

# HEINL RADIO BUSINESS LETTER

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No. 1547

## CRAVEN RISKING REAPPOINTMENT TELLS COMMITTEE PLENTY

Notwithstanding the fact that he is up for reappointment next year and that President Roosevelt, who will do the appointing is bitterly opposed to the House investigation of the FCC and evidently even against allowing the Commissioners to do anything to further it, Commissioner T.A.M. Craven, a Democrat, took his political life in his hands by cooperating with the House Committee in answering all questions freely thereby proving the most damaging witness to Chairman Fly and the Federal Communications Commission that has yet been heard. Thus the investigation continued to hit the front pages throughout the week.

Representative Cox (D) of Georgia, mainspring of the probe, and Eugene L. Garey, the Committee's counsel, lost no opportunity to pour gasoline on the fire every now and then. For instance, Mr. Garey sharply criticising the FCC for withholding information from the Committee by labeling certain letters confidential, said:

"Labeling those letters confidential was a pure matter of hooey." Mr. Cox declared it was just another way to smother material, "a secret mutiny against the authority of Congress". The Georgia Congressman also said:

"Information comes to me daily by letter and word of mouth that broadcasters, big and small, and radio chains live in mortal fear of the FCC and that its licensing power is being used to destroy free radio and free speech."

Representative Cox pictured Chairman Fly as an "autocrat" who overrides the seven man Commission although the law gives each Commissioner equal power." By way of confirming this, Mr. Garey asked Commissioner Craven:

"Frankly Fly dominates the Commission, doesn't he?"

"Yes, he does", was the reply, "and they usually let him get away with it. The votes are usually 5 to 2. I wish the other members would come along with me more often."

The Commissioner most frequently voting with Craven is Governor Case, a Republican. Time after time it is these two against the field.

Commissioner Craven said prior to testifying before the House Committee he had been warned by Mr. Fly not to make any disclosures violating the privacy of the FCC's operations. Craven said, however, that he had not received word from the President

with regard to testifying. He suggested that the Committee consider writing into the law a definition of what the Chairman's duties are "so that we will never have a repetition of the situation as it exists today."

No one could have been more amazed apparently than Commissioner Craven was at the extent of the foreign operations of the FCC. He said he had been under the impression that the military "asked us to help". Later he heard rumors that the joint Chiefs of Staff had recommended that the FCC's military intelligence operations be transferred to military control - a proposal disclosed by Mr. Garey two weeks ago in the Committee's first session. After hearing the rumors, said Commissioner Craven, he asked about them in a Commission meeting and was assured by Chairman Fly that "there was nothing to it."

As a result, he said, the proposal of the joint Chiefs of Staff was a surprise to him. He said he thought "something constructive" could be done along the line of the proposed transfer of the FCC foreign service to the Army and the Navy.

"I think the FCC should remain in the civilian field and the military should remain in the military field. I know of no authority in the Communications Act for the operation of FCC listening posts abroad", he said.

Mr. Garey charged, however, that the Army had requested but one expert but that the FCC had sent many more. Commissioner Craven said that he was "taken completely by surprise" on learning that the FCC had 30 representatives in North Africa whereas he had been told the number was four. He said the number of employees the FCC had in Africa had never come before the Commission as far as he knew.

Mr. Garey said the London office of the broadcast intelligence service had 40 employees.

"I thought they had eight", said Mr. Craven.

"Did you know that an increase in the London staff is contemplated?" asked Mr. Garey.

"I thought there would be a decrease", the witness replied.

"Well, let's find out about this operation in London", asked Mr. Garey.

"You're asking the wrong man", said Mr. Craven. "I don't know."

Dr. Robert Leigh, Director of the FCC Foreign Broadcast Service, said that General Eisenhower had made the original request for FCC personnel in Africa and that the Commission had correspondence to prove it.



Getting back to the question as to whether the FCC is run by Mr. Fly, Garey persisted: "Does the Chairman dominate the Commission?"

"He takes a leading part", was the reply. "He usually has his way. He is a very strong man."

"They are not as strong as he is?" inquired the counsel.

"That's right", said Mr. Craven.

Going back to the older days of the Commission, Commander Craven said that former Chairman Frank R. McNinch had proposed that "he would go along with me on engineering matters if I would in effect give him my proxy on policy matters."

Commissioner Craven said his answer was "No".

He said that the action several years ago of the FCC in dismissing its General Counsel, Hampson Gary, was "outrageously wrong".

Committee Counsel Garey asked whether Mr. Gary had been dismissed "because he was unwilling to lend his intellect and integrity to the purposes the Commission wished to have served?"

