

HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.

INDEX TO ISSUE OF OCTOBER 16, 1942

U. S. Aids In Latin-American War Communications Expansion.....	1
Atlass And Kauffman Chosen By Army For War Course.....	3
Zenith Shows Increased Quarterly Profit.....	4
Lively Press Comments Follow Petrillo Victory.....	5
Neville Miller Ouster Beaten By 14 To 6.....	7
New FCC Assistant General Counsel Named.....	7
New Foreign Language Censorship Section Begins Work.....	8
Arnold Appeals To Supreme Court To Halt Petrillo.....	9
Senator Norris Asks Probe Of Broadcast Ban.....	9
Westinghouse And RCA War Workers Win Awards.....	10
Sees No Reason For Pride In F.D.R. Suppression.....	10
Trade Notes.....	11

No. 1472 41

U.S. AIDS IN LATIN-AMERICAN WAR COMMUNICATIONS EXPANSION

The United States has sent thousands of its best specialists and technicians to Latin-America to develop and augment radio, telephone and telegraph systems that will aid industrial and military expansion, James L. Fly, Chairman of the Federal Communications Commission said in addressing the Institute of Inter-American Affairs, sponsored jointly by Columbia University and the National Broadcasting Company in New York City. Previous speakers had been Dr. James Rowland Angell, President Emeritus of Yale University, representing NBC, and Dr. Nicholas Murray Butler, President of Columbia University.

"The development of this inter-American culture depends to a great extent upon the maintenance of free and efficient lines of communications - lines that link a newspaper editor in Buenos Aires with his reporter in Chicago, a trader in Seattle with a merchant in Valparaiso, a physician in Lima with his colleague in Baltimore, a virtuoso in Mexico City with his audience in New York", Chairman Fly declared. "As such lines grow in type, in number and in efficiency, so does the opportunity for the cross-fertilization of our culture. Over these lines from hour to hour our commercial relations are being promoted. Over the same lines news and pictures are being diffused throughout our hemisphere. Electric impulses on the wires and the cables and in the air provide unending streams of intelligence. Our governments and our companies have cooperated in providing this material and in arranging its prompt transmission at reasonable cost.

"Radio has a vast and ever increasing part to play in this scheme of things. Through the medium of broadcasting we exchange ideas and join in discussions, we dance to one another's music, we have one another's drama and literature for our own. International short wave broadcasting has become an important medium for promoting familiarity between the peoples of this hemisphere. In Axis countries, a severe penalty is imposed on those found listening to the short wave broadcasts of neighboring countries. But here in the Americas, all nations encourage their citizens to listen to the voices of their neighbors, confident that free men can appraise the wheat and the chaff and that the dictators will be unable to alienate citizens of democracies from governments that they themselves control. We stand firm in our confidence that democratic government depends ultimately on a truly informed citizenry.

"Our broadcasting industries have recently taken advantage of the ability to relay program material from one continent to the other by short wave radio. At the point of a reception these programs have been placed on the domestic broadcast station networks - thus reaching the listeners through their local stations. The short wave relay supplemented by broadcasting by regular domestic stations

is much more effective than the effort to reach listeners directly by short wave. We shall hope in the near future to hear these programs moving in all directions.

"In particular I hope soon to see more extensive facilities available for the transmission of programs to this country from the other countries of this hemisphere. Broadcasts from South America have given us a glimpse of the rich store of Latin American arts, music and literature, which have acquainted some of us for the first time with the history of the struggles of the Latin American people to achieve freedom. I hope too that standard broadcast stations in the United States will give increased attention to the wealth of program material which is available in our hemisphere. The premier on Saturday afternoon of the NBC 'New World Music' series brilliantly presented a program of music indigenous to our hemisphere - a part of the culture of the Americas that flourished before the coming of Columbus and the European migrations.

"Successful television is today a fact. Its horizon is vast. From the rapid strides that are being made in wartime research, we know that televised programs will be transmitted by radio relay for local broadcast at distant points. By moving into frequencies that have heretofore seemed the extreme of the ultra-highs, we shall transmit these programs effectively over great distances. Some day, sitting in our own homes, we shall be able to see our neighbors at a distance and to see their activities and the interesting things that surround them. We shall then more fully tap one another's rich cultural resources. It is the inexorable fact that, in an era of electronics, we shall be neighbors.

