

# HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.

---

## INDEX TO ISSUE OF JULY 17, 1942

Big Materials Savings In Set Making Curtailment.....	2
WRVA, Richmond, Among Best Heard In Hawaii.....	3
College President New Head Of Monitoring Service.....	4
Operator Shortage Forces Station Off Air.....	4
All Out Fight On Petrillo; NBC Strike Looms.....	5
PM Calls WOV Bid Fascist.....	7
Farnsworth Gets Loan.....	7
Copyright Broadcast Infringes Though Sustaining.....	8
Communications And Radio Listed As Essential.....	8
Japs Put On Listening Defense Week.....	9
Trade Notes.....	10
Arnold Defines ASCAP "Gratuitous" License Position.....	12

No. 1447

*OK*  
NATIONAL BROADCASTING COMPANY, INC.  
GENERAL LIBRARY  
30 ROCKEFELLER PLAZA, NEW YORK, N. Y.

Not Released for Publication  
Until Sunday morning, July 19

## BIG MATERIALS SAVINGS IN SET MAKING CURTAILMENT

The annual savings of critical materials as a result of currying off the manufacturing of radio sets are expected by the War Production Board to include 70,000 tons of steel, 10,500 tons of copper, 2,100 tons of aluminum and 280 tons of nickel. The home radio industry consisted of 55 companies with 30,000 employees which did a business last year of \$240,000,000. Approximately 95 percent of the plants are expected to be able to convert to the production of radio and communication equipment for the armed forces, with contracts expected to total more than twice as much as the industry's total civilian business in its peak year.

The cut-off date for the manufacture of radio sets was April 22, though a number of appeals were granted which continued civilian production several weeks longer. This was the second largest of the consumer durable goods industries.

In the largest of all the durable goods industries, domestic mechanical refrigerators, there was likewise a great saving of critical materials, WPB reports. In 1941 it produced 3,700,000 refrigerators with a factory sales value of \$280,000,000. The stop-production order will result in annual savings of 375,000 tons of steel, 18,000 tons of copper, 18,000 tons of aluminum, 4,300 tons of rubber, 250 tons of nickel, 850 tons of tin, 2,400 tons of zinc, 450 tons of lead, and 5,000 tons of plastics. In addition the entire production capacities of the industry will be converted to war work. The industry consists of 20 companies with some 36,000 employees. In fact, war contracts are expected to run between \$500,000,000 and \$750,000,000 annually. By September of this year the industry is expected to have 36,000 employees engaged in war work the same as its peak peace-time activity. By April of 1943 this is expected to be increased to 70,000 employees. Airplane parts and assemblies, and ordnance are among the war weapons already being manufactured in the former refrigerator plants.

In the musical instruments industry the cut-off order affected practically all instruments except violins, cellos and some guitars. The order will result in an annual saving of 1,183 tons of brass, 12,210 tons of iron, 636 tons of copper, 176 tons of lead, 3,934 tons of steel, 19 tons of tin, 535 tons of zinc, and 69 tons of nickel silver.

The industry consists of 255 firms employing 22,000 persons which did a business in 1941 of \$57,000,000. It is estimated

7/17/42

that approximately 70 percent of the industry will be converted to war production. The industry that formerly produced pianos, trombones, etc. will make a long list of war weapons, including wooden airplane parts, propellers, assault boats, radio transmitter equipment, air training equipment gyro horizon indicators, altimeters, pilot lamp assemblies and binnacles.

The total civilian products cut-off were manufactured in some 28,000 plants located in all parts of the country in which were employed some 1,500,000 workers. The factory sales value of the civilian products manufactured in these plants last year was approximately \$3,800,000,000.

Several million tons of steel, copper, brass, aluminum, rubber, plastics and other materials were consumed annually in the production of these civilian products.

Now, concludes the WPB Bulletin, the bulk of that material will be saved for use in the war program. In fact, the same factories that formerly used these metals in the manufacture of refrigerators, radios, washing machines, and the like, are now using the same materials, the same tools, and the same workers to make guns, airplane parts, tank parts and many other weapons of war. Many of the plants are already turning out a greater volume of war weapons than their peak production of civilian goods.

