

# HEINL RADIO BUSINESS LETTER

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No. 1474

## RADIO INDUSTRY WAR WORK ZOOMS TO 20 MILLION MONTHLY

The War Production Board has just revealed that the radio industry which last year was doing a business of about \$20,000,000 a month, is now well over \$100,000,000 a month. Unfilled war orders are in excess of 4 billion, and the bulk is for radio equipment. It was said that in a broad sense, conversion has not been necessary in the radio industry since military demands are extremely heavy for many kinds of radio communication equipment and other applications of radio technique.

"This is not to say that all of the 52 firms in the radio industry are presently prosperous or participating in war production to the extent enjoyed by the industry as a whole", the WPB states in referring to the great jump in business from 20 to 100 million. "The production of home and auto radio sets was cut down to approximately 60 percent of the 1941 rate of production during the three months preceding April 22, and stopped completely on that date. An important segment of peacetime radio production supplied wooden cabinets for radio sets and, obviously, the manufacture of these has ceased. Plants which made the cabinets - many of these were subsidiary or independent plants supplying radio manufacturers - had to turn to other work, and many of them have so far been unable to fit themselves into the war production picture. Other manufacturers who were largely assemblers of component parts have found it rather difficult to employ their limited fabricating facilities in war production. In the plants of some of the larger manufacturers, certain types of tools, particularly punch and forming presses, have been rendered idle because many of the parts formerly made on these machines are not used in military radio. Another section of the industry, the manufacturer of loud-speakers, has been seriously hit and these firms have had to turn to other work. Military radio uses few loud-speakers.

"In these sections of the industry which have found no place in war production, employment has diminished considerably, but the over-all picture shows an increase of about 20 percent. At present there is an acute shortage of technical staff and, generally, a surplus of workers for assembly operations. That part of the industry whose products, such as cabinets and loud-speakers, are unsuitable for military radio is producing parts for aircraft engines, guns and small arms, and small-caliber ammunition.

"Although the radio industry is almost completely devoted to war production, there is a surprising amount of essential civilian work. This is necessary to supply the police services, the FBI, the Forest Service, civil aviation, ships, ship-to-shore communications, trans-oceanic telephone and the Federal Communications Commission. The requirements of these services are extensive and call

for a considerable volume of new equipment. However, all of this, important as it is, represents less than 1 percent of the present output of the industry."

In 1941 the radio industry manufactured 11,000,000 home radios and 2,600,000 automobile radios, having a factory sales value close to \$235 million. The 52 firms in the industry employed about 35,000 wage earners - 23,000 in the seven larger concerns.

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# SENATOR CLARK ALL SET TO INTRODUCE PETRILLO BILL

Senator Clark, of Idaho, champion on the Hill of the fight the radio people are making against the ban of James C. Petrillo, President of the American Federation of Musicians on the use of records in broadcasting, said that he would introduce legislation maybe today (Friday) to curb the powers of the music head.

Senator Clark said he had drafted a bill on the basis of evidence uncovered in an investigation conducted by a special committee. In effect, he explained, his proposals would exempt radio stations from the provisions of the Clayton anti-trust act so far as the transmission of recorded music was concerned. Nothing in the proposed legislation would prevent the A. F. M. from seeking to improve the wages, health standards, working conditions or hours of its members.

Numerous small radio stations which rely largely on recorded music have complained to the Senate Committee that they will be forced into bankruptcy if the Petrillo edict is allowed to stand.

In the meantime there were reports of various compromises being effected with Mr. Petrillo. One was the request of Senator Wheeler that the whole thing be put off until after the war. Another was that Mr. Petrillo would allow the stations to use records up to six o'clock if they would agree to use live musicians during the evening hours. Another was that a group of broadcasters were not in a mood to wait for the Senate proceedings to germinate or court action to grind through but were in favor of negotiating directly with the Union leader.

When the matter of negotiating was mentioned to one individual high in the broadcasting industry, he replied:

"What is there to compromise? Mr. Petrillo only wants one thing. That is for the stations to hire more musicians and this on account of the depletion of man power and for other reasons they are not able to do. Broadcasters with the added duties of wartime broadcasts are not in a temper to agree to this."

"How about the reported compromise that if stations will hire live talent at night the musicians will let them use records up to 6 P.M.?"



"Say, is Petrillo the licensee of these stations?" was the retort. "The kind of music is to be used is a matter of programming. Is Petrillo going to tell us how to do that too?"