"To a great extent we have already realized that our destinies are inseparable. Thirteen American countries are now joined together as fighting allies. And others are rendering valuable assistance. Our cooperation is close and we rely heavily upon one another. Vital bases have been constructed throughout the hemisphere. We are exchanging both civilian supplies and military equipment in increasing quantities. The countries of Latin America are contributing critical resources such as oil, rubber, tin and nitrates. Their ingenuity and enterprise are constantly making available new sources of strategic materials. Their men and ships strike out in the dangerous seas. Lines of communications are necessary to coordinate such far-flung activities. They must guide ships - they must make it possible for producers of raw materials in one country to be currently informed of the schedules of manufacturers in another, for makers of different parts and materials to synchronize their efforts with those of assembly plants, and for military and naval establishments to 'get the message through'. Indeed, communications are the nerves of the great war effort that is absorbing the energies of many of us in this hemisphere.

"It is vital that these strategic American lines of communications be protected and developed to full efficiency. Italian, German and Japanese interests must not acquire a death grip on them. The Axis nations typically use control of communications facilities to sabotage production, to foment disunity among peoples, and to

maintain espionage organizations. American nations stand ready to assist one another in freeing their communications systems of enemy influences* * *

"It is further essential that in each country there be an adequate supply of technically trained manpower necessary to the operation of its communications system. The schools of the United States have helped to train and develop talented young men and women from Central and South America in the principles of radio engineering, telephony and telegraphy. * * *

"For the isolation of the Americas ended not in 1917, not in 1941, but in 1492. Four hundred and fifty years ago today the great navigator and geographer, Columbus ended the territorial isolation of our hemisphere. Since that time a thousand other men of science and engineering have effectively eliminated the possibility of any such insularity. Not the least of these were the pioneers in the arts of radio, telephone and telegraph. Today we move into the era of electronics. Oceans cannot isolate us from those whom we can see and hear in our own homes whose words are printed in our newspapers the same day they are uttered. There can be no separate peace or private joy or selfish security for any of us. We shall win and live together in a free world, in which the common people of all countries will respect, understand and work with one another. Or we shall lose and perish together in a world of slavery. Whatever happens will happen to all of us, and the world will be one world."

X X X X X X X X X

ATLASS AND KAUFFMAN CHOSEN BY ARMY FOR WAR COURSE

Included in the eighty-three business and professional leaders whose work is closely associated with the war effort and who have accepted an invitation to attend a four-week orientation course in Army organization and procedures at the Command and General Staff School, Fort Leavenworth, Kansas, beginning October 26, are H. Leslie Atlass, Vice-President of the Columbia Broadcasting System in Chicago, and Samuel H. Kauffman, Business Manager, The Evening Star, Washington, D. C., owners of Station WMAL.

The course is designed to provide information that will enable this selected group of civilians to understand more fully the conditions under which the Army operates. Included will be a general picture of the military forces of the United States; their organization, administration and operations; the duties and responsibilities of the several divisions of the War Department; the duties and responsibilities of governmental agencies connected with the war effort; the duties and functions of the field agencies of the War Department, and some general principles of tactics, strategy, supply and administration.

Civilians who have accepted the invitation will report to the Command and General Staff School on October 24, when they will

be assigned to quarters provided by the Army. They will eat at the Fort Leavenworth Officers' Club Messes and will have available recreational facilities of the Officers' Club.

The course which they will take consists of 146 hours of instructional time, divided into six parts - general, special, supply, transportation, personnel and tactical principles.

X X X X X X X X

ZENITH SHOWS INCREASED QUARTERLY PROFIT

The Zenith Radio Corporation reports an estimated consolidated operating profit for the first quarter ended July 31 of its current fiscal year, amounting to \$683,664 after depreciation, Excise Taxes and liberal reserves, but before provision for Federal Income and Excess Profits Taxes.

