

HEINL RADIO BUSINESS LETTER

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SENATORS RESENT RADIO AND PRESS ATTACKS

Farm group Senators became very warm under the collar because of the attacks upon Congress of radio columnists and newspaper editors in connection with the anti-inflation bill. Senator Wiley, of Wisconsin, favored a Congressional investigation of these commentators and writers "to see what influences are behind their attacks upon us".

"I do not propose to succumb to that kind of pressure", Senator Aiken, of Vermont, ejaculated. "I hope the Senator from New Mexico and every other Senator here will show his resentment of that kind of propaganda, which is put not only before the Congress but before the people of the United States. If those who are doing so think they are fooling the farmers, they are absolutely wrong."

"Along the line which has just been the subject matter of this colloquy, it is interesting to note that the pending measure provides that the President may suspend provisions of section 3(a) and 3(c) of the Price Control Act, which, of course, are the agricultural-commodity provisions, but he may not under authority of the joint resolution suspend any other law or parts thereof", Senator Guy Gillette, of Iowa, said.

"Then, I call attention to the provisions of the Price Control Act which may not be suspended. I read from page 15 of the published text of the present Price Control Act:

"'Nothing in this act shall be construed to authorize the regulation of (1) compensation paid by an employer to any of his employees, or (2) rates charged by any common carrier or other public utility, or (3) rates charged by any person engaged in the business of selling or underwriting insurance, or (4)'-

"Now, listen -

'rates charged by any person engaged in the business of operating or publishing a newspaper, periodical, or magazine, or operating a radio broadcasting station, a motion-picture or other theater enterprise.'

"The type of attack which is being referred to is made by institutions which come under an act which prohibits the regulation of newspaper advertising, newspaper rates, or expenses in connection therewith, or broadcasting, and the pending measure prohibits the suspension of that section of the law."

"Referring to the remarks made by the Senator from Iowa, I wish to say that I think as a matter of fact it is not true that this measure exempts various newspaper rates and other matters which are exempted in the Price Control Act", Senator Taft, of Ohio, declared. "All that the proviso in the Price Control Act does is to say that nothing in the Price Control Act shall authorize such regulations.

"But in the pending measure we provide a brand new authority, which is entirely outside the Price Control Act, to regulate all prices, wages, and salaries, so that anything falling within the term 'price', in my opinion, is covered by the new measure. It is wholly unnecessary to set aside the provisions of the Price Control Act, because they create an exception only to the regulation provided by the Price Control Act and not an exception to the regulation under the pending joint resolution."

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WJSV PROPOSES "WAR SACRIFICE FUND" SAVINGS PLAN

A plan by which each individual can establish his or her own personal "War Sacrifice Fund", to further help to win the war, while at the same time relieving the nation's economic situation, was announced in Washington last Saturday by A. D. Willard, Jr., General Manager of Station WJSV of the Columbia Broadcasting System. Although very simple in its operation, the "WJSV Plan For A Personal War Sacrifice Fund" has been carefully developed, so as to be effective both in results for the nation and in providing a definite means for patriotic individuals to go beyond the normal line of duty, voluntarily, to help win the war.

Numerous highly placed officials of the Federal Government, of labor and of business, the announcement said, have commended the "War Sacrifice Fund" plan, which does not require additional staff or expenditures by the Government, existing facilities in each local community being ample for its successful operation.

Each person can establish his or her own personal "War Sacrifice Fund" only with sacrifice savings, beyond legal requirements, such as taxes, and beyond normal duty, such as investing ten per cent of income in War Bonds. This can be accomplished by doing without certain goods and services, many of which are becoming scarce anyway, and will become still less obtainable in the future. All money thus saved by sacrificing normal indulgences and conveniences, would go into the individual's own "War Sacrifice Fund", for the sole purpose of investing in additional War Savings Stamps and Bonds, and for contributing through established local channels to other essential war activities.

The entirely simple "War Sacrifice Fund" plan could raise up to \$11,232,000,000 annually, above all other income for war purposes.

The "War Sacrifice Fund" plan was announced by Mr. Willard simultaneously with its original broadcast by Albert N. Dennis, commentator on labor, industry and related economics, on his 428th consecutive weekly "Labor News Review" program, over WJSV of the Columbia Broadcasting System. It was explained that no official formalities are necessary. Every individual can start his or her own personal "War Sacrifice Fund" immediately, and thus further aid in winning the war and in protecting the economic stability of the nation.

