

# HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.

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No. 1459

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

August 28, 1942.

## GALLUP POLL VOTES THUMBS DOWN ON PETRILLO

If James C. Petrillo hopes to convince the public of the justness of his ban on phonograph recordings for radio and other non-private uses he faces a battle of terrific odds, a Gallup poll which appeared in numerous newspapers was said to have indicated. Also there was a substantial note in favor of the Government suit to remove the Petrillo ban. The ruling on recordings for broadcasting and his forbidding broadcasts by amateur musical groups such as the Interlochen High School Orchestra, meets with disfavor among the majority of voters interviewed in a true cross-section survey of American opinion.

For every person who approves the action of the musicians' union chief on the ground that union musicians deserve such protection, nine disapprove it as "entirely too high handed" or even as "outrageous."

All persons in the Gallup survey who have heard or read about Petrillo's action were asked to give their views in response to the following open question:

"What is your opinion of Mr. Petrillo's rulings?"

When analyzed, the results showed the following division of sentiment:

Favorable .....	8 %
Unfavorable .....	75
No opinion .....	17

The Gallup voters were also asked: "Do you approve or disapprove of the government taking legal action to stop Petrillo?" The result is:

Approve .....	73%
Disapprove .....	12
Undecided .....	15

The Federal Government has instituted an anti-trust suit against the Petrillo union.

A majority of the sentiment of the readers of LIFE seemed likewise against Mr. Petrillo if the following letters to its editors printed in last week's issue are indicative:

Sirs:

I read Robert Coughlan's close-up on James C. Petrillo (LIFE, Aug. 3) and think this is one man we could do without. I am a soldier and our only chance at times to hear music is by the juke box.  
Dothan, Ala.

CORP. MORRIS H. GREEN

Sirs:

...Maybe Thurman Arnold can't lick this small-time upstart, Punchy Petrillo, but American public opinion can.

ROBERT W. COOPER

State College, Pa.

Sirs:

I am just another person who enjoys whistling in the bathtub. Do I have to hire twelve musicians to "stand by" while I take my bath?

PAUL B. POWER

St. Louis, Mo.

Sirs:

You have printed an outrageous article. I am a member in good standing of Local 240 American Federation of Musicians, am 16 years old, and I don't blame Petrillo one bit. Never have I read in all my life such a prejudiced and one-sided viewpoint and I wish to God he could put a ban on your magazine.

WILLIAM JOE BRYAN JR.

Rockford, Ill.

A victory for Mr. Petrillo was the Eastman Theatre in Rochester, N.Y. dropping the Boston Symphony Orchestra which has been playing there for ten years. Mr. Petrillo had threatened to boycott the theatre, it was stated, if the program included the Boston Symphony, the only major non-union orchestra in the country, and was planning to order union musicians not to appear in any of the concerts.

On the other hand Petrillo was turned down last week by a vote of two to one when he similarly threatened the directors of the Municipal Orchestra Auditorium at Springfield, Mass., also a regular stand of the Boston Symphony and which according to present arrangements will play there again this year. Because Smith College too was blacklisted the SPRINGFIELD REPUBLICAN printed an editorial "Mr. Petrillo and Smith" suggesting that Mr. Petrillo's action might prove dangerous particularly because labor has had so much support from collegiate circles. A portion of the editorial read:

"The charge has often been made by arch conservatives or reactionaries that our colleges are 'hotbeds of radicalism' and Smith college has not escaped occasional attack on the courageously expressed liberalism of various members of its faculty.

"Such sympathetic support from college circles has unquestionably been of large service to the development of the American labor movement and nowhere have there been more indignant retorts to such attacks on liberal professors than in labor's ranks. To deal with Smith as Mr. Petrillo has done and to attempt to dictate to an institution whose liberalism has been outstanding

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seems like endangering valuable sympathy. One kind of a straight-jacket for an educational institution may be as bad as another."

RCA-Victor has informed the music publishing industry that it does not propose to stop recording as the result of the ban imposed on such work by the American Federation of Musicians according to VARIETY which goes on to say:

"The publishers were assured at the same time that Victor will not engage any strikebreakers or scabs in making dance records while the AFM shutdown prevails. While Victor was contacting the publishing business, the other recording companies elected to stand pat on huge stacks of masters they turned out just before the ban became effective.