"Based upon latest information Federal Income and Excess Profits Taxes on this profit is estimated at \$375,900. In the absence of definite information as to the procedure to be followed with reference to price renegotiation on war contracts, the management is unable to determine the effect, if any, such renegotiation will have on the foregoing figures", Commander E. F. McDonald, Jr., President of the company said.

"The company's manufacturing facilities have been devoted entirely to the war effort since discontinuance of production for civilian use last April. During the period covered by this report, a substantial part of our effort was devoted to tooling for government production during subsequent months. Production has been increasing steadily and is expected to reach a figure during November which should be maintained as a minimum until the end of 1943, in order to complete present contracts.

"The company's facilities are devoted exclusively to the production of electronic equipment. Our engineering facilities and our employees are, therefore, continuing in radio and electronics - the field in which they have had long experience. There has been no diversification into fields with which we are not familiar.

"Valuable contributions to the war effort have been made by both our engineering and production departments which will be of lasting benefit during our continued progress in the future."

X X X X X X X X

Using an electronic instrument which can distinguish between 2,000,000 shades of color, the Materials Laboratory of the Army Air Forces in Dayton is studying the possibility of obtaining standardization of camouflage colors through the use of color curves produced by the device, instead of using colored chips or samples. The latter fade under different temperatures and handling conditions and cannot be relied upon to give the same shade of colors at all times. The instrument being used is a photoelectric spectrophotometer, produced by General Electric engineers.

X X X X X X X X

LIVELY PRESS COMMENTS FOLLOW PETRILLO VICTORY

The sweeping refusal by Judge Barnes in Chicago to grant the Government's request for a preliminary injunction against James C. Petrillo caused another uproar among the editorial writers.

The opinion was ventured by the Washington Star that there is small likelihood that the alleged offense by Mr. Petrillo will ever be tried under the anti-trust laws unless the high court should alter its interpretation of the intent of Congress, or unless Congress should enact legislation to deal specifically with such questions.

An editorial in the New York Times, captioned "Mr. Petrillo as a Test Case", read:

"The activities of James C. Petrillo recently received the endorsement of the American Federation of Musicians, the union that he heads. The delegates to the American Federation of Labor convention have now given him unanimous support. This clarifies the issue. Mr. Petrillo is not a racketeer, not a lone outcast, not a freak; he has merely carried to unusual lengths policies which his fellow union leaders feel to be perfectly legitimate.

"The service that Mr. Petrillo has performed is to show the country to what results these 'legitimate' policies finally lead. Mr. Petrillo can force practically every musician to become a member of his union, not by such crude instruments as the blackjack, but by making it in various ways difficult, if not impossible, for the musician to get a job unless he does become a member. Then Mr. Petrillo can deprive the most talented members of his union of the fruits of their talent, by preventing them from making records or electrical transcriptions, in the vain hope of forcing the employment of the much more numerous and less talented members. He can put any number of radio stations out of business. He can prevent the American public from hearing the music that it wants to hear. And he can do all this in accordance with the law as it stands at present and is interpreted by the courts. Federal Judge John P. Barnes' curt dismissal of the Department of Justice's request to restrain Mr. Petrillo once more makes this clear.

"The defense of all this offered by Mr. Petrillo, by the A. F. of L. delegates, and by a number of well-intentioned outsiders is that a large number of musicians are unemployed. But Mr. Petrillo's methods have not employed and will not employ them. The small radio stations and restaurants simply cannot afford his 'live' music. To the extent, moreover, that the public is forced to spend money to make such arbitrarily created jobs for musicians it has just that much less to spend in ways that create other kinds of jobs.

"The Department of Justice is correct in declaring that Mr. Petrillo's policy in times of unemployment attempts to force employers and the consuming public to pay for a private system of unemployment relief, while in times of rising employment it tries to relieve members of the union from the competitive necessity of learning how

to do a different kind of job. Hundreds of thousands of workers in other lines are now being forced to change the nature of their work. Why should musicians alone be exempt? At a time when people are being forced to give up civilian services that they really want, why should they be forced to employ civilian services that they do not want?

"Once the country has clarified its mind on this subject, it should not be difficult to change the state of law that makes Mr. Petrillo's private dictatorship possible."