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## CO-OPS "CAUGHT IN THE NETWORKS", SENATE HEARS

Championing the cause of the cooperatives, Senator Robert M. LaFollette, Jr., of Wisconsin, had inserted in the Congressional Record an editorial from the Nation entitled "Caught in the Networks", which read:

"Plans for a national radio series under the sponsorship of the Cooperative League have been disrupted by the refusal of the National Broadcasting Co. and the Columbia Broadcasting System to sell time for this purpose. The series was to take the form of 13 dramatizations of cooperative history followed by an appeal to listeners to write for a booklet explaining how to join an existing cooperative society or form a new one.

"While agreeing that these programs were unacceptable, the two networks failed to agree on reasons. National Broadcasting Co.'s explanation was that the Cooperative League's advertising campaign was designed to promote new memberships and thus contravened the company's 'very long-established regulation' barring the sale of time to anyone for this purpose. Columbia based its refusal on the code of the National Association of Broadcasters, which prohibits the sale of time for programs devoted to 'public controversial issues'. In its view the programs offered by the league were barred by this clause since they 'were designed to promote a fundamental change in the present system of marketing and distribution of goods and services, whereby cooperative associations would largely supplant retail stores and other common distribution establishments'.

"Perhaps the broadcasting companies are not aware that the economic basis of consumers' cooperation is so simple and so unassailable. Perhaps they do not know the extent of the movement or the fact that it has many friends and no public enemies. Columbia might have learned this from its experience in giving free time to the cooperative movement. In accordance with its policy it would have had to allot equal time to any responsible person or group that wished to state an opposing view, but, it admits, no unfavorable reactions or complaints have ever been evoked by broadcasts on consumer cooperation. A strange kind of controversy.

"This is not the same thing as saying that consumers' cooperation has no enemies at all. It has plenty - many of them clients of the radio networks - who will be delighted at any interference with its plans for expansion. These enemies, however, have never challenged the movement openly, nor could they do so without attacking their own cherished faith in private enterprise. So they have always resorted to undercover methods - attempts to divert supplies from



cooperative organizations, whispering campaigns, and so on. But the mere fact that there must be two parties to an assault and battery does not make that crime a public controversial issue unless the assailant is prepared to come out and defend his action as in the public interest."

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#### SENATOR MINTON REPORTED DECLINING ABA PRESIDENCY

Former United States Senator Sherman Minton was reported to have turned down the offer to head the American Broadcasters' Association, the projected rival of the National Association of Broadcasters. The presidency of the ABA was offered to Judge Minton at his home at New Albany, Indiana, about a month ago.

Mr. Minton, a Democrat, served in the Senate from 1934-41 and later for a short time as Administrative Assistant to the President. On May 29 President Roosevelt appointed Mr. Minton judge of the U. S. Circuit Court of Appeals for the 7th Circuit. Judge Minton was recently mentioned as a successor to Mr. Justice Byrnes of the U. S. Supreme Court.

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#### NINETY-TWO COMMUNICATIONS OCCUPATIONS DEFERRED

Selective Service headquarters has issued a list of 92 essential occupations in the communications services - including newspaper, radio, telephone and telegraph - to guide local Draft Boards in considering request for occupational deferments.

Draft Director Gen. Lewis B. Hershey said that in classifying registrants employed in the activities, consideration should be given to:

1. Training, qualifications or skill required for proper discharge of duties involved.
2. Training, qualification or skill of the registrant to engage in his occupation.
3. Availability of persons with his qualifications or skill who can be trained to his qualifications to replace the registrant, and the time in which such replacement can be made.

The list, which also includes some workers in newsreel and television services, follows:

Managing editors, war correspondents, cost accountant, cable tester, newsreel cameramen, maintenance carpenter, central office installer, combination man (telephone and telegraph), composer operator, compositor, control room man, junior control supervisor, senior control supervisor, newsreel cutter, cylinder-press man, director of international broadcasting, electrician (all around), electroplater, electrotyper, professional and technical engineer, lithographic engraver, newsreel film editor.

Foreign language announcer-translator, foreign language news or script writer, composing room foreman, electrical work foreman, pressroom foreman, welder foreman, imposer, instrument maker, jackboard operator, telephone and telegraph lineman, linotype operator, local test desk man, machinists (all-round), printing make-up man.

Employment and personnel manager, production manager, electric maintenance mechanic, maintenance mechanic, mechanical tabulating equipment mechanic, radio communication office mechanic, monotype keyboard operator, offset pressman, overlay cutter, photo composing machine operator, photo-engraver.