X X X X X X X X X X

#### WRVA, RICHMOND, AMONG BEST HEARD IN HAWAII

A special "Salute to Oahu" program was broadcast 1:05-2 A.M. last Monday by Station WRVA, Richmond, Va., to U. S. troops serving on Oahu, principal island of the Hawaiian group.

"Angle on the show is that because of some unexplained cosmic quirk, the WRVA signal is one of the most clearly receivable in Hawaii from the mainland, so the troops there spend regular hours listening to the WRVA programs", a dispatch to Variety from Richmond reads.

"Although it's not known how many (if any) of the troops in Hawaii are from Virginia, Governor Colgate W. Darden appeared on the show to address the men as 'temporary sons of the Old Dominion'. Maj. Gen. Joseph A. Green, commander of the anti-aircraft headquarters in Richmond and the highest ranking officer in the Richmond area, also participated in the broadcast. Others were Sunshine Sue's Rangers, Barry McKinley and Caroline Buie, Wilson Angel, Marjorie Hatfield, Bert Rapine's orchestra and saxophone group, and one of the WRVA studio secretaries, whose sweetheart is a Lieutenant, stationed somewhere in the Pacific with the Army."

X X X X X X X X X



## COLLEGE PRESIDENT NEW HEAD OF MONITORING SERVICE

Robert Devore Leigh has been appointed Director of the Foreign Broadcast Monitoring Service of the Federal Communications Commission to fill the vacancy due to entrance into the Army of Lloyd A. Free. Mr. Leigh will be in active charge of supervising the translating, digesting, and analysis of foreign short-wave broadcasts, monitored by the FCC for the official use of the United States Government. In his work in political science, Mr. Leigh has become well versed in foreign affairs.

Mr. Leigh has been a Special Advisor on education, social services and research for the National Resources Planning Board up to the time of his appointment for the present post. The new FBMS Director was the first and organizing President (1928-41) of Bennington College, Bennington, Vt., which it is said is recognized among the foremost of progressive women's colleges in the nation. In addition, Mr. Leigh was a member of the Institute for Advanced Study, Princeton, N. J. (1941); Acting Dean of Bard College, Annandale-on-Hudson, N.Y. (Columbia University) in 1939 on leave of absence from Bennington to recommend reorganization of the college; was the Hepburn Professor of Government, Williams College, Williamstown, Mass. (1922-28); member of Columbia University faculty (1920-22); Assistant Professor of Government, Reed College, Portland, Ore. (1915-18).

He holds the following degrees: A.B. summa cum laude, and LL.B. from Bowdoin College; A.M. and Ph. D from Columbia University and LL.D. from Colgate. Mr. Leigh was born in Nelson, Nebraska, September 13, 1890; is married and has two daughters.

X X X X X X X

## OPERATOR SHORTAGE FORCES STATION OFF AIR

The shortage of radio operating and engineering personnel and equipment has forced off the air Station KFPL, at Dublin, Tex., according to the Federal Communications Commission. The station has been on the air since April 8, 1924, before the creation of the Federal Radio Commission, which preceded the present Commission.

The FCC at its meeting this week authorized the station to cancel its license and remove its call letters from the records. The action was taken on the request of the licensee, who said he was unable to obtain engineers, operators and equipment to keep the station on the air. This is the first station to have its license canceled because of war pressure on personnel.

X X X X X X X X



## ALL OUT FIGHT ON PETRILLO; NBC STRIKE LOOMS

It looks at this writing as if James C. Petrillo, President of the American Federation of Musicians will play what he evidently believes to be his trump card and will call out NBC studio musicians in local "remote" dance band programs in New York tonight (Friday) in order to bring to a head a fight between the Union and KSTP, NBC's outlet in St. Paul. KSTP, after meeting a wage and personnel quota increase, is reported to be fighting a Union demand that any musician it employs for thirty days must be guaranteed a year's work. Mr. Petrillo's aim in ordering a cancellation of New York studio programs fed to the network evidently would be to bring pressure on NBC to cut KSTP off the network.