"That is correct in my opinion", said Commissioner Craven.

Commissioner Craven charged that in its judicial processes the FCC organization is very unsound and should be changed.

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#### ASKS U.S. TO PAY HIM \$100,000 FOR RADAR PATENT

Probably the first of a long procession of claimants, F.S. Chapman of Kenton, Ohio, is demanding \$100,000 from the U. S. Government on the ground that he is the inventor of radar. Chapman made a special trip to Washington for the purpose and set forth his claim in a letter to Attorney General Biddle saying he had been granted a patent on it in 1919, reissued in 1930. Chapman said he discovered the radar principle while serving as a telegrapher for the Wheeling & Lake Erie Railroad at Massillon, Ohio, many years ago."

"Later", he said, "I furnished the plan to Admiral W. S. Benson, Chief of Naval Operations in 1917-18."

In his letter to Attorney General Biddle, Chapman said: ". . . It should be well over \$100,000 in value and so, to save time of tabulators who should be on war work, it would seem to be okay to pay \$100,000 now and the remainder later."

Chapman said about Dr. A. Hoyt Taylor and Leo C. Young of the Naval Research Laboratory, "They have done a good job developing it, but they did not discover it."

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## FLY CALLS FCC INVESTIGATION CHARLIE MCCARTHY ACT

Having the last word as the House Federal Communications Commission Investigating Committee adjourned until Monday, August 9, Chairman James L. Fly of the FCC declared that Representative Cox and his associates had done exactly what he had expected them to do in getting away without giving him (Fly) or his aides a chance to defend themselves. The irate FCC head described the Capitol Hill hearings as being a Charlie McCarthy act with the main roles taken sometimes by Chief Counsel Eugene Garey, and his investigator Harry S. Barger, and sometimes by Garey and Mr. Cox himself.

At the same time Chairman Fly gave out a letter which he had written to the House Committee which read:

"In the record of the hearings on Wednesday, Congressman Cox made the following statement:

"Mr. Fly, the Chairman of the Federal Communications Commission, has, according to press reports, been insisting that the Commission be given opportunity to put its position on record as regards complaints made against it. You will recall we had Mr. Fly up here about 10 days ago and he refused to talk. So the Committee has called you (Commissioner Craven)."

"I am not conscious of ever having had an opportunity to testify before your Committee on any of the various matters coming within the scope of the resolution adopted by the Congress to investigate the Commission. On my one brief appearance before the Committee I was called upon to produce one file of the Board of War Communications.

"I cannot but reiterate the importance of the full Committee giving to me and the Commission a prompt hearing on the charges which the Committee has made public. I stand ready at any time to appear before the Committee and I again want to urge that I be given this full and complete opportunity to be heard at an early date. I shall await your advices."

Representative Cox said that Representative Hart (D), of New Jersey, and Representative Wigglesworth (R), of Massachusetts, as a subcommittee, would take testimony of a number of witnesses in New York City a week or so hence with regard to a "Gestapo" which it is alleged the FCC maintains.

"There is nothing to that but another headline", Mr. Fly charged. "The FCC has no 'Gestapo' in fact has not enough investigators to look into matters that should be investigated, but suggested that the topic of the New York inquiry might be foreign language broadcasting.

Mr. Garey said the FCC had forced a great number of individuals off the air, and Chairman Fly said "That's not true, a

couple of pro-Fascist announcers have gone off the air, but I can't imagine really what Mr. Garey was talking about."

Three times in the Committee's final hearing, FCC's General Counsel Charles R. Denny clashed with Chairman Cox in an attempt to be heard on two topics. Once Mr. Denny jumped up and challenged Representative Cox's charge that the FCC had made public three "secret" letters, and a suggestion that the FCC had stripped its files to hinder the House investigation. A second and third time Mr. Denny asked Mr. Cox to admit to the record letters from Army and Navy and other Government officials calling the FCC's Foreign Broadcast Intelligence Service valuable, in contradiction to repeated charges by Mr. Garey that the Foreign Broadcast Intelligence's and the Radio Intelligence Division were useless. Mr. Cox refused, saying instead that the authors of the letters would be called at the Committee's convenience to testify under oath.

Commissioner T.A.M. Craven, recalled to the stand, told the Committee that in his opinion Foreign Broadcast Intelligence's analyses were worthless and that the agency would be better under the Office of War Information, provided it continued to serve other Government agencies. He agreed with Mr. Garey that the Radio Intelligence Division had competed with the armed forces for critical materials and men, declaring, however, that at the outset of the war it had done a tremendously useful work for the armed forces, but one that should now be turned over to the armed forces if they wanted the job.