Photo-lithographer, photo-radio operator, platen press operator, powerhouse engineer, cylinder press operator, press plate maker printer (all round), private branch exchange installer, private branch exchange repair man, bi-lingual production man, program transmission supervisor, radio operator, broadcasting radio repairman, recording engineer, radio rigger, newsreel sound engineer, station installer, station repairman, photo-graphic stencil operator, stereo-typer (all round), telegraph operator.

Telegraph repeater installer, telephone inspector, telephone plant power man, telephone station installation, telephone switchboard repairman, teletype installer, teletype repair man, transmitter tester, testing and regulating man, toll line repairman, toll office repairman, tool maker, radio communications traffic chief, hand transferer, transformer repairman, translator, transmission engineer, web press man, welder (all round), wire chief.

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ELMER DAVIS OFFERED AS U.S. COMMENTATOR NEXT MONTH

Following suggestions of members of Congress and others that he resume the talks for Uncle Sam which had previously made him so famous, the National Broadcasting Company, the Blue, the Columbia Broadcasting System and the Mutual Broadcasting System have been notified by the Office of War Information that the contemplated Saturday night series by its Director, Elmer Davis, would be made available to them beginning in November. While no specific starting date was mentioned, the time designated was 7-7:30 P.M., EWT.

It was said that more details about Mr. Davis' new series would be made known at an early date.

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## FCC ORDER REFUSES NIGHT TIME TO WNYC

The Federal Communications Commission voted finally to reject the request of Station WNYC of the New York Municipal Broadcasting System for longer operating hours. The decision was on a vote of 5 to 2, with Commissioners George H. Payne and Paul Walker opposed.

Mayor F. H. LaGuardia personally led the fight to get the Commission to establish 6 A.M. to 11 P.M., EST, as the regular operating hours for the station. The present hours, which continue as a result of FCC's action, are daytime until sunset at Minneapolis.

The contest over the WNYC request revolved about the fact that it operates on 830 kc., the same clear-channel frequency assigned to Station WCCO, a Columbia Broadcasting System outlet in Minneapolis. WNYC uses one kilowatt of power, while WCCO uses 50 kilowatts.

In arguing before the Federal Communications Commission, Mayor LaGuardia declared that there were "too many CBS stations in the Minnesota area to be wholesome" and that WNYC should not have "to get the consent" of CBS for the privilege of longer hours.

Earl Gammons, then the Manager of WCCO, now acting Vice-President of CBS in Washington, which shares the 830-kilocycles wave length with WNYC, replied that Columbia had only one other station in Minnesota, KDAL, Duluth, which has limited coverage. He also reminded Mr. LaGuardia that WNYC had once had a full-time frequency which it turned over to WMCA, New York.

The original application was made more than two years ago, and a hearing was held in the Spring of 1940. The Commission announced its proposal to deny the application last February and an additional hearing was held April 29, at which Mayor LaGuardia appeared in behalf of the application.

The Columbia Broadcasting System and the State of Minnesota opposed the WNYC request.

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## SEES PRESIDENTIAL REBUKE INTIMIDATING COMMENTATORS

Frank R. Kent of the Baltimore Sun, whose column is reprinted by the Washington Star and other newspapers, writes:

"The current White House technique is to refer to any one who suggests that everything is not going well, as 'impeding the war effort'.

"That is the President's own phrase - but it is being echoed all down the administration line. If, by this method, they can shut up everybody except the White House choir of press agents, a long-sought goal will have been achieved. But the results will not be happy for the country.



"Recently his resentment has been couched in such form as to threaten individual denunciation of his critics. Already this has turned some formerly outspoken radio commentators into fulsome eulogists and in having an effect on the more timid of the newspaper writers, who realize the great handicap they would be under in any personal argument with a President, particularly a President in wartime.

"Here is a situation which would appear to offer Mr. Willkie a very fine opening for service to the country. Concededly there are many things here which ought to be constructively criticized, yet, faced with personal presidential resentment, criticism is drying up. Men are becoming mealy mouthed in speaking and writing about the maladministration of the war production machine.

"There is, for example, a disposition to ignore the extraordinary ineptitude with which the vital problem of manpower is being approached and the terrible menace of inflation guarded against - and other things.

"It is a clear understatement to say that in its handling of these things the administration is feeble. It has shown neither a clear sense of direction nor a determination to grapple with realities. But, whenever a radio commentator, or a newspaper columnist has ventured to point out the obvious facts, the White House reaction has been not to change to more realistic activity. Rather, it has been to personally reflect on the individuals who had the temerity to indict war-management looseness and intimate that the trouble was at the top - where it is."

