

HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET

WASHINGTON, D. C.

NATIONAL BROADCASTING COMPANY, INC.

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No. 1473

October 20, 1942

U.S. WOULD USE \$64,000,000 RADIO TIME ANNUALLY

Representative Clifton A. Woodrum, of Virginia, in asking for \$26,000,000 for the balance of the fiscal year for the Office of War Information, told the House it has been estimated that if paid for at commercial rates the radio time planned for official Government use over a period of a year would cost \$64,000,000.

For its overseas operation, which includes the short-wave radio, OWI asked on an annual basis for about \$29,000,000. Representative Woodrum said this compares with hundreds of millions spent for the same purpose by Germany and continued:

"Everyone knows how successfully our enemies have used propaganda as an instrument of conquest. At the beginning of the war Germany had 68 short-wave radio stations. Today they have in addition all of the short-wave stations seized in the occupied countries and, in addition, they are completing 20 new short-wave transmitters. Together with the short-wave stations of Japan and Italy, the Axis now has more than 100 short-wave transmitters circling the globe and spreading messages of falsehood and hatred. Nobody knows how much the enemy spends on propaganda, but the best estimates are that the Nazis alone have been spending from \$220,000,000 to \$500,000,000 a year.

"Against that tremendous force for evil, this country today has only 14 short-wave transmitters and is building toward a maximum of 36. You may be sure that they are operating 24 hours a day, spreading news, and truth, and hope. Today, in all quarters of the globe, the voice of America is the voice of hope. * * *

"This country's short-wave programs to Europe, Asia, and Africa are based on the highest war strategy and foreign policies and are planned in cooperation with our military strategists and the State Department.

"The voice of our country - spread by the Office of War Information - has so far achieved a measure of success. We know that we are being listened to even at the risk of death. The enemy has paid our Allies and ourselves the supreme tribute: persons caught listening to any of our broadcasts are subject to the death penalty. Nevertheless, we know that our broadcasts are listened to secretly, for they are the only truth left in many parts of the world.

"We have had definite word, for example, from Berlin, Hamburg, Frankfurt am Main, and Nuremberg that our programs are eagerly listened to. A letter from Berlin has reported that -

'The transmissions from New York are good. I am always pleased to hear America, as one hears the whole truth.'

"Today the Office of War Information is broadcasting to as much as the world as it can reach with present facilities in some 30 or 40 languages and dialects. Most of what is said is in the form of news, but it is equally important that we tell the world what our victory will mean contrasted with the brutal tyrannies of Hitler's new order, or the Japanese so-called coprosperity sphere.

"It is important that our messages reach people by medium and long-wave broadcasts; that is, on regular wave lengths. In this way we can talk from stations much closer to our audience and reach a far greater number of people. Radio alone will not do the job. Leaflets must be dropped from planes. Pamphlets and pictures, telling of America, her great war effort, and the things for which she fights, must reach the occupied people. The message of America must reach the newspapers and magazines of neutral countries."

Addressing the National Editorial Association in Chicago, Elmer Davis, its Director, said in addition to news the OWI seeks to furnish information that will enable the people to understand the news.

"We sometimes hear complaints that the people are being confused by too much news", he added. "I am not much impressed by these laments, for I know of no statute compelling any citizen to read all the newspapers or listen to all the radio programs."

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CALLS IT RADIO WAR UP TO NOW

Speaking before the Newspaper Advertising Executives Association in Chicago, Dr. Miller McClintock, its Director, said the success achieved by newspapers of America in staging the scrap drive "has materially elevated the press" in the minds of official Washington. Dr. McClintock stated that heretofore "this has been a radio war as far as Washington has been concerned".

Dr. McClintock told of the Government's growing appreciation for the need of more and more advertising, under coordinated direction of the Advertising Council and Office of War Information. There are 52 projects listed as needing advertising support, he said, all financed by private industry or offered to newspapers and radio stations for local sponsorship.

J. H. Sawyer, Jr., of the Chicago Newspaper Representatives' Association, told the convention that among 29 national advertising accounts in the Chicago area spending \$57,000,000 in 1941, only 14%, or approximately \$8,000,000, went into newspapers.

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NON-JAMMING AND OTHER RADIO PATENTS GRANTED

Francis C. P. Henroteau of Ottawa has been granted a patent (No. 2,298,562) on a method of sending secret radio messages that cannot be jammed by the enemy.

Mr. Henroteau's method of avoiding jam and still maintaining secrecy is to distort the sending wave by means of what he calls a key plate, which varies the frequency of the wave in an irregular way, according to a pattern on the plate. A similar key plate at the receiving end removes the distortion. If an enemy should happen to find out the pattern being used, the key plates can be changed.

