there. Accordingly, he was finally prevailed upon to go and had a pleasant and memorable chat with President Coolidge, despite the latter's reputation of not being much of a talker.

The First Annual Atlass Scholarship was won by Miss Vera Bantz, producer and announcer of the Northwestern U. Radio Play Shop. The presentation was made to Miss Bantz at the School of Speech honors banquet.

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DEINES, NEW G.E. RADIO AND TELEVISION AD MANAGER

Harry J. Deines has been appointed Advertising Manager of the General Electric Company's radio, television and electronics department.

Mr. Deines, who also becomes a member of General Electric's Advertising Committee, had been Manager of Advertising and Sales Promotion for the Receiver Division of the Radio and Television Department since December, 1940.

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UNLICENSED RADIO TRANSMITTER OWNERS MUST REGISTER

The Federal Communications Commission yesterday (Monday) ordered every one in possession of a radio transmitter, who does not hold a radio station license for its operation, to apply for registration not later than June 28, 1942.

Previously, the Defense Communications Board had issued an order in which it determined that the national security and defense and the successful conduct of the war demand that the Government have knowledge of all persons who possess apparatus equipped for the transmission of radio frequency energy.

By its requirement that all unlicensed radio transmitters be registered, the Federal Communications Commission has taken the necessary steps to ascertain the exact locations and amounts of all equipment of this kind in the country. Consequently, the Government will be in a position to take measures to prevent use of the equipment by enemy interests, and to determine its availability for our own war needs.

The Commission requires that a separate application must be made for each transmitter and that each application must be sent to the Secretary of the Commission in Washington, D. C. Application forms will be supplied by the Commission in Washington or by any of the Commission's thirty field offices throughout the country.

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AMATEURS MAY COME BACK FOR OCD WORK

The Amateur Rules of the Defense Communications Board - the rules to govern the limited operation of the amateurs in connection with Civilian Defense, will soon be issued by DCD and OCD, it was said at the Federal Communications Commission Monday.

According to Roy C. Corderman, Regional Coordinator for the American Radio Relay League in Washington, D. C., amateurs will be "permitted back on the air" in this connection. Their work was stopped at the beginning of the war.

Mr. Corderman estimated that at least 500 amateurs are in the District of Columbia area, many of them in Washington for war jobs. He predicted all would want to join in the new endeavor. Although no announcement of duties of the War Emergency Radio Service has been made, it is assumed the Office of Civilian Defense will put the members into special communications jobs.

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LIGHT BULB AND RADIO TUBE ANTI-TRUST CASE JUNE 22

Federal District Judge Phillip Forman at Trenton, N. J., Monday set June 22nd as the date to start trial of the Government's suits against 12 large companies accused of exercising monopolistic control of the electric light bulb and radio tube industry.

The Government seeks to void patent licensing agreements through which, it charges, the companies fixed prices, restrained production and exercised control over the business of domestic and foreign independent manufacturers.

General Electric Co., which the Government termed the dominating concern in the industry, heads the list of defendants. Others are the Corning Glass Works, the American Blank Co., Corning N.Y.; International General Electric Co., Inc., New York; the Westinghouse Electric and Manufacturing Co., Empire Machine Co., Portland, Me.; N. E. Phillips' Gloeilampenfabrieken, Dutch West Indies and New York; Consolidated Electric Lamp Co., Danvers, Mass.; Hygrade Sylvania Corp., Salem, Mass.; Ken-Rad Tube and Lamp Corp., Owensboro, Ky.; Chicago Miniature Lamp Works, Chicago, and Tung-Sol Lamp Works, Newark, N. J.

On April 11 the Westinghouse Company accepted a consent decree filed by the Government in which it accepted wide restraints sought by the Department of Justice.

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WHEN GENE McDONALD PULLED DOWN \$6 A WEEK

Few in the radio industry know that Commander E. F. McDonald, Jr., organized and was first President of the National Association of Broadcasters and still fewer know that he was a pioneer automobile mechanic and salesman.

"In the first place", according to a sketch of Commander McDonald which appears in the June 1 issue of Automotive News, "his first real job was with the H. H. Franklin Co., Syracuse, N.Y., which built that famous air-cooled motor car of the same name. But more about that later on. . . In the second place, he now is the manufacturer of the automobile radio with foot control, an innovation that car owners were just learning to appreciate when government stopped its production a few weeks ago.