Variety, the magazine of the entertainment world, has this to say:

"James C. Petrillo's victory before the Chicago Federal Court had a stunning effect on broadcasting and recording circles in New York. While these groups had been dubious all along of getting an injunction, they had not expected the court to issue such a sweeping disposition. Instead they had counted on getting some sort of partial relief.

"Recording company executives stated that the situation was now as ever out of their hands, since the American Federation of Musicians had no issue with them and that it would be impossible for them to resume the use of musicians until the broadcasters and the jukebox people had worked out something with Petrillo. The one hope remaining in these quarters was that the proposed Senate investigation of Petrillo might lead to relief legislation and even this was regarded as a most slender thread since the American Federation of Labor at its current Toronto convention had not only come out in support of Petrillo but attacked Thurman Arnold's anti-trust efforts against organized labor.

"They, the recorders, further recalled that they had often pointed out to Petrillo they would be unable to police the use of their discs and they had no suggestions as to how they could regulate jukebox distribution or radio broadcasting as far as their wares were concerned. Petrillo has repeatedly admitted that he himself did not know how to exercise such control and that he was anxious to have the manufacturers and commercial users come to him with suggestions or ideas.

"It is felt in these quarters that the time isn't far off when delegations of broadcasters and jukebox men will enter into negotiations with Petrillo. Meanwhile all recording by the major companies remains at a standstill.

"Two organizations that have remained clear of the controversy are the Music Publishers' Protective Association and the Blue Network. The publishers avoided furnishing Arnold with an affidavit showing how the ban on recording would affect their business using the argument that theirs was one business that has been able to survive drastic technological changes, while the Blue's management had always felt that the National Association of Broadcasters ought to have found out from Petrillo just what he wanted instead of going in for an all-out attack which smacked more of smear tactics than the usual employer-employee crossfire.

"Among the less bellicose element in the broadcasting industry it is hoped that the outcome of the fight will not be a deep suspicion and resentment on the part of organized labor toward radio. The N.A.B., these broadcasters, figure, had merely made the mistake of using the same tactics that had served it so well in the controversy with ASCAP. Only, in this case, it had run against some tough guys who aren't accustomed to wilting under press, pictorial, pamphlet ("C" Is For Caesar) or anti-trust attacks."

X X X X X X X X X X

NEVILLE MILLER OUSTER BEATEN BY 14 TO 6

The attempt to oust Neville Miller, President of the National Association of Broadcasters, by a dissatisfied faction of that organization, failed by a vote of 14 to 6 taken at a specially called meeting of the Directors in Chicago. One of the Directors, Frank M. Russell, Vice President of the National Broadcasting Company, did not participate, saying that he had been instructed not to vote. Mr. Miller's salary is \$40,000 per annum and his contract still has several years to run.

Prior to the motion being made, the effect of which would have relieved Mr. Miller of his duties, the Directors discussed the possibility of his being made Chairman of a committee having to do with the music situation, but Mr. Miller is reported to have declined to consider this, stating that the Directors should either reject or retain him.

The endorsement of Mr. Miller by the NAB Directors was a further challenge to the newly organized American Broadcasters' Association which John Shepard, 3rd, of Boston, and Walter J. Damm, of Milwaukee, temporarily head. It was understood that the ABA will now make a quick investigation of whether broadcasters would be interested in a new independent organization not affiliated with the networks and if an appreciable number responded an active drive would immediately be started to complete the new organization.

X X X X X X X X

NEW FCC ASSISTANT GENERAL COUNSEL NAMED

Rosel H. Hyde, a member of the legal staff of the Federal Communications Commission since its establishment in 1934, has been named Assistant General Counsel in charge of the legal field of the broadcast business.

Mr. Hyde, a native of Idaho, was graduated in law at George Washington University. Before organization of the FCC, Mr. Hyde was a member of the legal staff of the Federal Radio Commission, predecessor of the FCC.

X X X X X X X X

NEW FOREIGN LANGUAGE CENSORSHIP SECTION BEGINS WORK

Losing no time, Robert K. Richards, recently appointed by J. Harold Ryan, Assistant Director of Censorship, to head the new special Foreign Language Section, will confer with the Foreign Language Broadcasters Wartime Control group in New York City, Thursday, October 27. Mr. Richards, accompanied by his assistant, Edward H. Bronson, is going to New York at the invitation of the broadcasters.

