

HEINL RADIO BUSINESS LETTER

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INDEX TO ISSUE OF JULY 10, 1942

JK

Knowlson, Just Promoted, To Go With Nelson To England.....	2
Radio Engineers Warned They Are Facing Smart Foes.....	3
Claude Mills Out Of ASCAP.....	5
NBC Committee Meets To Promote Radio's War Effort.....	5
More States Roll Up High Home Radio Percentages.....	6
Trade Notes.....	9
Notice Served That Record Making Ends July 31.....	10
Radio War Guide Suggests Relative Program Importance.....	11

No. 1445

KNOWLSON, JUST PROMOTED, TO GO WITH NELSON TO ENGLAND

Not only has Donald Nelson, supreme tops of the War Production, elevated his fellow Chicagoean, James S. Knowlson, former President of the Radio Manufacturers' Association, to a Vice-Chairmanship in the so-called "realignment" of the War Production Board but Mr. Nelson has selected Mr. Knowlson to accompany him on the important forthcoming trip of the WPB head to England to confer with Sir Oliver Lyttleton, British production head, who recently visited Washington. Messrs. Knowlson and Nelson will also meet in London with Philip D. Reed, former Chairman of General Electric until recently head of the WPB Bureau of Industry Branches, but now Mr. Nelson's representative on the newly created Anglo-American Production and Resources Board.

Thus honors came thick and fast to Mr. Knowlson, former President of the Stewart-Warner Company, who up to the time of Thursday's big shakeup was WPB Director of Industry Operations. In the new lineup there is now only one man ahead of him, except Mr. Nelson, and that is William L. Batt, former Director of the WPB Materials Division. Both Mr. Batt and Mr. Knowlson have been made Vice-Chairmen of the WPB and will rank in that order but the former will serve as "Chief of Staff".

Both Mr. Knowlson and Mr. Batt, on certain occasions, will be Mr. Nelson's stand-ins. Mr. Batt will function in his absence as WPB Chairman. Mr. Knowlson will be his alternate on the combined Production and Resources Board through which British and American economies are to be given strategic direction.

Upon Mr. Knowlson will devolve responsibility for channeling materials through factories that make necessary munitions and essential civilian goods. His activities will be in addordance with policy decisions approved by Mr. Nelson.

Mr. Knowlson will have responsibility for program determinations, will serve as Mr. Nelson's Deputy on the combined Production and Resources Board and will be Chairman of the Requirements Committee.

"Just as the program development work is brought under Mr. Knowlson", Mr. Nelson said, "all of the operational work - including the industry and material branches, appropriate bureaus, and the field organization - is brought together under a Director General of Operations. This post has been given to Amory Houghton, formerly Deputy Chief of the Bureau of Industry Branches, the Bureau formerly headed by Philip D. Reed.

"Thus the programs and policies governing the flow of materials which are worked out under Mr. Knowlson are put into operating units controlled by Mr. Houghton."

In addition to the two Vice Chairmen, two Deputy chairmanships were created by realignment. One of the Deputies will head the Smaller War Plants Corporation set up recently by Congress to help small enterprises to participate in military production or in phases of civilian manufacture.

The other Deputy will be assigned to watch the progress of war production, functioning as a kind of "inspector general" in checking on the whole production program to anticipate bottlenecks, to detect the causes of failure and to help see that remedies are applied.

Neither of the Deputies has been chosen, but will be soon, Mr. Nelson promised. He added that the corporation's personnel shortly will be selected, emphasizing that from now on industrial conversion will take place chiefly in small business.

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RADIO ENGINEERS WARNED THEY ARE FACING SMART FOES

That they will have to get up pretty early in the morning to get ahead of their enemies in this war was the warning of Paul V. Galvin, President of the Radio Manufacturers' Association addressing the Institute of Radio Engineers Convention in Cleveland last week.