"His automobile career goes back to 1906 when the Commander's father rented an old barn to H. H. Franklin to be used for the latter's automobile factory. . . Kid McDonald, given a chance to go to work, turned down an office job to go into the factory, pushing a 14-inch file through aluminum from 7 in the morning until 6 at night at the fabulous wage of \$6 a week. Then he tackled engine assembly, following which he became a road salesman for Franklin. . . In 1910 he went to Chicago with the Hanna self starter

and later, became interested in the electric business. . . Still automobile minded, in 1911 he originated an automobile time payment idea, which was built around buying Ford chassis and buying the bodies from body builders. Therefore, he says, he is the father of automobile time payments.

"After this, the restless Commander sought new worlds to conquer and in 1919 he became interested in the then infant Zenith Radio Corp., started in 1915. Three years later he took over the company and went in strong on pioneering the shortwave, for which he has been given due credit. . . He knew so much about the shortwave that in 1925 he went with Commander McMillan on an expedition to the Arctic Ocean to study the northern magnetic pole and its effect on radio, the educational effects of which are reflected in the development of shortwave."

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CALLS RADIO MUSIC DECADENT

Declaring that music is a spiritual lubricant which can do more to keep the people in good cheer in wartime than thousands of well chosen words, Henry Stoner of Barberton, Ohio, writes to the Washington Post:

"I do not believe our decadent radio music is representative of our great Nation. I do not believe that we are a nation of hill-billies, lullabyists, or college pep artists; but to listen to our radio music, one might get that impression. Our Nation is seething to go to work, to fight, to achieve victory. And our Nation demands the proper music.

"Talk about Congress being behind the public! I accuse the radio stations of being so far behind the public that they hardly know of its existence or present problems. We will in this Nation take these matters in hand if these recalcitrant radio bosses do not act on their own accord. Where there is power, there is duty; and when power is misused, that power is soon nationalized!"

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GERMANS LISTEN AT THEIR PERIL

A card, evidently brought back as a souvenir by some American who had been interned in Germany, and picked up by John Whitmore of WOR when the Drottningholm landed in New York, is of the kind that Germans must put on their radio receivers as a grim reminder not to listen to broadcasts from abroad. A hole in the center of the card is made to fit around a radio dial. A free translation:

THINK THIS OVER!

LISTENING IN ON FOREIGN BROADCASTS IS A CRIME AGAINST THE NATIONAL SECURITY OF OUR PEOPLE. BY ORDER OF THE FUHRER IT WILL BE PUNISHED BY A LONG PRISON TERM.

It is known that the Naxis also impose the death penalty for tuning to broadcasts from the United Nations.

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BROADCASTERS WELL ABLE TO PAY WAR TAX, SAY PRINTERS

Again lambasting the broadcasters, John B. Haggerty, President of the International Allied Printing Trades Association has addressed a strongly worded plea to the House Ways and Means Committee and Members of Congress once more urging a stiff war revenue tax on radio broadcasting. Arguing that many printers had been thrown out of work because of radio competition putting printed publications out of business, Mr. Haggerty has fought continuously for a high broadcasting tax.

Mr. Haggerty's letter just sent to Congress reads:

"The pending Revenue Bill, as reported in the press, indicates that many millions of wage workers and small business persons, those least able to pay, will be forced to accept substantial reductions in their living standards in order to help pay for our winning of the war. These conditions will be accepted by all true Americans, without much complaint, so long as those who are known to be well able to pay are taxed proportionately.

"Surely, something is wrong when we find a small group, well able to pay, exempt, so far, from taxes which the House of Representatives, upon recommendations of the Ways and Means Committee, voted last year. The same is true when we find that the Treasury Department has, as yet, failed to propose this year taxes of many millions of dollars, which were proposed last year, on those which the Treasury Department, after a study, had reported 'possess unusual tax-paying ability which, in view of the Government's present requirements, could properly be subject to special taxation.'

"The Treasury Department report to the Ways and Means Committee, further stated: 'The case for a special tax on radio broadcasting distinct from a tax on advertising, one medium of which is radio, is supported by several considerations. * * a franchise to operate a broadcasting station in any particular area carries with it a measure of monopolistic privilege and the opportunity for an extremely profitable investment. The principal operators in commercial broadcasting earn high rates of return on relatively small investments. They possess unusual tax-paying ability which, in view of the Government's present requirements, could properly be subject to special taxation. Radio broadcasting requires public regulation. Such regulation is provided at public expense, with great benefits to the industry, but without any special costs to that industry.'

"The undersigned, on behalf of some 200,000 highly skilled and organized workers, respectfully asks your consideration of the facts and your insistence that those who, as the Treasury Department report stated, 'possess unusual tax-paying ability, could properly be subject to special taxation', pay their proportionate share of the taxes to be imposed.

