

# HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.

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

## INDEX TO ISSUE OF AUGUST 14, 1942.

Stirred Up By Petrillo, FCC Makes Record Use Survey.....	2
New FCC Information Director Appointed.....	3
20,000 RCA Employees Pledge War Allegiance.....	4
Of 2,000,000 California Homes, Only 146,000 Lack Radios.....	5
Time Magazine Buys Into Station WQXR, N. Y.....	5
Navy Plane Crash Kills Noted Byrd Radio Expert.....	6
Another CBS Man Goes To OWI.....	7
Midnight Station Closing Suggested By WPB.....	8
Opposing Merger Fears Communications Breakdown.....	9
Says General Foods Has Spent \$5,000,000 On Kate Smith.....	9
I. T. & T. Elects New Secretary And Treasurer.....	10
Trade Notes.....	11

No. 1455

## STIRRED UP BY PETRILLO, FCC MAKES RECORD USE SURVEY

Regardless of how much power it may or may not have if it finally acts in the matter, the Federal Communications Commission has ordered a questionnaire on the extent of the use of recordings and electrical transcriptions sent to all standard broadcast stations.

This is another move in the Commission's investigation of the cancellation by James C. Petrillo of the Interlochen, Michigan, High School broadcasts and the order by Mr. Petrillo causing A.F.L. union musicians to cease making records which might be used for broadcast purposes.

Just how Thurman Arnold, No. 1 trust buster, who is to personally prosecute the Government suit against Petrillo in Chicago next month, views the matter is outlined in an interview with him by David Lawrence, who writes:

"One might wonder why the Justice Department files merely a civil suit against James Petrillo and his musicians union for alleged restraint of trade when businessmen usually are indicted under the criminal provisions of the Sherman law.

"Thurman Arnold, Assistant Attorney General in charge of anti-trust prosecutions, gave the writer the explanation today and it discloses the interesting background on which the forthcoming suit is going to be fought.

"Mr. Arnold says that wherever the law is uncertain or where the previous decisions would indicate that the case might not be successfully prosecuted criminally, he prefers a civil suit and that in this particular case, if there were a criminal procedure and the jury voted for acquittal, there would be no way to get the case up on appeal to the Supreme Court.

"The Assistant Attorney General, it is announced, will handle the case himself and he will attempt to obtain a reversal of the judgment in the so-called Hod Carriers' case, in which, oddly enough, no written opinion was filed by the Supreme Court. The issues in the Hod Carriers' case turned on the use of automobile engines for mixing concrete while en route, whereas the union insisted that this war work that should be done by employees at the place of the construction job. In other words, the union demanded equal payment of wages for the number of men who would have been employed if the work had been done by the union members.

"The Supreme Court did file a written opinion in the so-called Hutcheson case, but this turned largely on a fight between two unions in a jurisdictional dispute. Mr. Arnold feels he will have no

difficulty in drawing a distinction between the Hod Carriers' case and the Hutcheson case.

"It is to be noted, however, that the written opinion in the Hutcheson matter was used by the Supreme Court as a basis for the order dismissing the Hod Carriers' case, so Mr. Petrillo doubtless believes he was acting lawfully in instructing his musicians not to help make canned music for broadcasting or juke boxes unless pay was given just as if bands had been used.

"But Mr. Arnold thinks the attention of the courts can be focussed on the difference in issues and thus obtain a reversal. It is interesting to observe that the opinion in the Hutcheson case was rendered by a 5-to-2 vote. Justice Frankfurter wrote the opinion, and he was supported by Justices Black, Reed and Douglas, while Justice Stone wrote a concurring opinion. The dissent was expressed by Chief Justice Hughes and Justice Roberts. It happens that Justice Murphy did not participate in hearing the case and there were only eight justices on the bench at that time because Justice McReynolds had retired and the vacancy was not yet filled.

"Since that time Justices Jackson and Byrnes have joined the Court, so it may be that we shall have what Justice Frankfurter has on one occasion referred to as a 'reconstructed' court sitting on the Petrillo case when it comes up from the lower courts."