The sending wave cannot be jammed in this system because the enemy would have to vary the frequency of his wave in precisely the same way.

A patent was granted to Robert Shaw, of Verona, N. J., (No. 2,298,974) for sealing the lead-in wires of an electron tube vacuum light. He has assigned the rights to the Radio Corporation of America.

The new method permits use of a metal having a very different heat expansion from that of the glass. All previous methods have sought to find a metal having the same expansion, platinum, nickel-steel, or to develop a glass that would have the same expansion as the metal.

The inventor impregnates or coats the metal with a gas producing substance. When heated in the sealing process, the gas is generated and fills the glass near the surface with bubbles. This forms a sort of cushion between the metal and the more solid glass beyond.

A radio receiver that does not re-emit radio waves that are often picked up by other receivers as squeals and howls, has been developed for use on ships at sea. Because the wave broadcast by a bad squawker can be used by enemy craft to locate the ship from which it came, it has been necessary to forbid the use of radio receivers aboard ship. Seamen who do not appreciate the danger are tempted to smuggle radios in. The new receiver, the manufacturer claims, has cut re-radiation to such a low level that it cannot be detected at a distance of more than 25 feet.

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The nation's teachers through the National Education Association have inaugurated action to implement the suggestion of President Roosevelt in his recent radio address that High School students be mobilized for service to war industries and for assistance to farmers in raising and harvesting their crops.

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OWI REGIONAL CONSULTANTS BEGIN WORK

The seventeen regional consultants - leading radio station men of the country appointed last week by the Office of War Information - are already beginning to function as Field Advisors and without compensation.

They will work closely with OWI's present Station Advisory Board, the members of which are:

Neville Miller, President, National Association of Broadcasters; John Shepard, Yankee Network; James D. Shouse, Station WLW, Cincinnati; George B. Storer, Fort Industries Co.; O. L. Taylor, Station KGNC; Eugene Pulliam, Station WIRE, Indianapolis, and John Fetzer, Station WKZO, Kalamazoo.

Carl N. Haverlin, recently appointed Headquarters Consultant on Industry Relations to OWI, has assisted in the new station plan. Two highlights of the plan are proposal for the consolidation of all spot announcements going out from Government and a new scheduling plan for all Government transcriptions.

The plan will be explained in detail to the industry by Mr. Haverlin at all forthcoming NAB district meetings, which opened in Philadelphia, October 18. At these meetings Mr. Haverlin met with the Radio Bureau Consultants, OWI Field Representatives, and War Program Managers from stations throughout the country, outlining the plan and how it effects coordination of the war effort in individual stations.

After the seventeen Consultants have discussed the plan with Mr. Haverlin, they will be asked personally to present the plan to every station operator in their regions. The Consultants will, at that time, compile information necessary to the operation of the plan, noting suggestions or objections and securing final ratification of the plan from all stations.

Late in December, the Regional Consultants will attend a three-day meeting in Washington with the Radio Bureau and OWI Regional radio men for a discussion of the complete OWI operation. It is intended at that time to announce final details of the plan and its initiation the first of the year.

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FCC HEAD SAYS PHONE CALLS WON'T BE CENSORED

James L. Fly, Chairman of the War Communications Board, has advised Speaker Rayburn that there will be no censorship of long distance telephone calls under the priority system to be put into effect November 1.

"It would be appreciated if this information is brought to the attention of the Members of the House of Representatives", Mr. Fly wrote. "I should like to also add that there will be no censorship of telephone calls. A telephone operator will put through calls without questioning the right of the user to use the system. She may, however, request the name and address or position of the person placing the call, but will be for record purposes only."

FCC BELIEVED WITHOUT POWER IN CO-OP CLAIM

With regard to complaints received from Senator Lodge of Massachusetts, Senator Norris of Nebraska and others in connection with the refusal of the National Broadcasting Company and Columbia Broadcasting System to sell time to the Cooperative League of the U.S.A., Chairman James L. Fly of the Federal Communications Commission said that though he hadn't made a critical study of the complaints, it was his judgment at this juncture that the FCC did not have the authority to do anything about it. Mr. Fly said that the Commission did make an inquiry and called for statement of facts and as far as the Commission is concerned that is about where the matter stands now.

Regardless of what the FCC may do, Senator Norris said that he anticipated no delay in the Senate Interstate Commerce Committee, of which Senator Wheeler of Montana is Chairman, taking action on the Norris resolution to investigate the matter. Senator Norris said a fundamental amendment to the Radio Act might be necessary.