"We trust we will have your support and we will be able to report to our members in your District your favorable attitude toward our request."

Accompanying Mr. Haggerty's letter under a heading "Why Favor the Few and Tax the Many?" there is a presentation of statistics calculated to back up his argument that the broadcasting industry is able and should pay a high tax.

Among the documents cited is an extract from a letter, May 27, 1941, from Randolph E. Paul, Assistant to the Secretary of the Treasury, to John B. Haggerty, President, International Allied Printing Trades Association:

"The special tax to which you refer \$12,500,000 on radio networks and commercial stations was incorporated on the 1941 Revenue Bill by the Committee on Ways and Means on its own initiative. It was subsequently eliminated by the Senate Finance Committee, which requested the Treasury to make a careful study of this tax. The Treasury has been studying the proposed special tax as was indicated in the Secretary's letter to you of March 5, 1942, but has not yet concluded its investigation."

There is reprinted the CBS Consolidated Income Statement of May 13, 1942, with Mr. Haggerty adding this comment:

"The statement portrays the current radio networks net profits and merely illustrates the need for levying of substantial excise or franchise taxes, on these holders of governmental licenses free of any Government tax, if taxes are to be levied on ability to pay.

"This report indicates a net profit after payment of all taxes of some 684% on actual invested capital."

Mr. Haggerty concludes:

"Reports of the Federal Communications Commission reveal that of the total net broadcasting revenues of the entire industry, in 1939, not less than 93% was received by the 154 stations which had a gross income of more than \$150,000.

"Radio broadcasters secure entry into American homes through their dissemination of entertainment. All other purveyors of amusement are taxed on gross income. Radio broadcasters should not be exempt. Otherwise one disseminator of entertainment on a national scale unfairly escapes the payment of taxes payable by its competitors."

"Reports of the Federal Communications Commission show that the net profits of the two major networks, namely, National Broadcasting Company and the Columbia Broadcasting System amounted to \$59,509,349 for the years 1931-1940 inclusive. These figures are taken from the Federal Communications Commission Monopoly Investigating Committee's report, Volume 1 and 2, and reports of the Federal Communications Commission for the years 1939 and 1940. These net profits of \$59,509,349 for the ten year period yielded an average annual net profit for these two companies alone of \$5,950,934. The total combined investment in these two companies, on which these unusual earnings were made, was \$4,614,694. The

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total combined investment in these two companies, on which these unusual earnings were made, was \$4,614,694. The average annual net profits, after deduction of all operating costs, payment of Federal income and all other taxes, and including depreciation of \$10,182,021, were therefore some 129 percent.

"It should be added that the net profits for the years of 1936-1940 inclusive were much greater than those for the years of 1931-1935 inclusive. National Broadcasting Company and Columbia combined net profits increased from a total of \$19,017,613 in the first half of the ten year period to \$40,491,736 during the second half of the ten year period, an increase for the years 1936-1940 of 213 percent over the profits for the five year period 1931-1935 inclusive."

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TAKES AMERICAN TURNED NAZI BROADCASTER FOR RIDE

Dorothy Thompson, who evidently knows the gentleman well, has this to say about Bob Best, the American who is now broadcasting by short-wave to this country in behalf of Hitler:

"The other day I turned on the short-wave radio, and there was your voice, Bob Best; your voice, in the pay of Joe Goebbels, talking of all things under the sun, against the Jews.

"Some of your old friends over here are trying to find a way to explain you. Bill Shirer, for instance, says you are a traitor, which, of course, you are, and liable to be courtmartialed and shot. But he says it's because you stayed too long in Europe and went European. With all due respect to Bill, I think that is hooey. You went Nazi and going Nazi isn't going European as it is anti-American. * * * * *

"The truth is, Bob, that you remained after 20 years as intellectually lazy and just about as ignorant as you were when you arrived. You had a good break, too. You belonged to a great generation of American correspondents - the one that produced Gunther and Sheean, and Duranty and Bolitho and the Mowrer brothers and Raymond Gram Swing. They were loyal to one another and have remained friends for life. We heaped one another through emergencies, covered one another if we were ill or on vacation, tried to be truthful and objective, and felt in some way or other that it all mattered because we, too, like the diplomats, represented the United States. * * * *

"Not one of us ever turned against America. Only you, Bob Best. Well, it's not too great a loss, at that. * * *

"Maybe you remember telling an old friend of yours, just at the time of the Austrian Anschluss, 'If I ever come to America it will be in order to murder Roosevelt.' That's the President of the United States, Bob. Even if you don't like him.