Mr. Fly refused to comment on Commander Craven's testimony "in any way".

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#### ASKS BROADCASTERS TO SHOULDER BURDEN IN OWI SLASH

Office of War Information's domestic radio budget has lopped off by one-third and Donald D. Stauffer, Chief of the Domestic Radio Bureau, says that this means the broadcasters will have to shoulder a bigger burden than ever before.

In a message to the industry and to the Advertising Council, Mr. Stauffer disclosed that while most of the work will be carried on, the field offices are out, and the Station Relations Divisions, slightly enlarged, will take over the task of servicing and advising local broadcast outlets.

"With our reduced budget and operating staff, we shall, of course, have to ask for even more cooperation from the radio industry than we have heretofore", Mr. Stauffer said. "In some regions, voluntary committees of broadcasters under the general guidance of the Radio Bureau's consultants have already been set up to supplement and implement the activities of our small Station Relations branch offices. Wherever such cooperative efforts can be



worked out, they will obviously strengthen the orderly, intelligent use of available radio facilities."

"Within our present budget we shall be able to continue the network allocation plan on exactly the same basis as we have in the past. Therefore, there will be no need for advertisers or networks to consider requests direct from the various government agencies. As in the past, we shall be able to function as the central clearance point for all requests for cooperation on network commercial and sustaining programs."

"There are sufficient funds in the budget to carry on the Station Announcement Plan, insofar as the Washington end of the operation is concerned. One set of transcribed announcements will continue to be sent regularly from OWI to all stations. The announcements formerly sent from the OWI field offices will be sent from the extended station relations operation described below."

"Those network commercial and sustaining programs which have offered to do work on behalf of the Government over and above the regular Allocation Plan, will continue to be serviced by the Special Assignment Division. No changes have been made in the organization or staff of this division."

"There will be no change in the personnel or functions of the Chicago, New York and Hollywood offices of the Domestic Radio Branch."

"As you know, the field offices of the OWI Domestic Branch formerly supplied the same service in the field that the Washington office of the Domestic Radio Bureau furnished nationally. This included the clearance of all material put on local stations by the field offices of all government agencies and the sending to local stations of regional spot announcements to supplement announcements sent by the Washington Domestic Radio Bureau."

"Since the field service has been abolished, the Station Relations Division will add 12 members to its staff. The job of these new members of the Station Relations Division will be to service local stations and the field offices of the several government agencies as nearly as possible as it was done by the OWI field offices. Obviously with a limited staff (approximately 12 people), it will be impossible to furnish all of the services formerly offered."

"However, the new members of the Station Relations Division will be able (1) to clear all new programs supplied by the field offices of the government agencies, (2) to be central clearing point for announcements proposed by government agencies to local stations; and (3) to service requests of local stations for information and guidance insofar as this operation can be carried on with limited personnel."

"We have cancelled the 'Victory Parade' series which was to have replaced the old 'Uncle Sam' series. With the exception of the Station Announcement Plan, the only transcription activities



that will be carried on by this office in the future will be in those cases where a specific local or regional problem has to be met by the use of transcribed programs, and other facilities are not available for disseminating this information.

"Generally speaking, we shall rely, as we have in the past, on the radio industry to prepare and broadcast material in behalf of the government. Our function essentially will be to furnish the most complete and accurate information that we can assemble, and distribute it to the radio industry either directly or through the Station Relations Division."

"Under the supervision of the Station Relations Chief, all special events will continue to be placed by the Time Clearance Section. The four major networks have requested that time for speeches of all Government officials also be cleared through OWI. As in the past, requests for radio time by government agencies to present special events should be made to the Chief of the Government Liaison Division, who in turn will transmit the request to the Station Relations Division."

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#### WLB TAKES PETRILLO CASE; RECORD MAKING NOT RESUMED

The War Labor Board decided Thursday to take jurisdiction over the dispute between James C. Petrillo but pending a further investigation no resumption of the making of transcriptions has been ordered.

Mr. Petrillo in New York said that the WLB action indicated they simply wanted to consider the matter further and seemed to regard it as a victory. Also the Music Federation president appeared pleased that the Navy had declined his offer to make records free for the sailors evidently not considering them necessary for morale. Mr. Petrillo had made this same contention but offered free records after Elmer Davis and other government officials argued that the recording ban was harming morale.

Capt. R. A. Koch, Special Assistant to the Chief of the Bureau of Navy Personnel, said, wrote Mr. Petrillo, that "any plan duplicating present facilities, in view of current shortages of materials, would not appear to be essential to the allout prosecution of the war effort."

Mr. Petrillo said he had not yet received the Army's reply to his offer.