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RCA ADVISES RE WARTIME PATENT AGREEMENTS

Referring to the agreement of the major radio and communications companies to give the Army Signal Corps free patent licenses for the duration of the war the Radio Corporation of America has sent the following letter to its licensees:

"RCA has entered into a License Agreement ('Government Agreement') with The United States Of America ('Government'), effective July 1, 1942, which includes all apparatus for the Government that is subject to royalty payments under your License Agreement. In view of the obligation of the Government to pay royalties to RCA upon such apparatus during the term of the Government Agreement and of the desires of the Government in that respect, any such apparatus sold by you to the Government during the term of that Agreement now becomes licensed under that Agreement.

"For that reason and without otherwise modifying your License Agreement, your obligation to make royalty payments and reports to RCA as provided in your License Agreement is waived until termination of the Government Agreement (of which RCA will notify you) with respect to all such apparatus sold (i.e. when it has been billed out, or if not billed out, when it has been delivered, shipped or mailed) by you on and after July 1, 1942, to the Government or to contractors or sub-contractors for resale to the Government.

"In all other respects your License Agreement continues in full force and effect.

"Since the Government Agreement may be terminated by it at any time on six months' notice, it is not possible to state at this time how long it will continue. As indicated, however, you will be notified of the termination date."

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NEW BROADCASTING ASSOCIATION PUTS NAB ON SPOT

Apparently the announcement of the formation of the American Broadcasters' Association, as a rival to the National Association of Broadcasters, came as pretty much of a surprise to the broadcasting industry and apparently to Neville Miller and the NAB itself. This move was revealed at the conclusion of the meeting of the NAB Board in Chicago when it became apparent that the differences between the national organization and the Broadcasters Victory Council could not be settled. The organizations were in rival camps at different hotels in Chicago and never did get together.

The plans for the new American Broadcasters' Association which proposes to take the place of the Broadcasters Victory Council calls for a paid president and at least two executive officers. Headquarters will be in Washington and an important objective is that the new industry representatives be in step with Chairman Fly of the Federal Communications Commission, which has not been the case with President Neville Miller since the big "mackerel in the moonlight" blow-up at St. Louis.

The new ABA has announced that the nine broadcasters comprising its charter membership had pledged the "full financial support needed".

The group said that it had decided on the new association in recognition of the "increasing complexity of the problems confronting the broadcasters in their relationship to the war effort of the Government". The announcement said they were setting up the machinery to provide "every facility for correlating an intelligent and effective cooperation between radio broadcasting and its proper place in the war effort".

"This move basically constitutes a reorganization and realignment of the industry figures responsible for the BVC and a number of other broadcasters whose interest in intelligent and whole-hearted cooperation in the war effort has prompted their financial support", the announcement stated.

All stations will be welcomed as members in the ABA but, differing from the NAB, networks will not be eligible. Although Chairman Fly has been mum on the subject, it is known that he has frequently been in the company at luncheon and elsewhere with the prime movers in the organization of the new association - John Shepard, 3rd, Walter J. Damm, and O. L. (Ted) Taylor. Mr. Shepard is Chairman of BVC, Mr. Taylor its executive secretary, and Mr. Damm, President of FM Broadcasters, Inc.

At the conclusion of its sessions in Chicago last week, the NAB voted to hold another meeting there Wednesday, October 14th. President Miller reported that he had not yet decided who to appoint as a public relations man. Niles Trammell, President, and Frank M. Russell, Vice-President were present for the National Broadcasting Company, and Joseph H. Ream, Secretary, for Columbia Broadcasting

System. The matter of reorganization was not taken up and this brought the final break between NAB and BVC and the subsequent announcement that the ABA would be formed.

Obviously the thing that seemed most necessary by all factions was unity of the industry. Instead the Chicago meeting revealed that it was split wide open.

"It would seem that the National Association of Broadcasters would be the logical organization to represent us", one broadcaster said, "especially in such a fight as we are now having with Petrillo. Sydney M. Kaye is the man to carry it on - but Mr. Kaye doesn't work for peanuts."

