

HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.

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

INDEX TO ISSUE OF JULY 28, 1942.

Radios Now In 82% Or 28,052,160 U.S. Homes.....	2
Japs Hamstring Filipino Radio.....	3
Non-Radio Newspapers Hammer Petrillo.....	4
FCC Evidently Looks To Court To Stop Petrillo.....	6
Senate Burns At Radio And Press Panning Congress.....	7
U.S. Puts Curb On Private Radiophone.....	9
Charges Navy Opposes International Telegraph Merger.....	10
Trade Notes.....	11
First Wartime Six Months Shows 24% Sponsor Increase.....	12

No. 1450

OK

July 28, 1942.

RADIOS NOW IN 82% OR 28,052,160 U.S. HOMES

The number of homes in the United States with a radio more than doubled between 1930 and 1940, according to data from the 1940 Census of Housing released today (Tuesday) by Director J. C. Copt of the Bureau of the Census, Department of Commerce. Radios were reported in 28,052,160 occupied dwelling units in 1940, or 82.8 percent of the number reporting on this item, as contrasted with 12,048,762, or 40.3 percent of all homes in 1930. The proportion of homes with a radio in 1940 was highest in the urban areas, in which 91.9 percent of the reporting units had a radio, as compared with 79.0 percent in the rural-nonfarm areas, and 60.2 percent in the rural-farm areas.

In the North and West, the proportions having a radio were 91.9 percent and 88.9 percent, respectively. The corresponding figure for the South was 62.1 percent.

In twenty-five States and the District of Columbia more than 85 percent of the homes had a radio. These States form a continuous band reaching from the North Atlantic coast, along the Canadian border, and down the Pacific coast. In the North the proportion of homes with a radio ranged from 79.9 percent in Missouri to 96.2 percent in Massachusetts. In the block formed by Massachusetts, Connecticut, Rhode Island, New York, and New Jersey, more than 95 percent of the homes had a radio. The range in the South was from 39.9 percent in Mississippi to 88.1 percent in Maryland and 93.7 percent in the District of Columbia; and in the West, from 53.2 percent in New Mexico to 92.9 percent in California.

In the North, the proportion of urban homes having a radio ranged from 90.4 percent in Kansas to 96.7 percent in New York; in the South, from 61.5 percent in Mississippi to 93.7 percent in the District of Columbia; and in the West, from 72.5 percent in New Mexico to 95.1 percent in California. Twenty-five States and the District of Columbia ranked above the United States average of 91.9 percent for urban homes. In 14 States 95 percent or more of the urban homes had a radio. With the exception of Vermont and Utah, these 14 States are located along the two oceans and the Great Lakes.

In 29 States the proportion of rural-non-farm homes having a radio was above the United States average of 79.0 percent. The greatest deviations from this average were in the West, where the percentages ranged from 47.6 in New Mexico to 90.2 in Utah. In the North the proportion of rural-nonfarm homes with a radio ranged from 76.8 percent in Missouri to 95.3 percent in Connecticut; and in the South, from 50.9 percent in Mississippi to 86.5 percent in Delaware.

The national average of rural-farm homes having a radio was 60.2 percent. In 32 States the proportion of rural-farm homes with a radio was above this average. Among the northern States radio ownership in the rural-farm areas ranged from 60.5 percent in Missouri to 89.3 percent in Massachusetts; in the South, from 27.3 percent in Louisiana to 71.1 percent in Delaware; and in the West, from 36.7 percent in New Mexico to 86.3 percent in Utah.

X X X X X X X X

JAPS HAMSTRING FILIPINO RADIO

An idea of what would happen to radio if the Japs secured the upper hand in the United States may be gained from a broadcast of the Japanese-controlled radio at Manila, received by the Federal Communications Commission that the military authorities in the Philippines have issued an order designed to stop "illegal wireless communication and broadcasts".

The order, Military Ordinance No. 16, follows:

"1. It is prohibited to manufacture or produce wireless telegraph or telephone apparatus or equipment.