X X X X X X X X

#### NEW FCC INFORMATION DIRECTOR APPOINTED

The Federal Communications Commission announces the appointment of Russell R. Clevenger as Director of Information to fill that position during the absence of George O. Gillingham, now on active duty with the Army. Edgar Jones, who sometime ago was appointed Assistant Director of Information, and who during the absence of Mr. Gillingham, has been acting as Director, will now continue with the Commission in his regular capacity.

Mr. Clevenger was on the staff of the New York Times for five years, spending part of that time in Europe writing special articles. He has had wide experience in the field of public relations and is now on leave of absence as Vice President of Albert Frank-Guenther Law, Inc. He received his B.A. and B.Litt., from Columbia University. Mr. Clevenger was born in 1899 at Wilmington, Ohio; is married and has one child.

During the past several years he has advised the following firms on their public relations: Warner Bros. Picture Corp.; Texas Corp.; Crucible Steel; Dow Chemical; New Jersey Central; Baltimore & Ohio; Consolidated Edison; National Power and Light; Virginia Public Service; Columbia Gas & Electric; Chase National Bank; Marine Midland Trust Co.; New York Curb Exchange and the Automatic Phonograph Manufacturers' Association. In 1940, he established the public



relations department of Broadcast Music, Inc., during the days that organization contested for music supply for broadcast radio with ASCAP, and he conducted its operations until March 1942. More recently he has been a consulting expert to the Secretary of the United States Treasury.

X X X X X X X X

## 20,000 RCA EMPLOYEES PLEDGE WAR ALLEGIANCE

Robert Shannon, President of the RCA Manufacturing Company, Inc., last Wednesday presented to William L. Batt, Vice Chairman of the War Production Board, a book containing names of more than 20,000 employees who have pledged themselves to "beat the promise" on war production.

With Mr. Shannon were F. R. Deakins, Vice President of the RCA; George W. Breunig, suggestion supervisor; and Miss Ann Stankus, a Harrison, N. J. RCA plant employee, who was recently given the Award for Individual Production Merit by the labor-management committee in the plant.

In connection with the War Production Drive in the five RCA plants, a "Let's Go to Batt, for MacArthur" suggestion contest was held. It was inaugurated during a visit to Mr. Batt to the Camden plant on April 7, the day the last phonograph radio rolled off the assembly lines and the plant was put on a complete war basis.

Miss Stankus' suggestion was to change a plate in small radio tubes, thereby reducing shrinkage to the extent that less skilled operators are now able to produce better tubes. Her suggestion resulted in an increased output and improved quality of tubes for war use.

For her suggestion she received a \$100 cash prize and a furlough to Virginia Beach. Because she was too busy on war production, she gave up the Virginia Beach trip and was given its equivalent in cash.

Miss Stankus is 29 years old and lives at 326 Johns Street, East Newark, N. J. She is a graduate of the Harrison, N. J. High School.

X X X X X X X X

From reports so far received, the Democratic U. S. Senatorial nominee from Idaho, appears to be Glen Taylor of Pocatello, who is described as "a guitar strumming radio entertainer who campaigned on horseback."

X X X X X X X X X X



8/14/42

OF 2,000,000 CALIFORNIA HOMES, ONLY 146,000 LACK RADIOS

With a batting average of 95.1, California has more than 2,000,000 home radios.

OCCUPIED DWELLING UNITS WITH RADIO FOR STATE AND SOME 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 - CALIFORNIA	Total	With Radio	No Radio	Not Reporting On Radio
Total dwelling units (including urban)	2,138,343	1,933,031	146,792	58,520
Rural-nonfarm dwelling units	393,950	338,996	44,217	10,737
Rural-farm dwelling units	175,841	143,588	27,171	5,082
Berkeley	28,210	26,893	567	750
Glendale	26,250	25,226	406	618
Long Beach	58,385	54,352	1,857	2,176
Los Angeles	493,087	458,209	22,678	12,200
Oakland	99,325	92,673	3,772	2,880
Pasadena	27,361	25,746	950	665
Sacramento	32,178	29,398	1,897	883
San Diego	63,692	59,454	3,209	1,299
San Francisco	206,011	188,028	11,188	6,795
San Jose	21,634	19,842	948	844
Santa Monica	18,025	17,104	615	306
Stockton	14,848	13,320	1,137	391

X X X X X X X X

TIME MAGAZINE BUYS INTO STATION WQXR, N.Y.