"The music publishers received word of Victor's latest intentions through Walter G. Douglas, chairman of the Music Publishers Protective Assn. Frank Walker, RCA recording chief, and Leonard Joy, Victor recording manager, met with Douglas and asked him to advise MPPA members that Victor would be glad to have the pubs submit any new tunes which they proposed to exploit during November and December. The pubs were also told that Victor would appreciate the loan of stock dance arrangements of such tunes in manuscript forms if the actual printing job has not as yet been completed.

"Victor did not disclose where or how it would do the recording of this new music. Speculation on the subject in publisher circles was divided. Some thought that Victor would have the stencilling done in Mexico, while others were of the opinion that Victor proposed to use an elaborate voice group in the background to give the effect of an instrumental ensemble."

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#### SHAKEUP REPORTED IN CANADIAN BROADCASTING CORP.

The governors of the Canadian Broadcasting Corporation will meet today (Friday) to consider the report of the special House of Commons Committee on radio broadcasting and its recommendations that the governors consider whether the services of Gladstone Murray, general manager of the CBC, could be used in some other capacity.

There are rumors of a shakeup in which the Rev. Dr. J. S. Thompson, principal of the University of Saskatchewan, is to be made general manager and also financial controller of the nation's outstanding propaganda machinery. Another report is that Gladstone Murray is to be relegated to the minor position of program manager, with headquarters in Toronto, and that Dr. Augustin Frigon, now assistant general manager, is to be left with control of the French network as well as religious broadcasts.

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## NEW YORK LEADS WITH MORE THAN 3,000,000 HOME RADIOS

New York state came booming through with more than 3,000,000 radios in its homes. Pennsylvania last week reported nearly 2½ million.

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

AREA - NEW YORK	Total	With Radio	No Radio	Not Reporting On Radio
Total dwelling units (including urban)	3,662,113	3,385,703	158,478	117,932
Rural-nonfarm dwelling units	423,279	381,341	31,260	10,678
Rural-farm dwelling units	183,305	150,043	28,954	4,308
Albany	37,976	35,670	1,351	955
Binghamton	20,553	19,085	914	554
Buffalo	151,937	144,000	3,727	4,210
New York City	2,047,919	1,910,205	64,547	73,167
Bronx Borough	377,843	357,134	7,481	13,228
Brooklyn Borough	716,933	668,277	19,436	29,220
Manhattan Borough	548,378	499,120	31,328	17,930
Queens Borough	361,689	344,838	5,190	11,661
Richmond Borough	43,076	40,836	1,112	1,128
Rochester	90,039	83,975	2,469	3,595
Schenectady	25,306	23,981	754	571
Syracuse	57,009	53,140	1,493	2,376
Utica	26,195	25,077	1,326	512

The census for Pennsylvania follows:

## AREA - PENNSYLVANIA

Total dwelling units (including urban)	2,515,524	2,259,288	190,602	65,634
Rural-nonfarm dwelling units	595,341	517,702	66,097	11,542
Rural-farm dwelling units	209,050	158,048	46,440	4,562
Philadelphia	506,980	470,187	18,656	18,137
Pittsburgh	175,163	163,487	8,237	3,439
Reading	29,798	28,019	1,241	538
Scranton	35,631	32,879	1,684	1,068
Wilkes-Barre	20,361	18,831	1,004	526
York	15,833	14,729	746	358

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The British Broadcasting Corporation has opened a Washington office in charge of Lindsay Wellington of the New York BBC office who will spend several days a week in the capital.

## OPA FIXES NEW MAGNAVOX PRICES

Maximum prices at which the Magnavox Company, Inc., Fort Wayne, Ind., may sell two new model radios are established by Order No. 3 under Revised Price Schedule 83 issued by the Office of Price Administration.

This action fixes the top price for the company's sale of its model 5K at \$73.83, a price reflecting the same percentage markup over costs as the percentage markup over costs of the nearest comparable old model.

The measure establishes \$38.36 as the maximum price which the company can charge in the sale of its model A3M. This price reflects the same dollar markup over costs as the dollar markup over costs of the nearest comparable model.

The method used by OPA to determine the maximum prices in today's action applies a pricing formula which is similar to one set forth in Maximum Price Regulation No. 188 issued recently to fix ceiling prices on many new consumer durable goods and building materials. However, OPA emphasized, radio manufacturers of new models are not covered by the Regulation No. 188 and they must continue to apply the provisions of Revised Price Schedule No. 83.

Briefly described, the method used today is to establish the price, whichever is lower, derived when the dollar and percentage markups of a comparable old model, already priced under the provisions of the schedule, are added to direct factory costs (as of October, 1941) of the new models. Until today OPA computed maximum prices for new model radios by adding percentage markups of the comparable old model to the production or unit cost of the new model.