It apparently was the idea of this broadcaster that the NAB could be made to serve the present purposes without the necessity of organizing a new association, if another man could be put in to replace Neville Miller, whose usefulness he seemed to think was impaired by not being able to work with Chairman Fly.

"If you knew that your best salesman was persona non grata to your best customer, you would remove the salesman."

Almost the same opinion was expressed by an FCC official.

"Unity is the thing most needed", he declared. "As it is now the industry - its members fighting among themselves - is prostrate. If Neville Miller is the one person standing in the way, the thing to do is to put him out and if his contract does not permit of that endeavor to buy him off but not let one man gum up the entire proceedings."

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HITS "RADIO GUIDING GENIUSES" IN WAR COOPERATION

Kay Kyser, bandleader, told a group of network and advertising agency executives in Hollywood last week that the "guiding geniuses of radio" were failing miserably in cooperation in the war effort.

"Unless they accept the challenge and carry the ball", he said, "defeat of all the Office of War Information efforts could not be avoided."

Mr. Kyser, a consultant to OWI's Radio Division, spoke at one of several meetings, and said people wanted to be talked to sincerely and were tired of such phrases as "Slap the Japs".

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FCC HEAD DISCUSSES WAR PROBLEMS

At his regular press conference yesterday (Monday), Chairman James L. Fly of the Federal Communications Commission discussed several matters of immediate interest to the radio and communications industry.

"Mr. Chairman, did that speech you made before the Police Chiefs Convention in which you told them the necessity for conservation of parts and reducing power - is that a forerunner of what's to come to the standard broadcasting industry?" he was asked.

"I would not want to say so. There may be different considerations involved there. I was talking to the police chiefs and not anybody else", Mr. Fly replied.

"In connection with that crystal order of last week, does the Commission intend to try to unfreeze some of the other material following that?" someone else asked.

"I don't know whether they will succeed in doing so or not", the Chairman answered.

"Is there anything specific on the Manpower?"

"Yes, and no. The Industry Committee have that matter in hand, as you probably know, and I would guess that industry itself is pretty well informed on the status of it since their representatives are working on the matter. I imagine they will present it to the Board within a week or so" was the Chairman's reply.

"Does that include classifications?"

"Yes", Mr. Fly said, "that is what I have in mind - definitions and classifications. It would in turn be passed over to the other agencies. As you know, that is being worked out by the Industry Committees themselves and I think they are moving right along with the work, and it is my impression that it's in good shape and I guess they will get it before the Board and move along.

"The recommendations of the Industry Committees?"

"Yes."

"Will the Manpower adopt it?"

"I would rather not speak in their behalf but we generally have a cooperative attitude reflected on the part of Manpower", Mr. Fly continued.

"In that connection, I was wondering since Chairman McNutt is trying to get compulsory law, if they would go ahead?" was the final question.

"I would only guess on that, but this business of holding up something that is emergent in character because of prospect of legislation as suggested, from my own experience, is rather dubious", Chairman Fly concluded. "In other words, if I were sitting in the same spot I doubt if I would hold it up. I am not suggesting that they wouldn't get the legislation or wouldn't get it promptly. I guess they have the matter here in pretty definite shape and it is, of course, important and is emergent in character, and we can make some progress on it regardless of the developments on the legislative front. But that, of course, is up to the discretion of the Manpower Commission. The matter of conservation of equipment, I suppose you all know, is just about in the same status - that's in the hands of Industry Committees and I think they will be out with that in the course of days, and we ought to have some outward progress on that pretty soon. I think it's of real importance that we get those things out and get them through the Board of War Communications to the War Production Board because after all we do have a serious situation on the conservation of materials, and I think it is of real interest to have a record of cooperation with the WPB in terms of conservation."

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LOUIS RUPPEL PINS ONE ON SENATOR LODGE

In his syndicated column "The Washington Merry-Go-Round" in a paragraph captioned "Stimson Plays Politics", Drew Pearson writes:

"There is a cablegram which would be of interest to Secretary of War Stimson. The cablegram was sent from Cairo by Chester Morrison, American war correspondent in Libya, shortly after Republican Senator Henry Cabot Lodge of Massachusetts returned from active duty as a tank corps major in Libya, doffed his uniform and began a hot campaign for reelection.