"2. All materials or parts of wireless telegraph or telephone apparatus will be purchased by the Japanese forces. Anyone, therefore, in possession of said materials or parts should submit them or report them to the headquarters of the Uchiyama Corps, MMM company, and there secure further instructions.

"3. Anyone found violating this ordinance shall be severely punished according to military law.

"Repairs of radio receiving sets and sales of parts required for such repairs are exempted from this ordinance and will be allowed as heretofore. The law-abiding citizens, therefore, should realize the basic intentions of the Japanese forces and willingly observe these instructions and contribute thereby to the establishment of the new Philippines."

X X X X X X X X X X

Despite the fact the blood was flowing freely from his injured hand, Alexander Sutton, 19 years old, of Glasgow, a wireless operator on board an American bomber being ferried to Britain, dismantled his radio when it broke down and reassembled it unaided. The bomber was about half way across the North Atlantic when the radio went wrong. It was midnight and there was little light by which to make repairs. Knowing that the captain of the plane depended on getting wireless bearings, Sutton decided to dismantle the whole set. He had memorized the blueprint and he started in almost pitch darkness to carry out the difficult task. He had gashed his hand while dismantling the set and the fact that the bomber had been flying at over 20,000 feet had caused the blood to spurt freely from the wound.

X X X X X X X X X X

NON-RADIO NEWSPAPERS HAMMER PETRILLO

No sharper criticism has been levelled against James C. Petrillo, President of the American Federation of Musicians than by two of the country's foremost newspapers, neither of which owns or has any interest in a broadcasting station. One was the New York Times, and the other the Washington Post.

In its third editorial on the subject in a week, the Times last Saturday - blasting Mr. Petrillo and a "spineless" Congress, asked:

"Is it possible that there is a higher law even than Mr. Petrillo's slightest word? The Government thinks there might be, and has had the temerity to move against him from two different directions. The Attorney General has authorized the filing of an injunction suit under the anti-trust laws to stop Mr. Petrillo from preventing his musicians' union members from making recordings for the radio. The Chairman of the Federal Communications Commission has started an investigation of the cancellation, on Mr. Petrillo's orders, of the broadcast of the National High School Orchestra at Interlochen.

"We wish these Government agencies luck. The past record of the Administration, Congress and the Supreme Court, however, has been all on the side of Mr. Petrillo. They may deplore what he is doing, but it is they who have brought about the state of law - or lawlessness - that has so far permitted him to do it. Let us recall that under recent Supreme Court decisions labor unions enjoy sweeping immunities from the anti-trust acts, and that Congress has not troubled to change this state of the law. Let us not forget that though employers are forced to recognize unions under the Wagner Act, there is nothing whatever in the Federal law to compel these unions to conduct their affairs responsibly.

"There is nothing to prevent them from keeping out anybody from their union, and so denying him a job, unless he pays an extravagant initiation fee. There is nothing compelling them to make their finances public, or to submit to audit, or to hold regular and unintimidated elections of officers. To force the employment of a 'stand-in' orchestra, which must be paid even though it is not used, is, according to the explicit declaration of the Supreme Court, quite all right according to the law. Even for 'union' hoodlums to lie in wait for trucks crossing a State line, force their way onto them by beating the drivers, and force the payment of 'wages' to them though they do not offer to render any services, is, according to the Supreme Court, certainly not in violation of the Federal Anti-Racketeering Act.

"As long as a spineless Congress permits this disgraceful state of the law we will have not only Petrillos but union leaders who do far more harm than the Petrillos. Indignation at the edicts of Mr. Petrillo, unaccompanied by any suggestion or move to change the state of the law which permits him and others suc-

cessfully to issue such edicts, is either hypocritical or hopelessly stupid."

The Washington Post followed through Monday morning with:

"Well, just as we said, our little tyrant of music, Mr. Jimmy Petrillo, has at last invoked against himself what in the good old days (when we thought such things mattered) we used to call a storm of public indignation. Doubtless Mr. Petrillo, who is, after all, not without experience in these affairs, believes that all one need do about a storm is to let it go ahead and exhaust itself. Some newspapers, evidently, think so, too, and that despite any amount of thunder and lightning Jimmy will go on getting his own sweet way about everything until and unless Congress chooses to act. The Greeks, however, had still another of their well-known words for this kind of monkey business. They would have said that Jimmy was just begging for it, and would have given him up long ago as a doomed man.