"I have reached the conclusion that possibly if complaint were made to the Federal Communications Commission the result might be that the complaintants would lose, on the theory that an amendment to the law is necessary", Senator Norris continued. "Personally I do not believe that to be true, but I wished to obtain the judgment of the committee, which 7 years ago reported the bill which later became the present Act. Under all the circumstances, I believe that the best course to pursue is to submit a resolution to authorize the Committee on Interstate Commerce to investigate all the facts."

"I was indeed surprised that the National Broadcasting Co. and the Columbia Broadcasting System took the position they did", Senator Wheeler said. "As I understand, they first took the position that they would not permit the cooperatives to broadcast because, as they said, the matter was controversial. Later they took the position that other advertisers using their facilities might object."

"I can see no reason in the world why the broadcasting systems should not permit the cooperatives to broadcast if they pay for the service. I can see no reason why the broadcasting systems should not permit cooperatives, if they are operating in the national interest, to be given the same opportunity to be heard over the radio as farm organizations and other groups which are trying to promote identically the same thing among the farmers. There are those who are opposed to the cooperatives, as the Senator no doubt knows, because they think the cooperatives may interfere with their profits, or their dividends, and that their operation may tend to bring down the cost of living to the average man. Certainly there can be no excuse whatever for the National Broadcasting Co., the Columbia Broadcasting System, the Mutual Broadcasting System, or any other broadcasting system denying cooperative organizations, some of them the largest in the country, some of them outstanding in the work they have done, the right to buy time, simply on the ground that the subjects they may discuss are controversial."

"Probably everything said over the radio on the subject of politics is controversial. If the broadcasting systems are to take the position that they will not permit anything to be said over the air or any time to be sold on any subject which is in the slightest degree controversial, then, of course, they are going to be able to pick and choose exactly what they will permit to go on the air. The broadcasting systems permit radio commentators, who are paid by some of the large interests in the country, to go on the air and discuss matters which are highly controversial. They are permitted not only to give the news but to edit the news, and to make comments, which are, to say the least, of a highly controversial nature. I think the action by the broadcasting systems is taken purely on the basis of their own selfish interests, and not on the basis of the best interests of the country as a whole."

"The Cooperative League, United States of America is the educational arm of the consumer cooperative movement, John Carson, representative of the Cooperative League, wrote in a letter to Senator Norris. "The League is made up of 21 great regional or whole-sale organizations which are owned by several thousands of local or retail cooperative organizations, and which in turn are owned by some 1,500,000 to 2,500,000 families. Because families may be owners in one or more local cooperative organizations, it is difficult to determine precisely the number of families, but I think it is fair to say that from 6,000,000 to 8,000,000 of our citizens are now associated in these cooperative organizations."

Mr. Carson further wrote:

"You may recall that I had much to do with that investigation (the Senate Committee on Interstate Commerce's inquiry which led up to the writing and adoption of the Communications Act of 1934) as I was then secretary to Senator James Couzens and clerk of the Committee. During the inquiry we discussed at great length the problem presented by the control of radio facilities by broadcasting companies. In fairness to the radio companies, I think it was agreed that they should have and must have certain authority to determine what persons or groups of persons should be permitted to use the facilities. For example, we agreed the radio companies should have authority to prevent use of radio for purposes of slandering citizens or groups of citizens.

"But it was then recognized that the grant of authority, implied or otherwise, to the radio companies demanded also the fixing of some definite responsibility. It seemed inevitable then that this difficulty would arise, and it has arisen on many occasions. The broadcasting companies should be most concerned over it, and I think the men with vision in that industry will be and will welcome a constructive inquiry. For in this situation presented by the Cooperative League is what we believe to be the exercise of harsh and arbitrary action, a condition which may become explosive unless correctives are applied now."

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ACTION SOON ON RADIO INDUSTRY OPERATION BASIS PLAN

Questioned with regard to the plan for a wartime basis of operation for the broadcasting industry, which the Federal Communications Commission and the Board of War Communications have had under consideration for the past six or eight weeks, Chairman James L. Fly said:

"The Board has completed its action on that for the time being, and it will be in the hands of the Commission with the recommendations from here on."

"Are those recommendations going to be made in the near future?" Mr. Fly was asked.

"They have been made", he replied.

"Will there be any announcement of the policy?"

"Yes, they will be fully announced", Chairman Fly replied, "but I assume not until the Commission has acted on them."

"Do you know how soon that will come out?" was the question.