The programs the Union says it will keep off the air after midnight tonight ordinarily go to KSTP and are Richard Himber's Orchestra from Essex House and later Teddy Powell's Orchestra. It is believed that NBC will not be so quick about cutting off KSTP. While the NBC has announced no plans for such a contingency, it is known that it would hesitate over such a step as a matter of principle and also on the ground that to refuse service to KSTP would represent a breach of contract with the station.

The demand involving the KSTP fight is the third which Mr. Petrillo has made within the week affecting the broadcasting industry. The first was his ban on Union musicians making records after July 31st, and the second the crackdown on broadcasts by the High School orchestra at the Interlochen School of Music.

At a meeting of the Board of Directors of the National Association of Broadcasters in Chicago earlier in the week, Neville Miller, President of the organization, asked Mr. Petrillo to call off his order on making recordings for radio, juke boxes, and other public reproducing devices.

A statement of the NAB Board of Directors presented by Mr. Miller follows:

"James C. Petrillo, President of the American Federation of Musicians, has instructed all musicians who are members of his union to stop making phonograph records and other types of recordings after July 31. Mr. Petrillo's order will affect all Americans who listen to music, and it will have a very serious effect upon the broadcasting industry. The broadcasting industry does not employ musicians to make records, and the musicians it employs are engaged on union terms.

"As the result of a series of great inventions, Americans, wherever they live, have become accustomed to the best in entertainment. The radio, the moving picture and the phonograph bring the great artists to the smallest village as well as to our large centers of population. Mr. Petrillo's order amounts to a statement that only those people who live in large cities, and who

can afford to see the great artists in person, are entitled to enjoy their performances.

"Hundreds of broadcasting stations are located far from the centers of population at which an ample supply of the best in musical talent is available. Even if these stations could afford to hire more musicians than they now do, the limited amount of talent which would be available to them could not compete for public favor with the great popular and classical orchestras. If Mr. Petrillo can make his order effective, hundreds of broadcasting stations, which are necessary in the public interest and for the national defense, will have their usefulness to the public greatly curtailed.

"Mr. Petrillo is mistaken if he thinks that his order will bring more employment to musicians. All that it means is that millions of people will hear less music. Even if Mr. Petrillo's theory were correct, his order, at this time, would be not only arbitrary and illegal, but unpatriotic. Music plays a vital part in war morale. This is no time to destroy the phonograph record and the electrical transcription which bring the best in music to the people of the United States. This is no time to have any part of the nation's manpower engaged in the performance of artificially-created tasks. This is no time to try to abolish one of the world's great inventions.

"Radio employs thousands of musicians. Millions of dollars are paid annually to musicians to make recordings. We call upon the members of Mr. Petrillo's union and on Mr. Petrillo himself, in the interests of the war effort and in the best interests of the American Federation of Musicians, to reconsider the course of action which has been proposed."

The Broadcasters Victory Council also meeting in Chicago, lost no time lining up behind the NAB Directors and supporting its stand.

The Victory Council, composed of representatives of several broadcaster organizations, serves as a liaison between the radio industry and the Federal Communications Commission and the Board of War Communications.

Representatives of the N.A.B., the Frequency Modulation Broadcasters, Inc., the Clear Channel Group, Network Affiliates, Inc., and the National Independent Broadcasters were at the meeting.

It has been reported that the broadcasters would welcome an opportunity for a showdown fight with the union and that the recording companies are piling up a backlog of records for future release.

Also the juke-box people are said to be well fortified with a reserve supply. One report is that they have more than a million records on hand.

One prediction was that Petrillo might extend the date to end record making from July 31 to August 31.

X X X X X X X X X X



## PM CALLS WOV BID FASCIST

The Federal Communications Commission last Wednesday designated for hearing the application for transfer of control of Station WOV in New York from Arde Bulova and Harry D. Henshell to Messrs. Murray and Meyer Mester.