"Anyway, the movement against Mr. Petrillo is proceeding, as we say nowadays, on the three broad fronts. The Department of Justice is trying to enjoin him from fulfilling his threat to suppress the making of phonograph records. The Federal Communications Commission is trying to find out by just what right, authority or power Jimmy was able to prohibit the broadcasting of a concert by high school musicians at Interlochen, Mich. And the venerable Walter Damrosch, the best known and most beloved personality in American music, has written to Vice President Wallace (whom he evidently considers almost as important and influential as Mr. Petrillo himself) to lend his prestige and power to this fight 'to end dictatorship and one-man rule' both at home and abroad.

"Finally, there are other labor leaders who have been shaken out of their usual administrative and jurisdictional pre-occupations by the tempest and are, quite properly, beginning to take fright. For it is no secret that various groups (some of them almost as tightly organized as Mr. Petrillo's own American Federation of Musicians) are watching with a general movement to curb the power of the unions can be launched.

"Some people seem to think that anything that Mr. Thurman Arnold or Chairman Fly of the FCC, or we daresay even Vice President Wallace, may attempt to do about Mr. Petrillo is doomed in advance to frustration because of the record of Congress, the National Labor Relations Board and the Supreme Court on any question concerning labor unions. We shall see what we shall see. When a popular howl is loud enough it has been known to reach even the ears of courts. Meantime, our urgent and well-intentioned advance to members of all labor unions, including Mr. Petrillo's own union, is to reflect carefully upon just whither such senseless abuses of the power they have so cheerfully and confidently delegated will lead them in the end."

X X X X X X X X X X

FCC EVIDENTLY LOOKS TO COURT TO STOP PETRILLO

Although Chairman James L. Fly of the Federal Communications Commission last week expressed opposition to the action taken by James C. Petrillo, President of the American Federation of Musicians in banning the broadcasts of the Interlochen High School Orchestra and the making of records for broadcasting, and declared that the FCC would investigate the situation, he admitted at his press conference Monday that that was probably all the Commission could do.

Mr. Fly said:

"Since our last conference here and I made my latest statement, the Department of Justice has moved in, as you know. That, of course, presents somewhat different face of the problem. We are investigating the matter. It is rather dubious as to whether or not we have any jurisdiction to act directly and that always leaves open the question as to whether we might look extensively on the situation with a view possibly to enact legislation. At the moment we are making basic inquiry on the factual and legal questions. We will probably hear something on that within a week."

"Will there be hearings?" the Chairman was asked.

"That we have not determined", the Chairman replied. "The present inquiry will endeavor to get the basic facts - the scope of the problem - the underlying problems - and propose the legal issues and determine our general course from there on out."

As a result of the Petrillo controversy, the National Broadcasting Company cancelled the Grant Park concert broadcast of which Mr. Petrillo is the sponsor. The cancellation followed receipt of an order from the Chicago offices of the Musicians' Federation to the NBC Program Department that the broadcast must not be fed to Station KSTP, the NBC outlet in the St. Paul-Minneapolis area.

This order was linked in radio circles with similar bans in the East designed to exert NBC pressure on KSTP to accede to the demand of the St. Paul-Minneapolis musicians' Local that a year's work be guaranteed to any member employed for thirty days.

"The union gives \$50,000 a year for this Grant Park concert", Mr. Petrillo said, "but no one says anything about it."

The latest word is that injunction proceedings by the Justice Department may be filed in Chicago any day now against Mr. Petrillo to stop the music union head from enforcing his ban on recordings for broadcasting.

X X X X X X X X

SENATE BURNS AT RADIO AND PRESS PANNING CONGRESS

Touched off by a scorching double column front page editorial in the Washington Post of July 27, denouncing "Political Profiteers", there was a four-hour Senate debate Monday rebuking radio and newspaper critics of Congress. The Post editorial charged that "the November elections have thrown an ever increasing shadow on every war development in Washington. Most members are now home building political fences.