Time, Inc., publishers of Time, Life and Fortune Magazines, Tuesday moved into radio via a deal with WQXR that gave Time, Inc., 1,000 shares of preferred stock and representation on the Board of Directors of the Interstate Broadcasting Co., which operates the station. In return, the use of Time's manpower to produce radio programs and access to the publishing organizations newsgathering facilities go to WQXR.

According to John V. L. Hogan, President of Interstate Broadcasting, "There will be no changes in the policy of WQXR. The station will continue to emphasize good music, and the addition of Time's facilities will now make it possible to supply authoritative news of a quality as high as our musical standards."

The deal is subject to the approval of the IBC stockholders, said approval regarded as definite. Meanwhile, Time, Inc. has named David Brumbaugh, its secretary, and Frank Norris, Managing Editor of March of Time on the Air, as its representatives on the Board of Directors. Publishing organization also assigned a group of people headed by Norris, Joel Sayre and Finis Farr, of the March of Time editorial-radio staff to work with Elliott M. Sanger, WQXR General Manager of the station, on the development of new programs.

"The deal, which does not affect the common stock or ownership setup of the radio station, figures out as a profitable deal for all concerned", Variety comments. "The station gets the crack writing, idea and producing brains that turn out the March of Time aircasts; and, in addition to bolstering its programming, will also spruce up the routine newscasts. The mag. likewise, does nicely since it grabs off the cream-of-the-crop WQXR audiences, all of whom are ideal prospects for Time, Life, Fortune and Architectural Forum. And, since the deal does not say anything about exclusive use, it is to be assumed that the March of Time staffers will showcase some of their newer ideas and, if they click, shift them over to the networks to plug their mags. on a national scale."

X X X X X X X X X

#### NAVY PLANE CRASH KILLS NOTED BYRD RADIO EXPERT

Comdr. Malcolm P. Hanson, 47, U.S.N.R., of Washington, D.C., who was Chief Radio Engineer with Admiral Richard E. Byrd on the South Pole expedition of 1928-1930, has been killed in an airplane accident somewhere in the North, probably Alaska, according to word received by the family this week.

Commander Hanson was widely known in Washington, since he had been in charge of the radio test laboratory at the Anacostia Naval Air Station from 1930 to 1937 and was associated with the Washington Institute of Technology in the study of instrument-landing in 1939. Late in 1939 he was on active duty in the Bureau of Ships in the Navy Department and in January 1940, was transferred to the Bureau of Aeronautics.

He was born October 19, 1894, of American parents residing in Berlin, Germany. Naval records show that his father, Albert Parker Hanson, was a Milwaukee engineer and inventor who laid the first telegraph line across Iceland in 1890.

Commander Hanson attended the University of Wisconsin, leaving in 1917 to join the Naval Reserve for World War duty. He was a radio electrician with shore station duties until the Summer of 1918 when he was commissioned Ensign and assigned to aircraft radio development duties.

From 1919 to 1920, he was a radio operator in the Merchant Marine. He resumed his studies at the University of Wisconsin in 1920 and later constructed the first-owned broadcast station (WHA) and was an instructor in Physics in Radio.

In 1924, he went to the Naval Research Laboratory at Bellevue near Washington.

Commander Hanson was radio consultant to the Byrd-Wilkins Arctic expeditions in 1924, 1925 and 1926 and to the Byrd trans-Atlantic flight in 1927.

He was in charge of the Radio Department of the first Byrd Antarctic in 1928-30, before going to the Naval Air Station at Anacostia.

Commander Hanson

For his work with the Byrd expedition, /who was then a Lieutenant, was awarded the gold medal of the Veteran Wireless Operators' Association in 1929. The honor was presented during the month of September over a short-wave radio broadcast heard also over a national network while Mr. Hanson still was in the Antarctic.

In 1938, Commander Hanson was Vice President of the Radio Navigational Instrument Corp., New York. He held the World War Victory Medal, and the Byrd Antarctic Medal, awarded by Congress in 1930.