Headed "Stop That Sale", PM, Marshall Field's New York newspaper had previously carried the following editorial

"The keystone of the Federal Communications Act is that radio should be regulated to serve best 'the public interest, convenience and necessity'. This means that the FCC can take but one action in the proposed transfer of WOV to Murray and Meyer Mester of Brooklyn - throw it out as long as a man like Andrea Luotto is connected with the proposed operation of the station or the application.

"The Mesters are in the cooking oil business, manufacturing and distributing Balbo oil, named for Italo Balbo, for years Italy's No. 1 Fascist. The Mesters, presumably, are not experts in the radio business, but their advertising agent, Andrea Luotto is. You can read about Luotto, his friends and his political associations on this page.

"Obviously, Luotto is no man to run an American radio station, especially a station catering to the largest Italian-American audience in the U.S.A. Regardless of his attitude today, no man with his pre-Pearl Harbor inclinations should be given control of so important a medium as a radio station - J.F."

X X X X X X X X

## FARNSWORTH GETS LOAN

The Farnsworth Television and Radio Corporation has entered into a credit agreement with the Bankers Trust Company in New York under which the company may borrow up to \$5,000,000 at 4 percent until April 30, 1943, when the credit and all notes and obligations outstanding under the credit will mature. At June 24 the company had borrowed \$1,405,287 under this credit.

The company has assigned as collateral for the bank loans all accounts receivable or to become due under war production contracts and has agreed that it will not allow its consolidated net quick assets to fall below \$1,250,000, pay or declare any dividends except stock dividends, purchase or retire any of its stock or make any other distribution to its stockholders, merge into or consolidate with any other corporation, nor spend more than \$250,000 for additional plant facilities.

X X X X X X X X X X



7/17/42

## COPYRIGHT BROADCAST INFRINGES THOUGH SUSTAINING

The broadcasting of copyrighted music without permission, by a radio station which accepts advertising accounts, constitutes a "performance for profit" of the music, and is an infringement of the rights of the copyright owner, Federal Judge Alfred C. Cox ruled in New York Thursday. He granted summary judgment to Associated Music Publishers, Inc., which had sued Debs Memorial Radio Fund, Inc., operator of Station WEVD and Henry Greenfield, Manager of the station.

The suit was based on the broadcast over WEVD of a Columbia phonograph recording of "Noche de Arabia", part of a symphonic work of the Spanish composer, E. F. Arbos. In contesting the suit, the defendants set forth that the station is operated on a non-profit basis, its deficits being made up by the Forward Association, an educational organization. Further, it was argued, the record was played in the course of a "sustaining" program, as distinguished from a commercial one for which an advertiser would pay.

Remarking that the only available figures indicated that 37 per cent of WEVD's time on the air produces revenue, Judge Cox wrote in his opinion:

"Sustaining programs are necessary in the business of broadcasting even though they bring in no direct revenue; they help build up listener appeal and in that way provide an inducement to advertisers. I do not think therefore that sustaining programs can be separated from the commercial program in determining whether a broadcast is for profit."

"The station (WEVD) is operated in much the same way as a commercial station, and I can see no good reason why it should be shielded from copyright infringement in so far as sustaining programs are concerned", he added.

X X X X X X X X X X

## COMMUNICATIONS AND RADIO LISTED AS ESSENTIAL

A list of 34 essential activities issued this week by the National Selective Service Headquarters, in one of which a man must be employed to merit occupational deferment, included "Communications services". This, it was explained, included telephone, telegraph, newspapers, radio broadcasting and television services and the repair of their facilities.

X X X X X X X X X X

7/17/42

## JAPS PUT ON LISTENING DEFENSE WEEK

Japanese domestic radio broadcasts recorded this week by U. S. government listening posts, announced that Japan this week is observing "Listening Defense Week", a campaign warning the population against spies and "enemy" propaganda.

The campaign was organized by the Imperial Rule Assistance Association. The broadcasts gave further indication of the disorders resulting from the U. S. Army Air Force's raid over Tokyo.