"You fellows are up against some clever engineers in the radio and electronics field in both Germany and Japan", Mr. Galvin declared. "An examination of the technical literature will show you that; and the Nazis have turned out apparatus which will command your attention and challenge your ingenuity. I wonder, sometimes, if all of you engineers thoroughly realize the importance radio is destined to play in the winning of this war. The whole pattern of war tactics and strategy has been altered by the use of radio communication and radio direction finders. The coordination of land, air and sea forces is accomplished by radio. Protection from the enemy and firing accuracy is accomplished by radar. It has been said that, in the aerial battle for Britain in the Fall of 1940, radio direction finding apparatus, which we in this country call radar, was a prime contributing factor of the R. A. F. maintaining superiority in the air over the Nazis with a much smaller aggregation of flying equipment. You are alive, I am sure, to your war effort responsibilities, but I implore you to do more. You must do more. We all must do more if we are to win this war."

Mr. Galvin said the management group as a whole, in whose hands the war production effort of this radio industry has been entrusted, are fully conscious of their very serious responsibility in this program.

"They have stripped their plants for necessary action and are producing apparatus in huge quantities", the RMA head explained. "They realize they will be continuously pressed to do more and better. They are just now feeling the acceleration from their early efforts. They are prepared, and will meet the requirements and will beat schedules. I am fully confident that the radio industry will come through for the Army and Navy on every score. It is a big order, I know, when we realize the magnitude of this vast radio and radar program. But the radio manufacturers are used to 'licking' big problems. They know their problems in this war effort, and they will be solved. To you radio engineers who are 'in the groove' and making your grand contribution to this great effort toward our winning the war, 'Hats off to you and keep up the good work' - and that, I am glad to say, goes for most of you. To you few who are not yet 'in the groove' giving your very best and your all in this war effort, I say, 'Break that old mental bottleneck - dust off the cobwebs and get in there with some good intelligent licks.' Your brainstorm may be the 'rabbit out of the hat' that will make a most valuable contribution to this effort.

"Industry, by its deeds in the war effort, is standing the business 'balter' back on his heels. The critics of reputable business seem to have had a 'field-day' before the war. Today their demogoguery is being answered by action. The production job being done by industry in this war effort is a vindication of the private enterprise system. The public is, and will continue to be, very much impressed with the job industry is doing. These accomplishments of assembly, process, and method are all basically engineering. Let's be sure when these accomplishments have been recorded in history that the radio industry can proudly look back on its record.

"Yesterday morning I received a communication from James S. Knowlson, Director of the Division of Industry Operations of the War Production Board, Washington, D. C. In that communication I thought there was a paragraph that was of specific interest to the radio engineers, and I have 'lifted' that paragraph and am quoting it herewith:

"Of course, the radio industry has a tremendous job ahead and probably a good deal of grief because the art changes so rapidly it is hard to keep up with the requirements. Certainly, if necessity is the mother of invention, we are going to see a lot of new things in the radio and radar developments, and I imagine that when we go back to television we are going to find that most of the standards that have been made are obsolete. In the meantime, war production is the thing, and as you say, it looks like quite a job."

"Work hard during the war, fellows! Your fun is coming after the war is over. With all the new materials, new tubes, and new ideas developed during the war, you are going to have a picnic shaping them into playthings for commercial and civilian application. There will be no 'status quo ante bellum' for the radio engineer."

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CLAUDE MILLS OUT OF ASCAP

Following the retirement of Gene Buck as President about two months ago, E. C. Mills, ASCAP veteran, has resigned as Chairman of the Administrative Committee of that organization. The reasons for this are perhaps best told in Mr. Mills' own words:

"For the past three years, and particularly prior to the inception and during the progress of the controversy with the broadcasters, I have been completely at odds on policy and strategy with ASCAP's Board of Directors.

"It's better for ASCAP and better for me that I get out."

It was reported that in accepting the resignation of Mr. Mills, the ASCAP Board of Directors voted to pay him a year's salary \$35,000, providing he agreed to refrain from any action that might be inimical to the best interests of the Society. Also not to accept work in the performing rights field during the year's period.