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#### WOULD GIVE MEDAL TO COMPOSER OF "PRAISE THE LORD"

There would be immediate recognition for Kay Kyser, radio orchestra leader, the composer of the patriotic song hit "Praise the Lord and Pass the Ammunition", if Representative Patrick, of Alabama, has his way. Addressing the House of Representatives last Saturday, Mr. Patrick said;

"Yesterday I introduced a resolution to authorize the President to present a gold medal of award to Kay Kyser for service he has rendered to his Nation in writing the song, 'Praise the Lord and Pass the Ammunition'.

"We have been having a hard time getting an inspiring song in this war. More than one had been given to the Nation in World War No. 1 by this time. The man who inspires the men who march together in cadence, in thought, and inspired song with a feeling of patriotism and zeal does one of the greatest possible services to mankind whenever mankind is fighting his battles. For this reason I have introduced the resolution. I hope it passes.

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Mr. Canfield interjected, "I feel that the Record should also show that the chaplain who inspired that song at Pearl Harbor himself seized a gun and shot down a Jap plane."

#Yes; . it is an inspiring thing all the way through", Mr. Patrick replied.

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#### MYSTERY IN SLAYING OF MRS. GALVIN, WIFE OF RMA HEAD

The tragic news that Mrs. Galvin, wife of Paul V. Galvin, President of the Radio Manufacturers' Association, and her personal maid had been slain in Chicago reached Mr. Galvin in Washington. An account of the tragedy carried by the International News Service follows:

"The battered bodies of Mrs. Paul V. Galvin, wife of the President of the Galvin Manufacturing Co., and her personal maid were found last night (Thursday) in the Galvin home in Evanston.

"Robert Galvin, 20, found the body of his 45-year-old mother and the maid in the living room when he returned home early in the evening. Blood was spattered on the living room window and blinds.

"Dr. Thomas A. Carter, coroner's physician, said the 30-year-old maid, Miss Edna Sidilski, was shot through the chest. She was found on the living room floor only a few feet from the body of Mrs. Galvin, who had been shot through the back.

"Investigators offered their theory that the murder occurred late Thursday morning. A valuable bracelet of Mrs. Galvin was reported missing. Police investigating the crimes immediately sought to establish a motive of robbery, recalling that Galvin and his wife were robbed of \$16,000 in gems by two masked bandits on July 27, 1940. The holdup occurred as the Galvins were followed from Arlington Park race track to the home of a friend. In the face of guns, Mrs. Galvin was forced to give up a \$10,000 diamond ring, a \$3,000 bracelet and a sapphire bracelet valued at \$3,000. Mr. Galvin was robbed of \$200 in cash."

Mr. Galvin is the President of the Galvin Manufacturing Corporation of Chicago, which made Motorolas before converting to war work. He succeeded James S. Knowlson, as President of the RMA. Mr. Knowlson is now assistant to Donald M. Nelson of the War Production Board.

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## NEW ALTIMETER WOULD CURB MOUNTAIN CRASHES

Dr. Lee DeForest said in an interview with the New York Times in Chicago this week that he was nearing the final phase in the development of a terrain altimeter, which determines the distance above ground rather than sea level, to which aneroid altimeters, now in use, are limited.

He said that the chief values of a terrain altimeter were in preventing crashes on mountainsides and in the detection of other aircraft in the near vicinity. Other possible uses would be the determination of the location of cities, valuable in bombings and detection of surface craft at sea.

The new development is light in weight and takes little space in planes, the present project weighing about fifty pounds and having a detection range of five miles.

In describing the development he said that impulses could be sent out continuously through antennae, both forward and downward. Thus an object within a five-mile horizontal radius and within five miles below would intercept the radio beam and would "bounce" it back to the sending point, where it would be registered by a needle on the dashboard.

For instance, a mountain peak in the path of the plane could be detected, he said, in time for the pilot to swerve to avoid it.

He added that present aneroid altimeters were not reliable enough, were too cumbersome and were affected by weather conditions.

The new altimeter would be especially valuable for war use, he said, in flying over strange or uncharted terrain and could be used to good advantage in bombing attacks at night or in foggy weather. He explained that camouflage could hold no secrets with the beam detecting a rise in the terrain, such as a war plant.

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## RATING INCREASES CLAIMED IN CBS FULL-NETWORK PLAN

A booklet issued by the Columbia Broadcasting System states:

"Hooper measured the audiences for nine shows in ten cities added by the CBS Full-Network Discount Plan. He computed program ratings (by the telephone coincidental technique) - a week before and a week after the full-network plan went into effect.