Distributors' and dealers' sales of these new models are covered by the provisions of Section 3(a) of the General Maximum Price Regulation. In computing prices for resale under this section, the lower prices will effect savings which will automatically be passed on by retailers to the consumer.

Both the percentage and dollar markups were used in today's price order. To arrive at the 5K price, the percentage markup on comparable model 5H was used because it resulted in a lower price than did the dollar markup on the same model. However, in computing the price for A3M, OPA found that the dollar markup would result in a lower price than the percentage markup on model 3D, the comparable model, and used the former.

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Specialists like radio operators and machinists are to be trained in the schools before they are taken into active Army or Navy service. Similarly, the schools will train workers for war industry. Details of the many things the schools and their students can do for victory will be worked out at the National Institute on Education and the War which opens this (Friday) morning in Washington.

## SENATE INVESTIGATION OF PETRILLO DEMANDED

Senator Clark, Democrat, of Missouri last Thursday demanded that the Senate investigate the actions of James C. Petrillo and his "gangster tactics". At the same time Senator Clark introduced a resolution which would authorize the Senate to proceed with such an investigation immediately. Senator Vandenberg, Republican, of Michigan announced that he expected to press the resolution for action within the next few days.

"I believe that organized labor in this country as a group has conducted itself commendably during the war effort, and in a few instances in which there have been ugly spots, attempts have been made to apply remedies," Senator Clark declared. "In the main, labor is competently led, and I would be the last one to reflect upon it at this crucial time.

"However, an ugly note has been struck, which not only is causing and will cause great disunity in our war effort, but will actually impede the effort itself. That ugly note is in the form of a gentleman by the name of James Caesar Petrillo. The middle name is strongly ironic, and was unquestionably given him by those who foresaw his future.

"In the latter part of July, Petrillo issued an order the effect of which was to stop the production of every phonograph record and every transcription in the United States on August 1. As the present records wear out and no new music of the type reproduced on them can be obtained, the effect of the order will be to destroy, in homes, in small business houses, in small restaurants, and in other places, every vestige of phonographic music.

"So far as the radio industry is concerned, the large networks will be able to take care of themselves. However, I am thinking of the little radio stations in Idaho, Iowa, Montana, South Carolina, and elsewhere, a great deal of whose program time must necessarily be devoted to so-called canned music. I am thinking of the little stations, which already are beginning to feel the pinch of war as advertising falls off. I am thinking of all the little restaurants throughout the land which use mechanical music as a device for making the surroundings pleasant for their customers while they are eating. I am not concerned about the large dining establishments which are able to hire orchestras, but I am concerned about the little fellow, whom another little fellow, James Caesar Petrillo, is attempting to destroy, and whom he will destroy if allowed to go on unchecked.

"I am thinking, also, of the boys in the Army camps of our country. At the recreation centers of those camps there are electrical and mechanical reproducing devices. I am thinking of the soldier with his little radio who listens to the little stations. I am thinking of his recreation as much as anything else. Yet, there steps upon the scene one man, who, by virtue of his power and his gangster methods, undertakes to put out of business a whole industry, and to deprive those who are working in that industry of the opportunity of making a livelihood.



"I am thinking of the situation which the Senator from Michigan (Mr. Vandenberg) so ably portrayed a few days ago. He referred to a little amateur band in a small town in Michigan which was put off the air by virtue of the tactics of James Caesar Petrillo.

"I am thinking of all those things. I am thinking of the tens of millions of radios in the homes throughout the country, and of phonographs, on which the children of the family, as well as the adults, depend for their musical entertainment."

Senator Vandenberg broke in with: "I think the Senator can emphasize the incident at Interlochen, Mich., to which he has referred, to a greater extent than he has emphasized it, because I think it is the most significant key to an intolerant tyranny of which I have ever known.

"The Senator has referred to the Interlochen affair as involving an amateur band. The Interlochen National High School orchestra is composed of the finest high-school musicians from 40 States in the Union. They are chosen on a competitive basis, and are directed voluntarily and without pay by the finest orchestral directors in the world. This organization is recognized as the greatest single musical cultural chrysalis in the whole land.

"That is the institution which Mr. James Caesar Petrillo attacked, for blindly selfish reasons. He is not supported in this instance by 1 out of 200 of his own members, because the musicians of America recognize the fact that this great undertaking in Interlochen, Mich., is the greatest inspiration and incentive to musical culture that exists in the land. That is the thing at which James Caesar Petrillo aimed in his tyrannical order."