"Opening gun of his campaign was publication of a letter from Republic Secretary Stimson, paying high tribute to Lodge's 'experience under fire in the combat zone'. Stimson also lauded Lodge's 'knowledge and understanding of military strategic considerations which will greatly enhance your usefulness to the country as a United States Senator'.

"This letter raised a howl of protest that Stimson was putting the War Department into politics, so Louis Ruppel, former Columbia Broadcasting Publicity Director, started to investigate entirely on his own. Through a friend, he cabled Morrison for details regarding the young Senator's 'war activities' in Libya. Here is Morrison's reply, dated August 21, 1942:

"Lodge chaperoned the first contingent of tanks to Cairo and used his personal prestige to insure their comfort. He turned over his command to Captain Stelling, who commanded their first action. Lodge unsaw action. He made a Cook's tour of desert areas and then went home.

"On the way home he violated the ethics of journalists here by secretly carrying an uncensored account of operations written by Associated Press correspondent Edward Kennedy. This he camouflaged as a report for the War Department, while the Middle East censor maintained a compulsory blanket censorship on any mention of Lodge or the tanks.

"From letters that I have received I gather that the Lodge campaign speeches present a different picture."

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OWI CUTS DOWN FCC RELEASES

In his effort to reduce the volume of Government publicity, Elmer Davis, head of the Office of War Information, swung the axe on about 250 press releases and ordered about the same number discontinued. The former included 36 at the Federal Communications Commission. The Commission's appropriation for outside newspapers and magazines was cut down to \$50.

The Department of Agriculture must make changes in 180 items, the Bureau of Agricultural Economics in 78 of these. Seventy-three publications of the Commerce Department are altered or stopped, 35 of these being in the Bureau of Foreign and Domestic Commerce, and 30 in the Census Bureau.

Other publications affected are: Federal Security Administration, 31; Interior Department, 38; State Department, 8; Treasury Department, 7; Justice Department, 10; Labor Department, 40; Federal Works Agency, 21, and Public Health Service, 3.

Mr. Davis directed departments and agencies to notify persons that they cannot longer receive general mailing lists made up of "all releases or other publications". Agencies may, however, give out selected lists based on requests for specific publications.

The Davis order further prohibits Government agencies from sending releases to newspapers or radio stations or other news media by telegraph, without OWI permission, unless at the request and expense of the recipient.

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Lord Haw Haw, Germany's idea of a funny-man propagandist, has lost his title, or his face - or something, a foreign dispatch states. Reuter's News Agency reported that the Berlin radio, over which Haw Haw has been broadcasting for a couple of years, introduced him as "William Royce, formerly known as Lord Haw Haw".

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NEW RCA LABORATORIES DEVOTED ENTIRELY TO WAR WORK

At the dedication exercises of the RCA Laboratories at Princeton, N. J. last Sunday, Otto S. Schairer, Vice President in charge of the Laboratories, said:

"When we leave here today, the gates will be closed to others than war workers. These structures will then be as much a part of the nation's armament as are its arsenals and forts. The work these scientists will do will be military secrets, carefully guarded against leakage or intrusion."

Lieut. Gen. Harbord, Chairman of the Board, presided at the dedication and introduced the speakers; Maj. Gen. Dawson Olmstead, Chief Signal Officer of the Army, Col. David Sarnoff, U.S. Army Signal Corps, and Mr. Schairer.

"RCA Laboratories assembles under one roof kindred activities which have hitherto been performed by individuals widely separated by time and space", said General Harbord. "The Laboratories give our future scientific work the advantage of collective effort - the advantage in our attack on our problems of delivering a blow with a clenched fist instead of with open fingers."

Mr. Sarnoff said that while the war's decision ultimately will be made on the battlefield, on the high seas and in the air, the fighting men who have the greatest resources of science, engineering and production in back of them will be the victors. This war, more than any before in history, he described as a contest between the brains, imagination and team work of the scientists of one group of nations pitted against those of another group.

"In the last analysis", said Mr. Sarnoff, "a research laboratory consists not so much of buildings and facilities as it does of research men and research leadership. The staff of these laboratories is as fine a group of radio scientists as exists anywhere in the world. The skills which they developed before the war are now finding direct use in important military applications."