"Hooper found . . . that in these cities CBS full-network programs increased their ratings 215% to 875% - with a median increase of 435%.

"Hooper also found . . . that ratings in the cities added were higher than the national Hooper ratings for the same programs - 51% to 131% higher."

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::: TRADE NOTES :::  
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Many radio patents held by the enemy have been seized by this Government, Leo T. Crowley, Alien Property Custodian, has announced. Seized patents were principally German-owned. Taken over by the Custodian were many patents covering telephone, telegraph, radio submarine cables and other communications devices and systems.

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Favorable reports are being received from Niles Trammell, President of the National Broadcasting Company, who has been back in the hospital for a minor operation. It was said to be more or less of a recuperative rest period following his serious illness. Assurances were given that Mr. Trammell would be back at his desk within the next week or two.

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August reports by 3,021 manufacturing plants in 74 metals-working industries including radio show that production of durable goods for civilian use had ceased almost completely at the end of the Summer. Of unfilled orders held by these plants, amounting to over 26 billion dollars, 91.2 percent was for war goods. The surviving trickle of non-military production was chiefly of repair and replacement parts needed to keep essential civilian services in operation.

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Stewart-Warner Corporation and subsidiaries reported consolidated net profit of \$373,943 or 30 cents a capital share in the three months ended September 30, against consolidated net income of \$599,839 or 47 cents a capital share in the comparative period.

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Educators have taken the lead in the list of public service queries received by NBC's Information Department. In September, according to a compilation just completed, requests for information about educational programs and allied program aids, submitted by individuals in this field, jumped 400% over June.

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The point-to-point radiotelegraph circuits in the Agriculture Service operated by the Federal-State Market News Service have been exempted from the closure provision of Order No. 11.

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Chelf Chemical Co., Richmond, Va., engaged in the manufacture and distribution of a medicinal preparation designated variously as "C.C. Compound", "C.C.C.C.", and "4 C's", is charged in a complaint issued by the Federal Trade Commission with false advertising and misrepresentation in newspapers and periodicals, by radio continuities, and other advertising media.

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A protest has been made by clergymen over the announcement that beginning next month Jack Benny in a commercial program would replace a Sunday evening church service broadcast.

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John H. Ray has been elected Vice President and General Counsel of the American Telephone and Telegraph Company. He has been counsel since 1936. In nearly twenty years of service with the Bell System he has served also as Vice President and General Counsel of the Western Electric Company and, before that, as General Solicitor of A. T. & T.

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The first of the large downtown radio stores in Washington to close on account of the war was the branch of the Star Radio Co. in the National Press Building at 14th and F Sts., N.W. On the door was a sign which read:

"Because of the inability to obtain radios for the duration of the war, the Star Radio Company of this location finds it necessary to consolidate with the main store at 409 - 11th St., N.W.

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WJR, The Goodwill Station - Nine months to Sept. 30: Net income \$262,101, after \$486,758 provision for Federal income and excess-profits taxes, equal to \$2.02 each on 129,500 shares, against \$332,408, or \$2.57 a share, last year, after \$324,660 provision for taxes.

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The official Navy film, "The Battle of Midway", is to be televised by NBC's television station WNBT, Monday, October 26, at 9:00 P.M. (EWT).

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Herrick Johnson was nominated from Federal Communications Commission for the September \$100 war bond which was awarded by the Washington Post for the most constructive suggestion for the improvement of the Federal service.

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Capudine Chemical Co., Raleigh, N.C., engaged in the manufacture and sale of a medicinal preparation designated "Hick's Liquid Capudine", is charged in a complaint issued by the Federal Trade Commission with false advertising and misrepresentation in newspapers and periodicals, by radio continuities, etc.

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William Burke Miller, NBC Eastern Program Manager, will assume the additional duties of War Program Manager. At the same time, Bertha Brainard was appointed as an assistant to Mr. Miller in the Program Department. Miss Brainard will continue to handle Package Program Sales.

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The story of television by television was a feature presentation recently over General Electric's station WRGB. This show, lasting 20 minutes, was a talking movie which gave the complete backstage picture of how a television program is presented.

Perhaps the most interested spectator of the show was Robert S. Peare, Manager of Broadcasting for General Electric. He was ill at his home and until he gave his approval of the movie it could not be generally released. The company prepared the movie for presentation at schools, service clubs and other audiences which might be interested in this newest of the radio arts.

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