X X X X X X X X

#### ANOTHER CBS MAN GOES TO OWI

Lyman Bryson, Chairman of the Adult Education Board of the Columbia Broadcasting System, was appointed Educational Advisor in the Office of War Information, Gardner Cowles, Jr., Director Domestic Operations of OWI, announced.

Mr. Bryson will continue his work with the Columbia Broadcasting System, serving the Office of War Information part time, without compensation. His immediate work will be to assist the Domestic Branch of the OWI in perfecting a better flow of war information to the public schools via radio and other channels. He will also assist in the establishment of an adult education branch of the OWI which will stimulate discussion of the war and the war aims of the United Nations among all organized groups in the country.

Mr. Bryson has had extensive experience throughout the country in the adult education field. His work with the Office of War Information will be done in close cooperation with the United States Department of Education.

X X X X X X X X



## MIDNIGHT STATION CLOSING SUGGESTED BY WPB

Excitement was occasioned at the Federal Communications Commission by the New York Herald Tribune printing a letter which had been received at the FCC, but which had not been given to the press, from the War Production Board recommending closing down of most of the broadcasting stations at midnight in order to conserve war materials.

About all that the FCC would say was that such a letter had been received and that it would be considered at the next meeting of the War Communications Board probably next Thursday. A spokesman added, however:

"The letter is not as drastic as it appears to be. We are constantly receiving recommendations and suggestions. These are considered by Committee 4 of the WCB on which Neville Miller and other broadcasters are serving. I imagine before the WCB took any definite action, it would see what the result is of the questionnaire which was sent out with regard to the tube situation. The replies are now being tabulated. The work is not finished but somebody who glanced over a handful of replies said that those he saw would indicate that the tube situation was not quite as dark as it was painted."

The New York Herald Tribune story follows:

"The Communications Division of the War Production Board has recommended to the Federal Communications Commission that all radio stations, with the exception of a number of key stations scattered throughout the country, should shut down operations at midnight each night in order to conserve materials, it was learned today.

"The suggestions, drawn up by the W.P.B. Communications Branch, call for the operation after midnight of certain large stations for emergency purposes only. Radio materials and equipment are getting scarce as the W.P.B. diverts more and more of the strategic and critical metals to war production.

"To offset this, the W.P.B. has suggested that no equipment should be sold to any broadcasting station unless the owners return the old or worn-out parts. It also urged that on the basis of an FCC study of police radio stations, the Commission eliminate duplicating systems where they overlap.

"Small radio stations, or chains, which are experiencing difficult times because of the war as a result of lower earnings, should be taken off the air, the WPB believes. It contends that these stations should be permitted to cease operations voluntarily and to resume after the war. Under FCC rules, suspension of operations usually means loss of license.

"The report, which has been submitted to the FCC recently, has not been acted upon."

X X X X X X X X

## OPPOSING MERGER FEARS COMMUNICATIONS BREAKDOWN

In a letter to the Washington Post (Aug. 14) Daniel Driesen, International Representative of the American Communications Association, C.I.O, opposing the telegraph merger writes, in part:

"Because of the tremendous load placed on the communications systems of the Nation and the fact that no steps have been taken to convert the communications industry to a wartime basis, there is immediate danger of a breakdown in communications which will seriously hamper our war effort.

"Today the telephone system is operating at capacity. Service in telegraph has declined to the point where thousands of man-hours of production are lost because of delayed telegrams.

"In line with your policy of vigorous support of the successful prosecution of the war we believe that it would be much more appropriate to call upon Mr. Fly, Chairman of the Federal Communications Commission, to place into effect a war communications program along the lines already put into practice by Mr. Eastman of the Office of Defense Transportation."

X X X X X X X X

## SAYS GENERAL FOODS HAS SPENT \$5,000,000 ON KATE SMITH

An article in the current issue of the Saturday Evening Post (Aug. 15) estimates Kate Smith's audience (based on a Crossley survey) at 75,000,000. Of Miss Smith's earnings the Post says:

"In three years, for radio time alone, the La Palina company paid \$730,000, and the star of the program meanwhile filled vaudeville engagements on the side, running eleven weeks at the Palace alone and setting a record for longevity there which has never been topped. Beginning in 1934, Miss Smith switched to Hudson Motors, which, in a two-year period, shelled out \$183,000 for radio time. Her next sponsor, Atlantic & Pacific Tea Company, bought \$990,000 worth of air in three years. Since 1937, when General Foods took her over, her radio time has cost around \$5,000,000.