"They are assuring farmers that there will be no ceiling on their products. They are assuring labor there will be no ceiling on wages, far from it. They are telling voters that there need be no concern about rires and gasoline. They are assuring parents that 18-year-olds will not be drafted.

"In the meantime the threat of ruinous inflation comes closer to reality day by day. Businesses are closing, meat becomes scarce, every index shows black trouble closer - not because leaders do not realize the truth but because politics, and votes, and November come first."

The Post asserted that in Monday's debate there were never more than 25 Senators on the floor and that when Senator Taft of Ohio spoke, there were only 16 and concluded by saying, "Leaders conceded that a quorum of Senators was not in Washington."

The most severe critics of the radio and newspaper commentators were Senators O'Mahoney, of Wyoming; Chandler, of Kentucky, Taft of Ohio, and Lucas of Illinois. Senator O'Mahoney expressed approval of Raymond Gram Swing and Fulton Lewis, Jr., of Mutual. Elmer Davis, head of the Office of War Information, came in for a large bouquet. Senator Lucas made the suggestion frequently heard in Washington lately that Elmer himself go back on the air "with the facts".

"It seems to me as a practical suggestion", Senator Lucas said, that Elmer Davis, along with the Communications Commission, but especially Mr. Davis, could very well call in the sponsor of Carter's Little Liver Pills or the sponsor of this perfume, or that drug, and perhaps the owner of the station, and sit down with them and point out that during the last three months John Jones, the commentator, has said one thing after another which, in the opinion of Mr. Davis, was not in the best interests of unity, and which was not in the best interests of winning the war under the present very trying circumstances."

"Let me add to the Senator's suggestion - and that also, in the opinion of Mr. Davis, were untrue and false", Senator Chandler interjected.

"Yes", Mr. Lucas replied.

"I know that the Senator from Illinois has had the experience that the commentators and the columnists make charges based on hearsay, and which cannot be supported; but when the truth comes out, that is not news, and is not handled as such. It is passed over", Senator Chandler declared.

"There is no excuse for such conduct. Such persons have no hesitancy in undertaking to destroy the most priceless thing a man has - his reputation. They are character assassins; and for their own purposes, and not because they are interested in the people of the United States, they seek to destroy character regardless of the sincerity and honesty of the victim."

"Speaking of radio commentators, last Wednesday evening a radio commentator named Upton Close spoke over a national chain. I think it was an international broadcast", Senator Chandler said. "He thought so much of telling this lie that he told it at the expense of numerous persons. Among other statements he made, he said that the Senator from Kentucky had gone before the committee of the Senator from Illinois (Mr. Lucas) and had requested \$50,000 to take a trip to Alaska.

"That is not true. The Senator from Kentucky did not make any request of any committee for any funds to go to Alaska or anywhere else."

"Let me interrupt the Senator. I heard that broadcast", broke in Senator O'Mahoney. "At the time I heard it, I remarked to myself what the Senator has now stated. I know that the request for an appropriation to send a committee to the Aleutian Islands was made by the Senator from North Carolina (Mr. Reynolds), Chairman of the Military Affairs Committee. I know that the Senator from Kentucky had nothing whatever to do with it."

"Moreover, I know that many persons in the United States are wondering why the Japanese are permitted to remain in Kiska Harbor. I hope that if the Senator from Kentucky goes to the Aleutian Islands he may find out why."

"I have made it a practice always to listen to Raymond Gram Swing, who is one of the most conscientious and able of all the radio commentators, because he is not a propagandist, because he always endeavors to report to his listeners the facts. Too many radio commentators and too many editors are merely propagandists, who are trying to convey to their listeners or to their readers the points of view which they themselves hold, even though in many cases they entertain these opinions without any factual basis", Mr. O'Mahoney continued.

"The air every night is filled with meaningless words uttered by radio commentators, whose opinions are based, not upon facts, but upon opinions, and who do not take the time to acquire the knowledge of facts which is necessary to convey to the people of the country an understanding of what is going on."