Mr. Richards has been assistant to Mr. Ryan since the Office of Censorship began operation in January, 1942. He came from WSPD, Toledo, where he was Production Manager and assistant to Mr. Ryan as Vice-President and General Manager of the Fort Industry Co.

Discussing the new Section in his Division, Mr. Ryan said:

"Voluntary censorship, of the sort we are practicing in this country, places responsibility for keeping information of value from the enemy squarely upon broadcast management. This responsibility is problem enough for the ordinary broadcaster whose programs are transmitted in English; for the manager of the station which airs programs in as many as a dozen languages, the problem is greatly magnified.

"The purpose of this new section is to assist foreign language station managers in exercising their responsibility, not to relieve them of it.

"To this end, we will be working closely with the management of such broadcasting stations, checking scripts and broadcasts in the languages involved. Actual monitoring operations are being initiated, and we will retain a small staff of linguists who will make regular reports to us on the material being transmitter."

The Broadcasting Division will report findings directly to station managers, who will take such measures as are deemed necessary to prevent dissemination of information inimical to the war effort. In this respect, the Office of Censorship invites the cooperation of the Foreign Language Broadcasters Wartime Control and all other voluntary industry groups designed to assist foreign language broadcasters in their wartime job, Mr. Ryan said.

Mr. Richards, a native of Urbana, O., is a graduate of Ohio State, 1934, and was editor of The Lantern, campus daily newspaper. Upon graduation, he joined the Detroit office of Campbell-Ewald as copywriter. In 1935, Mr. Richards entered radio, joining WAIU, Columbus, as a continuity writer. The following year he joined the news staff of the Cincinnati Post and in 1938 was employed by Mr. Ryan as Production Manager of WSPD.

Mr. Bronson, who assists Mr. Richards in the foreign language station work, came to the censorship office a month ago from WCOL, Columbus, where he was Assistant Manager.

X X X X X X X X X X

ARNOLD APPEALS TO SUPREME COURT TO HALT PETRILLO

Thurman Arnold, Assistant Attorney General in charge of anti-trust investigations, said in Chicago that he was not yet through with his fight to break the ban on recorded music set by James C. Petrillo and the American Federation of Musicians. The Government lost a major round Monday when Judge John P. Barnes of the Federal District Court dismissed its petition for an injunction on the ground the case involved a labor dispute, not a monopoly.

Mr. Arnold said he would ask Solicitor General Charles Fahy to file an appeal with the United States Supreme Court.

Sources close to the anti-trust office in Chicago said the ruling against the Government probably would hasten a final determination of the case.

Mr. Petrillo also in Chicago said that he had heard nothing of an appeal from Senator Burton K. Wheeler to lift the ban on recordings.

Senator Wheeler, Chairman of the Interstate Commerce Committee which has been conducting an investigation of Petrillo's ban, said in Washington:

"I have decided to ask Petrillo and his lawyer to come down here with a view of asking him to rescind this order for at least the duration of the war."

"Wheeler called me last week in Toronto, asking me to come down to talk to him, but he didn't say anything about an appeal", Petrillo said. "I told him that I couldn't come down this week, but my lawyer, Joseph Padway, would see him on Monday."

X X X X X X X X

SENATOR NORRIS ASKS PROBE OF BROADCAST BAN

Senator Norris (Independent) of Nebraska, asked the Senate this week to authorize an investigation of charges by the Cooperative League of the United States that major broadcasting companies had discriminated against it by denying it the opportunity to purchase radio time.

The League is a national organization of cooperatives and at a recent convention adopted resolutions charging that the National Broadcasting Company and the Columbia Broadcasting System had denied it opportunity to purchase radio time.

X X X X X X X X X

WESTINGHOUSE AND RCA WAR WORKERS WIN AWARDS

Among the twenty-two more workers in war plants that have been awarded Certificates of Individual Production Merit by the War Production Board for suggestions that have increased the quantity or quality of war production, were two from the Westinghouse Company at Cleveland, and one from the RCA Manufacturing Company at Indianapolis.