"This figure does not include what General Foods pays the Kated Corporation. The Friday evening show brings \$11,000 a week into the corporation's coffers, of which about \$4000 is spent on production - for bands, singing groups, comedians, guest stars, and so on. The daily philosophy broadcast gets \$5,000 a week, which is practically all velvet, as Kate and Ted Collins are the only performers. The weekly net take for Kated is thus between \$11,000 and \$12,000. The Kated Corporation has offices at 1819 Broadway and employs a staff of fifty-five, including press agents, secretaries, script writers, musicians and actors. Miss Smith is thirty-three.



"She has starred in a motion picture and occasionally she appears as a guest star on other programs, at from \$3,000 to \$5,000 a crack. Her phonograph-record sales have run up into the hundreds of thousands."

X X X X X X X X

# I. T. & T. ELECTS NEW SECRETARY AND TREASURER

Oswald C. Buchan has been elected Treasurer and Charles D. Hilles, Jr., Secretary of the International Telephone and Telegraph Corporation.

Mr. Buchanan is a native New Yorker, educated at Oxford and Cambridge Universities, England; Lieutenant and bombing pilot with Allied Air Forces 1916-1918, and Senior Accountant with the firm of Lybrand, Ross Bros. and Montgomery in New York for six years after the war. He joined I. T. & T. in 1926 and was European Comptroller from 1928 to 1931. He returned to New York as Assistant Comptroller and in 1935 was assigned to Rumania where, from 1935-1937, he successfully carried out important international financial transactions as Comptroller of the Rumanian Telephone Company which was then an I. T. & T. subsidiary. He returned to New York in 1937 as I. T. & T. Assistant Comptroller.

Mr. Hilles, the son of C. D. Hilles, former Assistant Secretary of the Treasury and N. Y. Republican State Chairman, is a native of Lancaster, Ohio, but has resided for most of his life in New York City. He is a graduate of Yale College in 1924 and the Yale School of Law in 1927. He was associated with the law firm of Root, Clark, Buckner & Ballantine as Attorney from 1928-1941 and served on special assignment with the Allied Purchasing Commissions during 1940 and 1941. He joined I. T. & T. on September 1, 1941, as Assistant General Attorney and Assistant Secretary.

X X X X X X X X

This one from the Broadcasters Victory Council:

"Not long ago the Navy arranged for a certain Mrs. Mildred H. McAfee, who is the new head of the WAVES - which, in turn, is the involved abbreviation of the new Women's Naval Reserve - to appear on a certain Washington station for an interview. She arrived at the studios dutifully, in ample time before the particular program was scheduled to go on the air.

"Now...by one of those impish coincidences...the show just ahead of the one on which she was supposed to be a guest also featured interviews. The receptionist, in a blue-eyed haze, whisked Lt. Comdr. McAfee into the wrong studio - already on the air - where she was duly introduced, interviewed and everything - without so much as a rehearsal. What the following program did - besides play fill-in transcriptions - has not been related to us."

X X X X X X X X



::: \_\_\_\_\_ :::  
 ::: TRADE NOTES :::  
 ::: \_\_\_\_\_ :::

Matthew Gordon, News Editor of the Columbia Broadcasting System, has accepted a post with the Office of War Information in Washington.

His book "News Is a Weapon", is to be published this Fall by Alfred A. Knopf. Gordon's new duties are to deal largely with all incoming foreign news, with particular reference to Axis material reaching this country.

-----  
 With Jane Cowl heading the list of guest entertainers, a special program, commemorating the 20th anniversary of WEAf, will be broadcast over the NBC network Saturday night, August 15 at 11:15. On August 16, the actual birthday date, WEAf is to celebrate with a 6-minute program, from 4:30 to 5:30 P.M.