"Elmer Davis has not been on the air since he received his appointment as Director of the Office of War Information", Senator Lucas commented. "For some reason or other, he has ceased commenting upon public affairs throughout the world. To me this is most unfortunate. It may be that he has been so busy in connection with the duties of his new office that he has found it impossible to take the time to prepare a 15-minute radio address once or twice a week for the benefit of the millions of listeners he had throughout America prior to the time he accepted his present important position. It may be that as a matter of policy it is believed that it would be inimical to the best interests of the radio and communication service to have a Government employee making radio broadcasts throughout the Nation.

"But if Mr. Davis will take to the air twice a week with the facts which he has before him, and give to the American people the same honest type of broadcast which he gave before he was appointed to his new position, not allowing his governmental position to interfere with an honest analysis of what he sees before him, because of the confidence which the people have in him, in my opinion he can do more good toward national unity than any other single commentator. After listening to some of the amateur commentators who may be molding public opinion throughout the country, the people would wait for Davis before making up their minds as to what is the best policy for them to pursue.

"I sincerely hope that Mr. Davis will take this suggestion seriously. In my humble opinion, he would be doing a real service to his country at a time when a certain few radio strategists speak as if they know more about military, naval and air strategy than do the men whom we have spent millions of dollars to train.

X X X X X X X X X X

U.S. PUTS CURB ON PRIVATE RADIOPHONE

Clamping down tighter, the War Communications Board last week prohibited personal radiotelephone calls outside the Western Hemisphere, except England. Also all non-governmental Australian radiophone services were ordered closed. The order which in effect bars Madrid, Lisbon and Berne, was as follows:

(1) From and after the date hereof, no non-governmental business or personal radiotelephone call shall be made to or from any foreign point outside of the Western Hemisphere except England, unless such call is made in the interest of the United States and an agency of the United States Government sponsors such call and obtains prior approval therefor from the Chief Cable and Radio Censor; Provided, however, That this provision shall not apply to calls by press agencies approved by the Censor, or to addressed radio program service and cue channels used in connection therewith.

(2) All non-governmental point-to-point radiotelephone circuits between the United States and Australia be, and they are hereby, designated for closure and, effective midnight August 31, 1942, are closed.

X X X X X X X X

CHARGES NAVY OPPOSES INTERNATIONAL TELEGRAPH MERGER

In two letters addressed to Chairman Alfred L. Bulwinkle of the House Sub-Committee on Interstate and Foreign Commerce, by James L. Fly - one as Chairman of the Federal Communications Commission, and the other as Chairman of the Board of War Communications, the Navy was charged with making the chief, if not the only objection, to the merger of international telegraph facilities.

Indicating that he expected to push the matter further, Mr. Fly said:

"I am very much interested in the merger of the telegraph industries. That, I think, is one of the most significant problems that we have with us today and that we shall have in the course of the next few years, and I think anything that any of us can do to forward the aim of procuring an American control - comprehensive and efficient worldwide scheme of communications - ought to be done. The ground work ought to be laid for it right now, and any of us who are in a position to forward that aim and fail to do so at this critical juncture may well be deemed derelict."

"It is important to note that the opposition to the proposal does not come from the Director of Naval Communications himself; it apparently comes from other sources within the Department," Chairman Fly wrote to Chairman Bulwinkle. "It is also worthy of note that the chief communications officials of the War Department are in favor of the international merger. It may be observed, too, that neither the Federal Communications Commission nor the Board of War Communications was consulted by the Navy officials in their consideration of this problem."

"The notion that this important matter can be casually thrust aside for the period of the war, later to be studied, given legislative consideration and eventually negotiated and approved in due course, is, I think, unfortunate. Events in the world today are moving fast. Upon the termination of war the various activities and relations in the four corners of the earth are going to take definite shape with great rapidity. If it is now to be determined that we shall go into that era with an inadequate scheme of communications and with a world system predominantly under foreign control, I do not want the record to fail to show that at this critical juncture I raised a voice."

Mr. Fly's reference to "other sources within the Navy Department" are believed to refer to Admiral S. C. Hooper, former Director of Naval Communications, the Navy's radio and communication advisor, who has opposed the merger.