"I would guess it will be a matter of days", Mr. Fly answered. "I hardly think it will come within the next day or so - may be a week - I don't know. The matter has had very thorough-going consideration by most of the parties concerned. As you know, the Domestic Broadcast Committee and our Coordinating Committee have spent a considerable length of time on it, and the WPB staff has spent considerable time on it. I think we have got it in pretty good shape."

"That is governing conservation of materials?"

"Yes, it has to do with the several conservation problems", the FCC head concluded.

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William S. Paley, President of the Columbia Broadcasting System and 1942 Chairman of the annual United Hospital Fund in New York City, said the member hospitals had supplied New Yorkers last year with \$44,884,466.94 in medical, surgical and institutional service, including \$11,230,060 in free service to those unable to pay. The hospitals of New York, he added, are pledged to care for the afflicted of the community without regard to race, color, creed or the ability to pay.

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SENATE DORMANT AS ROSENBAUM HITS NAB ON PETRILLO

With the Senate still making no further move towards the Petrillo investigation, there was every indication that nothing of importance would be done until after election, if then. It is believed the summary action of the Chicago Federal judge in throwing out the Government's plea for a preliminary injunction against Mr. Petrillo, threw considerable cold water on the case as far as some of the Senators were concerned. Especially just before election.

The broadcasters encountered another obstacle when at a meeting of the Third District broadcasters in Philadelphia, Samuel R. Rosenbaum, President of Station WFIL of the Blue Network, assailed the tactics of the National Association of Broadcasters as "pulling hot chestnuts out of the fire for record manufacturers". The broadcasters finally unanimously approved a resolution to back up the NAB but not before Mr. Rosenbaum had his say.

Mr. Rosenbaum said that the Association "should never have taken the leadership in a fight against musicians".

"Their fight is not against us, primarily, but principally against the juke box barons and the record manufacturers", he declared. "Yet we have engaged counsel to master-mind the campaign and we have hired a high-pressure publicity firm which is inspiring the national flood of news stories, editorials and cartoons against Petrillo."

"We are paying bills for services which should be borne by the manufacturers, and we will incur the odium of a method of warfare contrary to all modern ideas of dealing with labor."

Mr. Rosenbaum declared that the court action against Mr. Petrillo, a petition for an injunction against the ban which was denied by a Federal District Court in Chicago, had been started with insufficient forethought and inadequate preparation, making it a cynical proceeding."

"Let us stop trying to scare people by making false faces. Labor don't scare. Petrillo won't scare", he said.

Sidney Kay, chief counsel for NAB said that the Association now was prepared to take its legal fight against the Petrillo ban into the State courts, adding:

"In New York, State laws are mighty different from the Federal laws, and we might at least get an injunction against Petrillo."

"Stand together, use common sense", Mr. Kay urged. "Petrillo can't win here, but that doesn't mean that he can't hurt us."

An editorial in the Washington Post Monday captioned "Jungle Law for Labor", read:

"The Supreme Court has placed an unreasonable burden upon Congress, but the outcome of the Petrillo case last week leaves no doubt that Congress will have to accept that burden and go to work on amendment of the antitrust laws. For action by Congress seems to be the only means of breaking the tight monopoly which James Caesar Petrillo has established in the field of music. Until Congress acts the misinterpretation of its will by the Supreme Court in the Hutcheson case will stand. And that opinion will force all other Federal courts to uphold Mr. Petrillo's vicious monopoly, as Judge Barnes did in Chicago last week.

"Judge Barnes clearly defined the nature of this controversy. The broadcasters and manufacturers of records, he said, contend that the public demand for music should be satisfied by means of records, electrical transcriptions and amateur students as well as by the hiring of union musicians. Mr. Petrillo insists that members of his American Federation of Musicians furnish all the music, in spite of what the public wants. If the broadcasters and the public cannot afford to hire unionized performers, they can go without music. Few more outrageous monopolies have ever been established in the United States. Yet Judge Barnes was impelled to dismiss the case under the reasoning of the Supreme Court. 'I Can't see any way', he said, 'around the Hutcheson case and the Carrozzo case . . .'

"We do not think that Assistant Attorney General Arnold will make any real headway by carrying this latest case to the Supreme Court. Even if the court were to rule against the Petrillo monopoly, the result would be to raise greater confusion as to the rights of unions to set up little dictatorships through restraint of interstate commerce. It is to Congress that the appeal should be carried. For the law, as it is now interpreted, gives the tyrants of the labor movement a free hand not only to set up their monopolies, but also to destroy collective bargaining and to smash legitimate business. In a number of decisions the court has written its theory of laissez-faire as to organized labor into Congressional acts. Only Congress can straighten out the resulting confusion and penalize monopolistic restraints of trade wherever they may arise.