"When the war ends, and the ban of secrecy is lifted, the recital of accomplishments will thrill all of us and fill us with justifiable pride", Mr. Schairer concluded.

"But when the war ends - when the victory is won - these men and these laboratories will stand dedicated in advance to serve the cause of a victorious peace. For therein lies the distinctive characteristic of our scientific endeavor. Its destructive power is one of the greatest weapons of war and its constructive power is one of the greatest assets of peace."

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SEES END OF RADIO AND PRESS CENSORSHIP HONEYMOON

There are definite indications in Washington that the honeymoon involving the censorship rules on the one hand and newspaper correspondents and radio news broadcasters on the other is about finished with the all-is-blissful stage, according to a New York dispatch by Bert Andrews to the Washington Post.

"So far the rift in the marriage might be compared to that which exists in any match where the principals have reached the perilous state of being thoroughly frank with each other, but are not at liberty, for various good and sound reasons, to break the news to their families and friends", Mr. Andrews writes.

"But, as is the case with all honeymoon disputes, it will not be long before this one comes out into the open.

"It will be only so long, in fact, as censorship regulations require the newspaper and radio correspondents to maintain silence, in keeping with the voluntary censorship code, about a matter which has caused a sizeable controversy among those who differ over the necessity of keeping quiet about it.

"Many of the newspaper and radio correspondents, as well as some persons in the Government, believe that the censorship rules have been too strictly applied in this particular matter.

"They think the newspapers and radio are being required to observe 'voluntary' censorship in this instance to a degree which borders on the ridiculous when all the circumstances are taken into account. They are fearful that if a similar policy is pursued in future similar cases it may imperil the whole system of voluntary censorship by making a mockery of the word 'voluntary'.

"But they voice the hope that the differences can be ironed out, and that independent correspondents will not again be denied first-hand access to newsworthy information which the Government intends ultimately to make public.

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RADIO ANNOUNCER RAPS NORRIS SEEKING RE-ELECTION

Criticizing Senator George W. Norris, who has been in the Senate 39 years, for seeking re-election, Foster May, Omaha radio announcer, the Senator's Democratic opponent, said:

"I believe the venerable 81-year old Senator's acceptance of this relatively small petition means either that he has been playing politics with the people of Nebraska for the past six months or that because of his long absence from the State he is unaware of the true situation in Nebraska."

Petitions to place Norris' name on the ballot contained more than 15,000 signatures.

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I. T. & T. TURNS 1941 HALF YEAR LOSS INTO 1942 GAIN

The report of the International Telephone and Telegraph Corporation and certain of its subsidiaries, primarily those operating in the Western Hemisphere, for the first half of this year, released last week by Sosthenes Behn, President, shows a consolidated net income of \$333,556, contrasted with a net loss of \$14,704 in the six months to June 30, 1941. Gross earnings were \$16,136,227, against \$14,359,195.

I. T. & T. alone, as parent concern of the system, reported a net loss of \$1,913,369 in the six months to June 30, compared with a loss of \$1,727,930 in the first half of 1941.

The report discloses that two of I. T. & T. subsidiaries, the International Telephone and Radio Manufacturing Corporation and the Federal Telegraph Company, recently obtained \$10,000,000 in credit from a group of New York and New Jersey banks under the guaranteed loan provisions of Regulation V of the Federal Reserve Board. The credit will be used to assist the subsidiaries in financing the manufacture of supplies for the war effort.

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NBC PLAN ADDS 608 STATION-HOURS A WEEK

Impressive gains to clients and the listening audience, through operation of NBC's full network, 125-station plan are said to be evident in figures recently compiled by that network.

Since July 27, when the 125-station network plan was presented to all NBC commercial accounts, it has been accepted by 17 clients representing 25 different programs. Eighty-eight stations have benefitted through this network expansion.

On the basis of additional network time created by the plan, the survey shows that this sales project alone, has added 608 station hours per week. And as a result of this and other selling activities instituted by NBC during the past six months, the average daytime network has increased from 49 to 54 stations, a gain of approximately 10 per cent.

In nighttime coverage, the plan's advantage to American radio listeners is even greater. The average NBC network now functioning between 6 and 11 P.M., has increased from 76 to 94 stations since March 1. Here the gain is nearly 25 percent.

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