The Tokyo radio announcement said: "We start today 'Listening Defense Week' during which every Japanese must self-examine and warn himself against enemy propaganda. The employees of the foreign companies are often paid for secrets, or even when they are unwilling they are victimized. Sometimes they sell their nation, as well as themselves and their families, because of their wrong concept of white-worship. We often see such pitiful examples. The hoarding of commodities, or the buying of an entire stock, or the distribution of lies caused by enemy air raids, often is caused by the spies."

Tejiro Arima of the Japanese Education Ministry said in a broadcast: "It is the duty of everyone to fight against giving information to spies. It is not only in industrial plants that care should be exercised. Publications by foreign writers should be especially guarded against."

Another Japanese broadcast said: "When we had a raid over the capital city, there were many rumors spread. The Japanese people would believe such rumors without further consideration. This is acting as if we are losing the war, while the true fact is that we are winning the war in actual combat. Such propaganda originates among loafers or through foreign printed matter. The enemy might plant anti-war sentiment or anti-military sentiment for by doing so the enemy intends to create anti-nationalistic sentiment."

X X X X X X X X X X

The contents of the Bell Laboratories Record for July includes: "Determining Color in Telephone Cable", C. T. Wyman; "Automatic Production of Oscillator Scales", T. Slonczewski; "Repeater for Submarine Telephone Cable"; "Using Less Tin in Cable Joining", J. T. Lowe; "Thickness of Aluminum Oxide Coatings"; "A grounded-Plate Amplifier for the F-M Transmitter", A. A. Skene.

X X X X X X X X X X



:::  
 ::: TRADE NOTES :::  
 :::

In view of the Japanese landing in the Aleutians, the Board of War Communications has authorized the War Department to use, control or close stations and facilities for wire or radio communication in Alaska.

-----  
 A rare thing since the war began the Federal Communications Commission has announced proposed grant of a construction permit to Northeastern Pennsylvania Broadcasters, Inc., for a new local station to operate on 1240 kc., with 100 watts power. Mutually exclusive applications by Wilkes-Barre Broadcasting Corporation, Central Broadcasting Company and Key Broadcasters, Inc., for the same facilities were denied. The frequency 1240 kc. is now being used by Station WBAX, which has been operating under a temporary license since the Commission denied application for renewal.

-----  
 Clarence L. Menser, National Program Manager of the National Broadcasting Company, has been elected to the post of Vice-President in charge of programs. In his new post, Mr. Menser will devote his extensive experience in radio to the direction and supervision of all NBC programs, now dedicated to the task of helping the United Nations win the war.

-----  
 Henry A. Arnold, new Vice President of the International Telephone and Telegraph Corporation will have his headquarters in Buenos Aires and will have supervisory charge of the principal I. T. & T. South American operating properties. He recently arrived in New York from Chile where he has been Vice President and General Manager of the Chile Telephone Company, a subsidiary of I. T. & T., and will return in the near future to South America to take up his new duties.

-----  
 Station W69PH, WCAU Broadcasting Co., Philadelphia, Pa. has been granted an application for a new FM station, which is in effect reinstatement of its construction permit calling for 46900 kilocycles; 9,300 square miles.

-----  
 Entering the advertising field, Al Nelson, formerly Assistant Vice President of the National Broadcasting Company and General Manager of KPO and KGO, will be the President and directing head of "A. E. Nelson Company", with offices in San Francisco's newest office building, 300 Montgomery Street.

-----  
 "Ear-Witness", a brief reminiscence by L. M. Masius, Executive Vice-President of Lord & Thomas, of radio's vital service in the crucial hours when Britain passed from peace to all-out war, has been published by the National Broadcasting Company.

-----  
 Owners of radio telephones were asked by the Navy recently to offer their sets for sale for use aboard ships engaged against sea raiders on the Atlantic Coast.



7/17/42

Assuring radio clients and advertising agencies that NBC contemplates no general rate increase during 1942, Roy C. Witmer, Vice President in Charge of Sales, has given notification that the National Broadcasting Company is at work on a plan for full-network broadcasts of commercial shows "at comparatively low cost".