Mr. Mills is a native of Denver, born in 1881. He participated in the purchase by RCA-NBC of a group of publishing firms which were merged into a subsidiary Radio Music, Inc. Later, Mr. Mills returned to ASCAP.

Mr. Mills was decorated as an Officer of the Academie Francaise, the Order of Merit (Rumania) and received the Panama Canal Gold Medal.

Mr. Mills has not announced his plans for the future.

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NBC COMMITTEE MEETS TO PROMOTE RADIO'S WAR EFFORT

The Planning and Advisory Committee of the National Broadcasting Company met in New York Thursday in its third conference of the year to promote cooperation of the network and affiliates in America's all-out war effort. Two of the principal questions to be discussed were concern furthering radio's participation in the war's prosecution, and methods of meeting acute shortages of men and materials in the face of an increasingly heavy war job.

Among Regional Chairmen meeting with the NBC network representatives were: Harry Stone, Station WSM, Nashville, Tenn.; Paul W. Morency, Station WTIC, Hartford, Conn., and James D. Shouse, Station WLW, Cincinnati, Ohio.

Niles Trammell, NBC President, headed the network's representation. Others were Frank E. Mullen, Vice-President and General Manager; William S. Hedges, Vice-President in Charge of Stations; Judge A. L. Ashby, Vice-President and General Counsel and Frank M. Russell, Vice-President in charge of NBC's Washington office.

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MORE STATES ROLL UP HIGH HOME RADIO PERCENTAGES

And still they come! The following additional States have been heard from in the home radio census:

OCCUPIED DWELLING UNITS WITH RADIO FOR STATE AND FOR
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 - <u>New Jersey</u> The State	Total	With Radio	No Radio	Not Reporting on Radio
Total Dwelling Units (including urban)	1,100,260	1,020,466	48,243	31,551
Rural-nonfarm dwelling units	167,675	152,297	11,158	4,220
Rural-farm dwelling units	32,948	28,117	3,970	861
Atlantic City	17,791	16,042	1,204	545
Bayonne	19,123	18,183	506	434
Belleville	7,221	6,840	180	201
Bloomfield	11,479	10,916	129	434
Camden	30,478	27,655	2,052	771
Clifton	13,125	12,651	239	235
East Orange	20,394	19,324	281	789
Elizabeth	27,980	26,243	975	762
Garfield	7,143	6,669	277	197
Hackensack	6,789	6,359	205	225
Hoboken	13,324	12,481	523	320
Irvington	15,995	15,388	184	423
Jersey City	79,684	74,915	2,688	2,081
Kearny	10,474	10,046	195	233
Montclair	10,305	9,591	225	489
Newark	112,194	101,157	6,035	5,002
New Brunswick	8,667	7,926	459	282
North Bergen township*	10,991	10,555	238	198
Orange	9,249	8,601	423	225
Passaic	16,025	14,917	954	154
Paterson	38,685	35,757	1,955	973
Perth Amboy	10,292	9,464	483	345
Plainfield	9,866	9,287	342	237
Teaneck township*	6,904	6,771	43	90
Trenton	29,594	27,154	1,493	947
Union City	16,767	15,769	576	422
West New York	11,403	10,950	221	232
West Orange	6,558	6,248	82	228
Woodbridge township*	6,477	5,884	338	255

* Urban by special rule

Area - <u>Virginia</u>	Total	With Radio	No Radio	Not Reporting On Radio
Total Dwelling Units (including urban)	627,532	409,978	200,900	16,654
Rural-nonfarm dwelling units	174,219	114,756	65,952	4,511
Rural-farm dwelling units	209,208	95,552	108,054	5,602
Alexandria	8,774	7,931	668	175
Bristol	2,356	1,902	389	65
Buena Vista	1,012	744	247	21
Charlottesville	5,269	4,034	1,016	219
Clifton Forge	1,628	1,410	197	21
Danville	8,311	5,936	2,231	144
Fredericksburg	2,594	2,331	190	73
Hampton	1,649	1,262	316	71
Harrisonburg	2,312	1,940	267	105
Hopewell	2,247	1,873	301	73
Lynchburg	11,428	8,795	2,357	276
Martinsville	2,315	1,655	576	84
Newport News	9,724	7,439	1,966	319
Norfolk	37,403	30,085	5,985	1,333
Petersburg	8,170	5,648	2,276	246
Portsmouth	13,225	10,200	2,564	461
Radford	1,701	1,429	253	19
Richmond	50,917	43,084	6,704	1,129
Roanoke	17,949	15,386	2,194	369
South Norfolk	2,038	1,604	365	69
Staunton	2,913	2,393	372	148
Suffolk	2,978	2,240	657	81
Williamsburg	679	576	89	14
Winchester	3,308	2,897	332	79