The citations of these workers read as follows: Vincent L. Greth and John Lobance (Ohio) - Mr. Greth, 36, and Mr. Lobance, 29, employees of the Westinghouse Electric and Manufacturing Company works at Cleveland, O., made successive improvements to a mechanical press which increased output 70 percent from 585 to 1,000 pieces per hour. The operation concerns stamping aluminum plate on a mechanical press for precipitron air cleaner parts. Mr. Greth installed an air line at the top of the die bed, which releases the plate quickly from the die bed. When aluminum became scarce and it was necessary to substitute steel plate, Mr. Lobance inserted small rubber cushions which permit the air to break the seal when the motion of stamping is completed. This makes steel plate react in the same manner as aluminum. Mr. Greth completed a tool maker's apprentice course.

Jason Harris (Indiana) - Mr. Harris, 32-year-old Assistant Foreman of RCA Manufacturing Company's plant at Indianapolis, Ind., suggested an acid bath for reclaiming worn-out files. This increases the life of a file from 200 to 300 percent. It also makes available for other uses good files which are becoming increasingly difficult to obtain.

The Philco Chicago Branch was awarded the Army-Navy "E" for excellent production of war materials.

X X X X X X X X X X

SEES NO REASON FOR PRIDE IN F.D.R. SUPPRESSION

In "Shop Talk at Thirty", the Editor & Publisher says:

"It is hard to understand why newspapers and radio stations are proud of not having published the news of the President's trip; in other words, to have failed, for whatever reason, to have performed the function for which they exist. There is no glory in bowing to the necessities of a war censorship; in most cases such obedience comes in line of duty and a newspaper which helped our enemies by a violation of the censorship code should be punished severely.

"In the present instance, we are clear in our own mind that the enemy could not have been helped by the news that Mr. Roosevelt had visited certain war factories, and that the scope of the censorship is much too broad when it beclouds the President's movements within our own country."

X X X X X X X X

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

Arrangements have been made by the Navy for handling fixed-text personal cable or radio messages to and from naval personnel stationed at twenty-three shore establishments outside the continental United States.

Known as "expeditionary force messages", the communication may consist of not more than three numbered texts selected from a list of 136. Costing in most cases 60 cents exclusive of Federal tax, the messages may be sent from any commercial telegraph, cable or radio office.

 John K. Churchill has been appointed Director of Research of the Columbia Broadcasting System. With CBS since 1932, Mr. Churchill was Chief Statistician until his appointment as Director.

 Chicago Technical College, 2000 South Michigan Blvd., Chicago, has been ordered by the Federal Trade Commission to cease and desist from certain misrepresentations in connection with the sale of correspondence courses of instruction in drafting, building, and air-conditioning and refrigeration.

Advertisements placed in newspapers, magazines and other periodicals and broadcast over the radio, the Commission found, misrepresented the courses sold by the respondent company, while other misrepresentations were made in advertising material sent to prospective students and by salesmen who contacted them.

 Instructions which will guide Price Adjustment Boards in determining the circumstances under which advertising expenses may be figured as allowable costs in war contracts were made public recently by Chairman Nelson of the WPB.

On cost-plus-fixed-fee contracts, the costs of advertising placed for the sole purpose of selling goods for inadmissible, industrial or institutional advertising, however, which properly can be classed as an operating expense incurred for reasons of policy, may under certain circumstances be admitted, and a contractor who is in doubt as to the admissibility of such expense should take the question up with the contracting agency with which he is dealing.

 With the announcement that Philco Radio Corporation's "Our Secret Weapon" and Lady Esther's "Screen Guild Players" have scheduled the full CBS network, a revised survey, according to that Company, shows that 86 stations have benefitted by the CBS 15% discount plan which has added 383 hours and 25 minutes weekly to the network's commercial schedules.

This brings the number of individual commercial programs to use the full CBS network to 26 - representing a total of 34 individual program periods weekly and 17 separate sponsors. In addition, the survey shows that 40.2% of all programs heard over the Columbia network between 7:00 and 11:00 P.M. are full-network programs.

X X X X X X X X X X