-----  
 Philco Corporation Wednesday declared a dividend of 10 cents a common share, payable September 12 to stockholders of record August 28. The same amount was paid in the preceding quarter.

-----  
 The Clear Channel Broadcasting Station group with headquarters in the Shoreham Building, 15th and H Sts., N. W., Washington, D. C., has issued a pamphlet "The 25 American radio stations Hitler likes least." You've guessed it - they are the clear channel stations.

-----  
 A move, patterned closely after recommendations made several months ago by FM Broadcasters, Inc., the national trade association of FM stations tells us, recognizes that war conditions have caused "great shortages in materials, equipment and skilled personnel necessary to radio broadcasting". Therefore holders of construction permits for new FM stations will be permitted to secure regular commercial licenses - for the duration - allowing them to operate with such equipment as they now have, "Providing construction has reached a point where the transmitter is presently capable of being operated to render a substantial public service."

FM broadcasters who take advantage of this FCC wartime policy will be required first to show that additional construction is not possible at this time, and must also assure the Commission that construction will be completed "according to Rules, Regulations and Standards of the FCC as soon as the required materials and engineering personnel have become available."

-----  
 Indicating a stiffer policy in connection with the regulation against soldiers carrying on civilian activities, the War Department refused to allow Ezra Stone, now a staff sergeant in the Army, to go on with his role in "The Aldrich Family" on NBC.

-----  
 Columbia's Board of Directors last week voted a 30% dividend on Class A and Class B stock of \$2.50 par value. Dividend is payable Sept. 41, 1942, to stockholders of record at close of business on August 21, 1942.

8/14/42

Supposedly on a vacation in New Martinsville, West Va., John K. Hutchens, Radio Editor of the New York Times, writes (Aug. 9) of the listening habits of the people of that section:

"And what they listen to chiefly, as far as casual investigator can learn, is news and news analysts. The older listeners, that is. The favorite commentator appears to be Gregor Ziemer of WLW, Cincinnati, who comes on late at night with a review of the day's events. Lowell Thomas, Gabriel Heatter, Raymond Gram Swing and H. V. Kaltenborn are also much admired. Back in the hills a little way the most valued news programs concern commodity prices; gone is the day, thanks to the radio, when city slickers could outsmart the rural folk. When tire rationing went into effect, and car owners hurried to near-by country towns to stock up at the expense of unsuspecting merchants, they found the latter wise and adamant about prices. Their battery-equipped radios, charged by windmills, had kept them informed. The younger generation also listen a good deal to news, but obviously prefer swing music."

-----  
Radio stations in and around metropolitan New York have organized, with the approval and cooperation of General Hugh A. Drum, who heads the Eastern Defense Command and the First Army, a "radio central" to facilitate the cooperation of the stations under actual air raid conditions.

-----  
Funeral services for Mrs. J. M. Devoe, Editor of Sylvania Radio Tube News of the Hygrade Sylvania Corporation, were held in Emporium, Pa., Wednesday, and were attended by her brother, Lieut. General Joseph T. McNarney, Deputy Chief of Staff of the War Department, and her son, Private Joseph Devoe.

After receiving her Bachelor's Degree in Arts from Penn State College, Mrs. Devoe taught English and Literature at the Emporium High School. Later she studied at Columbia University.

In 1929, Mrs. Devoe returned to Emporium from Buffalo to become founder and first editor of Sylvania Radio Tube News, which today reaches 40,000 domestic and foreign readers. She is survived by a son and daughter, one grandchild, and three brothers. Her brother, Wilfred McNarney, is a maintenance engineer in the Sylvania Emporium, Penna. plant.

-----  
Roberto Unanue has been appointed Assistant Director of Latin American relations for the Columbia Broadcasting System. He replaces Dr. Antonio C. Gonzalez as aide to Edmund A. Chester, Director of shortwave broadcasting and Latin American relations. Unanue also retains his former post of Latin American news editor.

-----  
Foster May, 37-year old Omaha radio announcer, was paired against a Republican organizer in the fight for the Nebraska Senate seat now held by George W. Norris. Mr. Norris has not disclosed his plans. He did not run in the primary but his friends have predicted that he would again be an independent candidate in November.

X X X X X X X X