Area - <u>Wisconsin</u>				
Total Dwelling Units (including urban)	827,207	743,078	67,355	16,774
Rural-nonfarm dwelling units	161,089	140,321	17,571	3,197
Rural-farm dwelling units	202,887	165,075	33,707	4,105
Appleton	7,786	7,391	218	177
Beloit	7,383	6,926	326	131
Eau Claire	8,515	7,883	398	234
Fond du Lac	7,505	7,125	262	118
Green Bay	12,144	11,517	433	194
Kenosha	12,960	12,466	289	205
La Crosse	11,788	11,050	526	212
Madison	19,221	18,347	369	505
Milwaukee	164,335	156,662	4,578	3,095
Oshkosh	11,075	10,270	542	263
Racine	18,306	17,652	356	298
Sheboygan	11,092	10,504	327	261
Superior	9,644	8,979	463	202
Wausau	7,236	6,794	262	180
Wauwatosa	7,211	6,969	40	202
West Allis	9,570	9,318	131	121

Area - <u>Indiana</u>	Total	With Radio	No Radio	Not Reporting On Radio
Total Dwelling Units (Including urban)	961,498	826,603	110,444	24,451
Rural-nonfarm dwelling units	208,010	173,928	29,377	4,705
Rural-farm dwelling units	212,415	160,969	46,658	4,788
Anderson	12,412	11,376	591	445
East Chicago	13,169	12,072	773	324
Elkhart	9,800	9,216	342	242
Evansville	28,363	24,893	2,803	667
Fort Wayne	32,998	31,046	1,050	902
Gary	30,005	27,177	2,035	793
Hammond	18,432	17,402	483	547
Indianapolis	112,231	102,322	6,146	3,763
Kokomo	9,579	8,785	523	271
Lafayette	8,132	7,423	476	233
Marion	8,032	7,142	468	422
Michigan City	6,513	6,188	187	138
Misawaka	7,948	7,308	453	187
New Albany	7,547	6,537	738	272
Muncie	14,685	13,448	852	385
Richmond	10,191	9,396	510	285
South Bend	27,894	25,974	1,239	681
Terre Haute	19,654	17,189	2,052	413

Area - <u>South Carolina</u>				
Total Dwelling Units (including urban)	434,968	209,542	212,721	12,705
Rural-nonfarm dwelling units	126,119	73,498	49,078	3,543
Rural-farm dwelling units	185,346	55,525	124,088	5,733
Charleston	20,410	12,198	7,505	707
Columbia	15,363	10,767	4,097	499
Greenville	9,708	6,447	3,018	243
Spartanburg	8,326	5,858	2,218	250

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Addressing the House of Commons, Brendan Bracken, Minister of Information disclosed that Britain would spend about \$34,400,000 on propaganda at home and abroad during the current fiscal year, an increase of \$9,740,000 over last year.

Of the Information Ministry's budget \$16,000,000 was spent on publicity services with more than half of this going for overseas propaganda.

Defending the British Broadcasting Co., which has semi-independent status although government-supported, Mr. Bracken called it "the largest and most trusted broadcasting instrument in the world". He said it reaches 200,000,000 hearers a week.

"The Axis powers look upon it as a might enemy", he said.

"I don't want to manage the BBC, but I would be prepared to do so if it were ordered by the House", Mr. Bracken commented.