-----  
WGRC, Northside Broadcasting Corp., New Albany, Ind., has been denied petition for grant of its application for construction permit to operate on 790 kilocycles, 1 kilowatt, unlimited time, directional antenna.

-----  
Installation of telegraph, telephone or radio facilities at the new Garden State Racing Association track near Camden has been banned by the War Production Board, the Associated Press reports. Gerard Mullin, manager of general accounts of the company, said application for the erection of wires to the track had been made, but turned down by the WPB.

-----  
The Office of War Information will open a branch in London; Archibald MacLeish will go to England to study its requirements.

The new American information bureau in London will be constructed around the staff of confidential information gatherers sent abroad last year by Robert Sherwood, head of the Overseas Branch of OWI to supply him with reports useful for short-wave propaganda programs beamed to foreign countries.

-----  
The slogan "TNT - TODAY NOT TOMORROW" is that of Westinghouse Electric and Manufacturing Company, Canton, Ohio.

-----  
Richard L. Linkroum, Program Director of WJSV, CBS Washington station, received his papers last week as Ensign in the Navy. He is the 20th member of the WJSV staff to join the U.S. armed forces. Others are Robert Baker, William F. Betts, Harry C. Butcher, Lloyd Dennis, Gerald Fordon, Paul Green, John Hardesty, Lawrence Holt, James Hurlbut, Andrew Massey, John P. Moore, Charles M. Parker, Stanton R. Prentiss, Donald H. Saunders, Alan P. Smith, Thomas Tait, Leonard Thomas, Albert Warner and Woodward H. Warrick.

-----  
Larry Hammond of the Overseas Branch of the Office of War Information in New York City will be the Radio Director in Washington of the Information Division under Raymond Rubicam of Paul V. McNutt's War Manpower Commission.

-----  
Blonde Katherine Gaston Vernon, 25-year-old script writer and women's program commentator at Station WROL, Knoxville, Tenn., reports July 20th at the WAAC's training center, Des Moines, Ia., as the first woman from an NBC network station, probably the first from radio, to join the Army Auxiliary Corps.

X X X X X X X X X X

7/17/42

## ARNOLD DEFINES ASCAP "GRATUITOUS LICENSE" POSITION

According to Robert L. Murray, Director of Public Relations of the American Society of Composers, on numerous occasions during the past two months various publications have asked the American Society of Composers, Authors and Publishers to make some statement defining the Society's position in connection with certain questions relating to the granting of "gratuitous" licenses by members of the Society.

"Inasmuch as the Society is operating under a consent decree, our invariable answer to these requests has been that any statement concerning this situation must come from the Department of Justice, and it would be in bad taste for the Society to first present its position through the press", he states.

"An authoritative statement clarifying these issues can now be made in accordance with the ethics expressed by our original stand. We therefore present without comment a letter from Thurman Arnold, Assistant Attorney General of the United States, dated July 13, 1942, which we believe clarifies this issue." The letter follows:

"This acknowledges receipt of your letter of July 2, 1942, with reference to difficulties existing between the American Society of Composers, Authors and Publishers and certain of its members in connection with 'gratuitous' licensing.

"The Department's position in this matter was set out fully in letters to Mr. John G. Paine, General Manager of ASCAP, dated May 16th and June 22nd, and to Mr. Herman Finkelstein, counsel, dated June 22nd. Your letter indicates that you are familiar with the contents of these prior communications and agree with the Government's construction of 'gratuitous' licensing by members, therein discussed.

"The decree permits a member of ASCAP to issue a 'gratuitous' license to a user. However, such arrangement must be made between the member and user without aid or inducement from any third party. Any attempt by BMI to induce an ASCAP member to issue such a license, by whatever means, would violate the express terms of the decree. It was not the purpose of the decree to enlarge the BMI catalog at the expense of ASCAP. The purpose was to foster competition between the two organizations for the benefit of users."

X X X X X X X X X X X X