Senator Clark concluded by saying that he intended making an extended address on Mr. Petrillo at some future time and he asked that the Senate "investigate the whole nefarious racket".

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#### U. S. SHORT-WAVE SERVICE EQUAL TO AXIS SEEN CERTAIN

Progress is reported in the plan to reorganize and enlarge the United States international shortwave broadcasting system. As at present drawn it does not contemplate the government purchase of the privately owned stations but provides for their being leased by the government but operated by their present owners. The latter may even not be obliged to carry certain government programs if they do not desire to do so.

There would be things in the government "must" list however. For instance if there were another commando raid such as at Dieppe. On that occasion the Germans got the drop on the United Nations by announcing that it was an "invasion" and we came along later saying it was only a raid. Under the plan now being dis-



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cussed we would have such a short-wave set-up that we could instantly flash any message or propaganda we desire to all parts of the world. The German assertion that the United Nations had attempted an invasion, though later denied by us, was said to have registered particularly in South America, and doubt is expressed as to whether or not we were able to overcome it.

Under the new plan we would have the machinery to beat the enemy to it with any message we decided to broadcast. At the moment the Axis outnumbers us about 7 to 1 in the way of short-wave stations. The new plan calls for the immediate addition of 22 transmitters which would be installed by present or new private owners which they would have an option on buying after the war.

The 22 new stations, for the most part, probably would be licensed to the present shortwave operators, most of whom are already working in close collaboration with the Office of War Information's overseas operations Branch and the Rockefeller Committee's radio division. There are seven licensees of the existing 14 international broadcasting stations--NBC, CBS, General Electric Co., Westinghouse Co., Crosley Corp., World-Wide Broadcasting Co. and Associated Broadcasters Inc., the latter operating the recently installed 100,000-watt KWID, San Francisco.

To prepare the way for the more efficient use of the U. S. short-wave stations and the expansion to other countries an interdepartmental committee has been organized under the Board of War Communications Commissioner, T. A. M. Craven of the FCC has been designated FCC and BWC representative.

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#### SUPER RADIO CAMPAIGN TO INFORM PEOPLE ON WAR EFFORTS .

The Office of War Information Thursday announced a special radio campaign designed to inform the American people of the facts of the war effort of the United Nations.

The campaign -- described as the most important ever attempted thus far by the United States Government through the medium of radio -- will begin September 14 and continue through October 26, 1942.

All radio stations throughout the country were sent a telegram this morning announcing the plan, and a complete presentation was sent by mail later in the day.

In a memorandum to stations, William B. Lewis, Chief of the Radio Bureau of the Office of War Information, said "I need not stress the importance of acquainting the American public with the true facts about the United Nations. It is obvious that for complete unity of effort by our people, every American should be completely informed on the contributions of every member of the United Nations".

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Stations will be furnished with 43 transcribed one-minute spot announcements, featuring such famous news commentators as:

H. V. Kaltenborn, William Shirer, Gabriel Heatter, Walter Winchell, Raymond Clapper, John Gunther, John W. Vandercook, Earl Godwin, Lowell Thomas, Raymond Gram Swing and Pearl Buck.

Transcriptions will feature war effort facts, in concise announcements, on fourteen of the major United Nations including England, Russia, China, Greece, The Fighting French.

Stations are asked to schedule the announcements at the rate of ten per day, seven days per week for six consecutive weeks starting September 14th and ending October 26th, 1942. They are asked to feature them in their regular periods now set up for transcribed one-minute announcements; in sustaining programs and in commercial programs.

With regard to sponsored programs, stations are asked not to include the announcements in the body of the commercial program, but to ask the sponsor to donate one minute before or after his program. Permission has been given for the stations to announce that the "sponsor has donated one minute of his time for an important message".

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#### ADVERTISING EXPENDITURES DEDUCTIBLE FOR INCOME TAX

Normal advertising expenditures and those necessitated by the numerous contingencies arising from the war program are deductible for income tax purposes, according to a clarifying explanation of the attitude of the Treasury Department and the Bureau of Internal Revenue, released Thursday by the Association of National Advertisers with the approval of the office of the Commissioner of Internal Revenue.