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 ::: TRADE NOTES :::
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Earl Godwin, ace Washington commentator, who was selected above all others to put on the forthcoming new Ford series of news broadcasts, dedicated his regular Thompson's Dairy broadcast in the Capital yesterday (Thursday) morning to Mrs. Frank M. Russell, wife of the vice President of the National Broadcasting Company in Washington.

It seems back in the old days when Mrs. Russell (then Miss Phoebe Gale) was handling publicity for NBC and WRC (and it has never been done better), Mr. Godwin was struggling along in the same organization with his early news broadcasts.

"Miss Gale was one of the first to help me get my program out of the basement", Mr. Godwin declared in appreciation.

 Stockholders of Hygrade Sylvania Corp. were asked in New York last Tuesday to consider a change in the corporate name to Sylvania Products, Inc., according to a special dispatch to the Washington Star. The proposal will be voted on at a special meeting of common stockholders called for July 21.

The change has already been approved by officers and directors. It will not affect basic operations or policies, but is described as a step in the company's long-term program in preparation for post-war developments.

 The three new members of the CBS Research and Sales Promotion Departments are Miss Betty Marks, Edward W. Side and Dr. Gerhard D. Wiebe. Miss Marks was formerly continuity head of WINS, Mr. Side, formerly production manager of the Blaker Advertising Agency, Inc., and Dr. Wiebe, comes to CBS from the Evaluation of School Broadcasts project of Ohio State University.

 The Commission en banc amended subsection (a)(2) of Section 2.53 of its General Rules and Regulations to read as follows:

"(2) In the case of two or more stations, except amateur and broadcast, licensed in the name of the same person to use frequencies above 30000 kilocycles only, a licensed radio operator of any class except amateur or holder of restricted radiotelephone or radiotelegraph operator permit who has the station within his effective control, may be on duty at any point within the communication range of such stations in lieu of the transmitter location or control point during the actual operation of the transmitting apparatus and shall supervise the emissions of all such stations so as to insure the proper operation in accordance with the station license."

 Lowell Thomas, the radio commentator, received \$95,645 in 1941 for his nightly 15-minute news broadcast sponsored by the Sun Oil Co., the firm's annual report filed in Philadelphia with the Securities and Exchange Commission disclosed Wednesday. The company also paid J. Howard Pew, President, and Joseph N. Pew, Jr., Vice President, \$63,385 each as annual salaries and J. Edgar Pew, Vice-President \$83,787.

NOTICE SERVED THAT RECORD MAKING ENDS JULY 31

In an effort to give more work to union musicians and to prevent broadcasting stations, restaurants and others from using records instead of "live musicians", James C. Petrillo, President of the American Federation of Musicians is now endeavoring to carry out his long threatened attempt to ban records. He has written a letter to the record manufacturers of the country that the members of his organization - numbering 150,000 musicians - will not make "records, electrical transcriptions or any other form of electrical reproduction of music" after July 31.

The manufacturers reply to this was that if they made records for home consumption only they would have no way of keeping broadcasting stations from using them. Mr. Petrillo declared they would have to find a way.

He estimated that the members of his organization received about \$3,000,000 a year in royalties from recordings, but that they "lost" \$100,000,000 annually as a result of the reduced employment opportunities caused by the availability of "canned music" in establishments that would otherwise employ union musicians.

"There are 800 radio stations in the United States and Canada", Mr. Petrillo said, "and 550 of them have no live music. They just use canned music twenty-four hours a day. There is a question of who survives - we or they. If the stations can't get records and won't hire live bands, that will be their funeral, not ours",

Referring to Mr. Petrillo's demands, the New York Times said editorially:

"We need not waste too much time on the economic reasoning by which Mr. Petrillo defends this high-handed action. He is evidently under the impression that if he forbids radio stations and restaurants to use records they will have to use orchestras and bands. He is mistaken. The net result will be simply that the public will hear less music. The small radio stations and restaurants would not be able to afford it. To the extent that the public is forced to spend money to make such arbitrarily created jobs for musicians, moreover, it will have just that much less to spend in ways that create other kinds of jobs.