X X X X X X X X

7/28/42

::: TRADE NOTES :::

"What are you going to talk about, voluntarily?" Lewis Wood, of the New York Times, and President of the Gridiron Club, asked Chairman James L. Fly, Chairman of the Federal Communications Commission, at the latter's press conference last Monday.

"I don't know", Mr. Fly answered. "I seldom stick my neck out - but by the end of the day I usually have."

William L. Martin, trading as Waterbury Pen Co. and Radio Advertising Service, 706 Insurance Center, Chicago, engaged in selling Waterbury Fountain Pens, entered into a stipulation with the Federal Trade Commission in which he agrees to discontinue using the name "Waterbury" in connection with or as part of the trade name for his fountain pens. The respondent further agrees to cease disseminating any representation or agreement as a guarantee when it involves a service charge or calls for the payment of additional money, and to stop representing that his fountain pens conform to Army or Navy regulations.

Word has been received of the death of William Boehnel who was an assistant to Orrin E. Dunlap, Jr., when the latter was radio editor of the New York Times. At the time of his death, Mr. Boehnel was the moving picture critic of the New York World-Telegram.

Prediction is made by O. H. Caldwell in Radio Today that the war may eventually cause a reduction in the number of hours of broadcasting. Mr. Caldwell writes:

"At the IRE convention in Cleveland, the Canadian engineers present proposed that hours of broadcast operation be curtailed, and also that power of stations be reduced. Power output could be clipped without seriously affecting most listeners, and a good many broadcast transmitting tubes could be reclaimed and put back into service, utilizing tubes which had been previously retired. Cuts in both power and time-on-the-air are savings which U.S. broadcasters may soon face."

More than 70% of all radio stations in the country have now agreed to sell war bonds directly for the Treasury. Secretary Morgenthau reported that with the mobilization of 621 out of 868 stations, radio thus became the first industry to go outside its direct field of action to aid the Treasury in its twelve-billion-dollars-a-year bond sale campaign.

During 1941, Americans purchased 13,800,000 radio sets. That means 96 new sets were bought every minute of every working day last year - or 46,000 per day.

7/28/42

The following item appeared in the Goldfish Bowl, magazine of the National Press Club:

"A columnist and radio lecturer (whose column does not appear in the Times-Herald (Washington) wandered around the White House lobby and press room not long ago, clad in a naval uniform, and asked first this correspondent and then that one: 'Have you got a Mirror?' Ultimately he reached Mr. Jack Purcell with his query and was told: 'There's a mirror in the gents room.'

X X X X X X X

FIRST WARTIME SIX MONTHS SHOWS 24% SPONSOR INCREASE

Ending its first wartime six months' period on June 30, 1942, WOR took stock on the changes and conditions of radio advertising since December 7, 1941. During the first half of this year, 201 accounts bought time on WOR. This represented an increase of 24% over the same period last year. 47 of these accounts, or 23.3% used WOR for the first time.

Among the first things to be undertaken was an intensive solicitation of accounts not so badly affected by the war and the preparation of a guide for sponsors, present and future. A confidential memorandum was written by the WOR Promotion Department on changes that might take place in radio selling and programming. Contained in that report were the following seven points which told radio advertisers what to look for in the months to come:

(1) Continued shifts in listening habits due to changed working hours and modes of living. (2) Increased purchasing by the lower-income classes, brought about by higher salaries. (3) Increased desire on the part of the radio audience for program material containing, or consisting of, nostalgic music and memory-provoking incidents; "behind the scenes" news or commentaries on the war here and abroad, light comedy and variety entertainment. (4) Strip-show sponsors will have to re-examine the idea that Monday to Friday makes a week. They should pay increasing interest to Saturday and Sunday listening due to changes in working schedules. (5) War tension and advanced working hours will needle interest in all types of sports broadcasts. (6) The radio advertiser will have to pay less attention to show ratings as quantities rather than qualities. "How many listeners have I?" won't be half as important as "What kind of listeners are they?" (7) Generally, station choice will be made more and more on each station's "universal" appeal.

X X X X X X X X X