"Well, Bob, we excommunicate you. Not one of us would ever speak to you or shake your hand again. We who say that we're the best friends you ever had. We mind about you because we mind about the profession of journalism and the honor of the foreign correspondent. And if you've got any of your old schoolbooks left, Bob Best, get out 'The Man Without a Country' and read it again. That's where you are, Bob. And though we despise you from the bottom of our hearts, that thought induces a certain contemptuous pity.

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The testimony of William S. Paley, President of the Columbia Broadcasting System, before the House Committee on Interstate and Foreign Commerce May 6th, has just been printed in pamphlet form. Copies may be had upon application to Columbia.

R. C. Patterson, Jr., former Vice-President of the National Broadcasting Company, has been mentioned as a Democratic possibility for the nomination of Lieutenant Governor of New York State.

Edgar Kobak, Executive Vice President of the Blue Network, addressed the graduates of the classes conducted by the New York Employing Printers' Association at exercises last night (Monday) in New York City.

Quarterly dividends on the outstanding shares of Radio Corporation of America \$3.50 First Preferred stock and outstanding shares of "B" Preferred stock, were announced by Maj. Gen. J. G. Harbord, Chairman of the Board.

The dividend on the First Preferred is 87½ cents per share, and the dividend on the "B" Preferred is \$1.25 per share. They are from April 1 to June 30, and will be paid on July 1.

It looks now as if Chairman James L. Fly of the Federal Communications Commission scheduled for Thursday may not testify before the House Interstate Commerce Committee before Friday. The Committee is considering the Sanders Bill for the reorganization of the FCC. This would make it appear that the hearings may run into next week as Commissioner T.A.M. Craven and several others will have to be heard after Mr. Fly.

Ralph S. Merkle, Commercial Engineer, Hygrade Sylvania Corporation, and Technical Editor of Sylvania News, has been commissioned First Lieutenant in the Co-ordination Branch of the U.S. Army Signal Corps.

Harry C. Butcher, CBS Washington Vice President, a Lieutenant Commander in the Naval Reserve, who has just reported for active duty, left a sign on his desk, according to Leonard Lyons, the columnist, reading, "Left With Loving Kindness for My Successor - H.C.B." Beneath that sign was a package of headache powders.

The FCC states its recent release regarding the completion date on permits of Balaban & Katz should have been shown as August 23, 1942, instead of May 25, 1943.

Allen Miller, former Radio Director of the University of Chicago will collaborate with Judith Waller, Public Service Director of the NBC Central Division, in a course on Public Service programs to be given as part of the NBC-Northwestern University's Summer Radio Institute, beginning June 22nd.

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The impending shakeup of the Government information agencies is expected to see the Propaganda Division of the Office of Coordinator of Information - which unit is a part of Col. "Bill" Donovan's Office of the Coordinator of Information, transferred to the Army. The Division itself is headed by Robert Sherwood, the playwright, and battles the Goebbels propaganda machine by answering the Axis via short-wave radio the world over.

After five years of short wave news and editorial comment to the people of France, Fernand Auberjonois, Chief of NBC's International French Division, will depart on leave of absence for duty in the Bureau of Psychological Warfare of the United States Army. He leaves his assistant, Georges Bernier, as acting head of the Division.

The contents of the June issue of Bell Laboratories Record includes: Transoceanic Telephone Cables, O. E. Buckley; Magnetic Fluxmeter, E. L. Norton, Lead Calcium Test Castings, G. M. Bouton; Portable Teletypewriter Equipment for Army; Factors Controlling Man-Made Radio Interference, R. A. Shetzline; Suppressing High-Frequency Disturbances from Telephone Apparatus, M. E. Krom; A Pilot-Channel Regulator for the K-1 Carrier System, J. H. Bollman.

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ASSERTS RADIO COULD DO TRANSOCEANIC JOB ALONE

Comparing communications in this war with the other great war, F. P. Guthrie, District Communications Manager of R.C.A. Communications, Inc., writes in the June issue of Relay, the company's family magazine:

"Those of us who participated in the First World War are able to sense a distinct difference between that war and the present one. In no part of the war effort is the difference more striking than in communications.

"Radio played an important part in the earlier war but there were not enough stations available, so that the Navy considered it necessary to spend millions of dollars to erect a more powerful radio station in France for use if other means of communication failed.

"Today, if transoceanic cables were cut, radio circuits would carry the load without faltering. We of RCAC are proud of the fact that our Company carries such a large share of the essential intelligence and that we stand ready to shoulder an increased burden."

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