"If Mr. Petrillo is right and justified in putting a ban on records 'to make more work' for 'live' musicians, then stage performers would be justified in putting a ban on motion pictures in the hope that it would make more work for 'live' actors, and the railroad and taxicab unions would be justified in putting a ban on telephone calls that saved people from actually going uptown or to Chicago.

"Even if Mr. Petrillo's economics were not fantastic, it is intolerable that a labor leader should dictate to the American people what kind of music it shall and shall not hear. But if we need to waste little time in exposing the nonsense in Mr. Petrillo's economics, we should waste less in denouncing Mr. Petrillo as an individual. It is much more important to remind ourselves that it is our political muddle-headedness and spinelessness that have made the Petrillo type of dictator possible. He is possible because the Administration and Congress and the Supreme Court among them have held that labor unions are immune from the laws against restraint of trade. Mr. Petrillo's latest ukase is the perfect fruit of that immunity."

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RADIO WAR GUIDE SUGGESTS RELATIVE PROGRAM IMPORTANCE

Suggestions to help broadcasters understand the relative programming importance of factual war information and general program ideas are continued in the second issue of the Radio War Guide published by the Office of Facts and Figures which has now been absorbed by the Office of War Information.

Explaining what factual war information consists of and how it might be used, the War Guide says:

"On an accompanying chart are the current rankings of the thirty-odd specific subjects on which Government departments or agencies are sending you announcements, transcriptions, scripts, etc., at the present time. In greater or lesser degree, all of these are related to the War effort. It has not been possible to include War information subjects issued by private organizations - however worthy.

"The Office of War Information, serving as the coordinating agency, has met with the Information departments of the Government to determine the relative radio importance of these War information subjects. These rankings are of course temporary.

"The time and types of programs and spots available for Government messages vary from station to station. We have no intention of telling you when, where, or how to space these. However, we have indicated in the headings of the various classifications the relative proportion of emphasis which each deserves in the War effort."

Under the heading of general program ideas are the following suggestions:

"Many stations have developed programs based on the six basic themes contained in the speech of the President on January 6, 1942. OWI appreciates the efforts of local stations to further the understanding of these problems and urges their continued treatment. The themes are:

7/10/42

- "1. THE ISSUES - What we are fighting for . . . Why we fight.
- "2. THE ENEMY - The nature of our adversary . . . Whom we fight
- "3. THE UNITED NATIONS AND PEOPLES - Our brothers-in-arms. . .
With whom we are allied in fighting.
- "4. WORK AND PRODUCTION - The war at home . . . How each of
us can fight.
- "5. SACRIFICE - What we must give up to win the fight.
- "6. THE FIGHTING FORCES - The job of the fighting man at the
front.

"Two of the most vital of the basic themes, however, have not received full radio treatment: The Issues and The United Nations and Peoples".

An "Anti-Inflation" Program is suggested and suggested that it be presented under the headings - "The Problem", "What Can Be Done To Stop It", the latter carrying a seven-point plan as to how to do this. Explaining the need for presenting the Anti-Inflation Program via radio, the Guide states:

"This seven-point plan will work only if the American people are willing to accept the sacrifices it entails. We know that radio will, as usual, accept the responsibility of clarifying those of the seven points which it is capable of handling.

"Specifically, Radio can help in the anti-inflation drive by telling people:

"In general, what they should know.
Specifically, what they can do."

Finally the Guide tells how different types of radio programs can bring home the seven-point plan to the people by suggesting a few general "springboard" ideas for different types of programs, namely - Forums, Roundtables, and Discussions; Consumer, Farm and Women's Programs, and Dramatic Programs.

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The WCAU Broadcasting Company, Philadelphia, Pa. has been designated for a hearing for new television (commercial) station to operate on Channel No. 5, 84,000-90,000 kilocycles, ESR 1128.

The Hughes Productions Co. of San Francisco, Cal., has been denied petition to grant application to convert outstanding construction permit into commercial television station, and designated application for hearing.

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