"It is particularly unfortunate that this issue has been forced upon Congress at a time when it is overworked with wartime legislation. In the circumstances, however, the need for revision of the antitrust laws in fairness to employers and unions alike is unmistakably clear."

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More than 300 old radios and chasses, with a metal content of approximately 8,000 pounds, 15 per cent of it aluminum and 10 percent copper, are being donated to the scrap metal drive by the Star Radio Co., Washington, D. C.

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THREE NEW MUTUAL NETWORK DIRECTORS ELECTED

All officers of the Mutual Broadcasting System were re-elected, three additional members of the Board of Directors were appointed, and J. E. Campeau, General Manager of CKLW, Windsor, Detroit, was elected to a network vice-presidency, it was announced by W. E. Macfarlane, President of Mutual, following a one-day Board of Directors meeting and a two-day Executive Committee meeting held October 14-16.

The three new Directors will represent three radio stations which became shareholders and member stations of Mutual on October 1, 1942. They are Hope H. Barroll, Jr., Executive Vice President of WFBR, Baltimore; I. R. Lounsberry, Executive Vice-President of WGR, Buffalo, and Leonard Kepner, President and General Manager of WCAE, Pittsburgh.

The re-elected officers are: Alfred J. McCosker of WOR, Chairman of the Board; W. E. Macfarlane of WGN, President; Lewis Allen Weiss, of Don Lee, Executive Vice-President; Theodore C. Streibert of WOR, Executive Vice-President; E. M. Antrim of WGN, Executive Secretary-Treasurer; Willet Brown of Don Lee, Director; H. K. Carpenter of WHK-WCIE, Director; John Shepard III, of Yankee Network, Director.

The Mutual Broadcasting System Board of Directors now totals 11 members, including the three new appointments.

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FCC ACTION

Application Granted: K51L, St. Louis University, St. Louis, Mo., granted motion for a continuance of the hearing on application for modification of construction permit for high frequency broadcast station K51L to extend completion date from Aug. 4, 1942, to Feb. 4, 1943; hearing continued to October 29, 1942.

WLW, The Crosley Corp., Cincinnati, Ohio, on the Commission's own motion, continued until November 26, 1942, the hearing on the application of WLW for modification of license to operate with 500 KW until local sunset, 50 KW at night, using the transmitter of experimental station W8X0.

Applications Received: Voice of Christian Youth, Detroit, Mich., (resubmitted) authority to transmit programs from Wesley Methodist Church, Detroit, Mich., to Canadian Station CKLW, Windsor, Canada; WEW, The St. Louis University, St. Louis, Mo., special service authorization to operate unlimited time on 770 kc. using power of 1 KW (770 kc.); WNYE, Board of Education, City of New York, Brooklyn, New York, modification of construction permit which authorized changes in equipment, frequency, power, and emission, for extension of completion date to 12/1/42.

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SYLVANIA RADIO DIVISION NAMED DIRECT MAIL LEADER

The Radio Division of Sylvania Electric Products, Inc., was given the Direct Mail Advertising Association annual citation as one of the Fifty Direct Mail Leaders of the country for the past year. The award was based on the successful use of wartime themes in direct mail and sales promotion items.

During the past year, Sylvania has made available useful wartime items for distribution by its dealers to civilian volunteer defense workers. Among them were such promotions as Blackout Buttons and a First Aid Index.

To help the dealer take part in helping Uncle Sam sell War Bonds and Stamps, Sylvania issued posters and direct mail cards for dealers and servicemen to use in their community featuring the sale of War Bonds and Stamps.

The award was received by Henry C. L. Johnson, Advertising Manager.

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R.C.A. COMMUNICATIONS' MANILA STAFF REPORTED "SAFE"

A letter from the State Department to R.C.A. Communications, Inc., stated:

"The Department is pleased to inform you that a message from H. W. Evory, which arrived from the Far East on the exchange vessel "Gripsholm", reports that Waples, Evory, and Sager are safe and well at Santo Tomas Internment Camp, Manila, as of June, 1942. (Mr. Waples had just gone to the Philippines to relieve Mr. Evory who was RCAC Assistant Superintendent. Frederick J. Sager was the RCA Manila office cashier.)

(Superintendent Earl G. Baumgardner and Commercial Representative Edward C. Bayer, both of whom went on active duty as lieutenants in the Naval Reserve after war was declared, were out of Manila by the time it fell. Since then, Lieut. Baumgardner has been reported missing by the Navy.)

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War Production Board - Blanket ratings for maintenance, repair and operating supplies and for operating construction of telegraph and cable companies are established under Order P-132.

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