In general the bureau is willing to approve normal expenditures for the numerous new types of advertising which have sprung up as a result of the war. These include: (1) Salvage campaigns; (2) new products resulting from the cutting off of materials and the development of substitutes; (3) added lines acquired by manufacturers to keep dealers in business; (4) changes in buying habits. For example, beverage manufacturers attempting to educate the public to use large instead of small size bottles; (5) advertising to speed war production, and (6) new companies organized for the sole production of war materials will be allowed deductions for reasonable advertising expenses to promote their names.

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#### PUBLIC SERVICE RECOGNIZED IN PEABODY RADIO AWARDS

Meritorious public service by individual radio stations, regional and local, will this year be recognized in the George Foster Peabody radio awards.

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Last year the Peabody awards went primarily to programs. The year before stations and networks were recognized. For 1942 both programs and stations are to be eligible.

Awards will be made in at least six categories:

(1) That program or series of programs inaugurated and broadcast during 1942 by a regional station which made an outstanding contribution to the welfare of the community the station serves; (2) that program or series of programs inaugurated and broadcast during 1942 by a local station which made an outstanding contribution to the welfare of the community the station serves; (3) outstanding reporting of the news; (4) outstanding entertainment in drama; (5) outstanding entertainment in music, and (6) outstanding educational program.

The awards under reporting, drama, music and education may go to either a station or a network program.

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#### BBC DIRECTOR GENERAL TO ADDRESS OVERSEAS WRITERS

Sir Cecil Graves, Director General of the British Broadcasting Corporation will be the guest at luncheon today (Friday, Aug. 28) of the Overseas Writers in Washington. His subject will be "British Broadcasting in Wartime".

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#### U. S. STANDARDS BUREAU RADIO LABORATORY ENLARGED

The Public Buildings Administration has awarded a contract for an additional story on the radio laboratory at the National Bureau of Standards in Washington.

The contract price is \$39,615 and the contract calls for completion of the construction in 120 calendar days.

Ordinarily concerned with routine radio standards research the Bureau of Standards Radio Research Laboratory under the direction of Dr. J. E. Dellinger is now engaged in full time war work.

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The National Broadcasting Company has inaugurated a regular mailing of news, features, prints, and mats exclusively for use in U. S. Army newspapers. "It is our hope that Editors and Public Relations Officers will feel free to comment on the service, suggest material for future issues, and call upon us for any assistance we can render" says the NBC Press Department.

"We would like to be notified if this material is improperly addressed, and we would appreciate being placed on your permanent mailing list."



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 ::: TRADE NOTES :::  
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Following our mention of the change in the name of Hygrade Sylvania the following formal notice has been received:

"Stockholders of Hygrade Sylvania Corporation, meeting at Salem, Mass., July 30 acted to change the name of the corporation to Sylvania Electric Products Inc., this name to be effective August 12, 1942.

"It is planned to use the trade name Sylvania on all the company's products. This change will be made as rapidly as is consistent with economies of operation and the conservation of materials."

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To supply news and programs to troops in Alaska, the FCC has issued a license to Edwin Kraft to operate a broadcasting station KTKN at Ketchikan. KTKN will operate on 920 kc using 1000 watts power.

C. B. Arnold, former manager of KINY, Juneau, will be in charge and is leaving from here this week with a staff of engineers, program men and announcers. Opening date is set tentatively for Sept. 15. Kraft also owns KINY.

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An enlarged course in radio engineering is just now beginning at the University of Maryland under Dean S. S. Steinberger.

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The Gillette Safety Razor Co. will again sponsor the World Series over Mutual. The hookup calls for 300 stations in U. S. and Canada, shortwaving overseas to the troops and airing of a Spanish version for Latin America. The price will be the same as usual -- \$100,000 to the ball clubs, plus time and announcer charges.

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The British Government spent £3,805,000 for press advertising beginning Sept. 1, 1939, and June 30, 1942, according to reports received by J. Walter Thompson Company from its London office. The largest portion of the appropriation, or £1,251,000, was spent by the National Savings Committee. Other departments, in the order of the amount they spent, were the Ministry of Food, £855,000; Air Ministry, £414,100; Ministry of Agriculture, £186,000; Ministry of Labor, £168,000, and the Ministry of Information, £93,000.

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Clare Booth as a news commentator is the latest personage to be mentioned in connection with the build-up of Station WQXR recently purchased by her husband, Henry Luce, publisher of TIME and LIFE.

The members of TIME staff are now working on a new feature for WQXR to be called "World Wide News" in the brief TIME magazine style. Frank Norris and Finis Farr of the "March of Time" series will direct it.