The War Labor Board decided to select an investigator to probe further into the merits of the transcription dispute - revolving around the refusal of Petrillo's union to make any more radio transcriptions - and decide whether the action is in effect a "strike".

Mr. Petrillo contended at a WLB hearing that his men were not on strike - that they merely decided to quit working for the transcription companies more than a year ago and did not intend to seek further employment with them. Pointing out that the transcriptions were destroying work opportunities for musicians, he said, "We are not going to play our own funeral march any more."

If the Board finds that a strike exists, its policy would require it to order the men back to work pending settlement of the dispute. The companies had asked the Board to assume jurisdiction and order Petrillo to resume the manufacture of transcriptions. Petrillo contended that the Board lacked jurisdiction.

A. Walter Socolow, attorney for the transcription companies, expressed surprise in New York that the WLB had accepted jurisdiction without ordering the musicians back to work.

"This is all the more extraordinary in the present case since Mr. Petrillo announced in advance that he did not intend to comply with any ruling of the Board", Mr. Socolow said. "The electrical transcription companies are thus placed in a position of proceeding with what is in effect an arbitration when they have promised to abide by the decision, but the other party has announced in advance that he intends to disregard the result if he does not like it."

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#### PRESS-RADIO GAG ON 200,000 AAA WORKERS

The War Food Administration clamped the censorship lid down on the 200,000 State Agricultural Appropriations Act employees prohibiting speeches boosting or criticising the Congressional farm program. Answering of inquiries is limited to responding to queries of individual farmers.

The order forbids AAA employees to:

"Furnish releases, photographic prints, illustrations or mats to the press.

"Furnish prepared scripts or transcriptions for radio broadcast or appear on radio programs.

"Prepare, distribute or exhibit motion pictures.

"By word of mouth, in individual contacts or before groups, carry on promotional activities for the purpose of enhancing the prestige of the AAA as an institution, or of indoctrinating a philosophy relating to the general principles of AAA programs, or of building public pressure for or against Congressional action on agricultural measures."

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## U. S. BROADCAST ROME BOMBING NEWS WITHIN 8 MINUTES

According to the Office of War Information, American radio began telling the people about the bombing of Rome about 8 minutes after it happened.

The broadcasts breaking the big story to Europe originated in New York. The news was flashed to Algiers by the radioman in the first American bomber over Rome. Army headquarters in North Africa relayed it to the Pentagon Building, from where it was transmitted to OWI in New York by telephone. This triple play covered some 4,000 miles. Eight minutes after the first bomb was released the news had sped another 3,000 miles back to Europe.

The United States station in Algiers started transmitting by medium wave to Italy at the time our short-wave stations flashed the reports from New York.

The Army arranged for the first plane to notify them in North Africa at the precise moment the bombardier pressed his release. The flash was sent at 5:13 A.M. Monday, EWT. By 5:21 A.M. OWI was on the air with the news from New York. Officials, of course, were standing by at the Pentagon. OWI kept a full crew all night at its overseas headquarters in New York to await the news.

This is the way it was handled on this side. Approximately five hours ahead of the attacks, officials in New York received by courier a sealed envelope from Robert E. Sherwood, head of OWI's overseas branch in Washington. Later they were notified by Mr. Sherwood to open the letter. It described what was going to happen and contained background for guidance on the propaganda line to be taken. The office set to work to prepare material for the broadcasts.

At 5 A.M. a direct telephone line was opened between the Pentagon Building and OWI in New York. When the flash was received, three of our transmitters were on the air with regular programs, one beamed to Germany and Central Europe, another to France and the third to North Africa in Spanish. The programs were immediately interrupted for the big news.

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Randolph C. Walker, President of the Aircraft Accessories Corporation said in New York that the corporation had acquired controlling interest in the Phonette Company of America, a Los Angeles concern engaged in the manufacture of radio equipment. Phonette will be operated as a subsidiary by the Electronics Division of Aircraft Accessories, which operates plants in Kansas City, Kan., and Slater, Mo.

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## TELEVISION PROMISED FOR ALL AFTER THE WAR

Television will be ready for every family's use "immediately after the war", Ralph R. Beal, Research Director for the Radio Corporation of America, said without reservation yesterday in New York, according to an Associated Press dispatch.

Home receiving sets in any desired size with "screens" from 6 to 24 inches in width will be available to purchasers, Mr. Beal said, "within the shortest space of time required to reconvert the radio manufacturing industry from war to peace production."

He made it clear, however, that he thought there was room for both sound broadcasting and television, just as the telegram and telephone have pursued parallel successes in common usage.

"Unquestionably, television receiving sets will be within the range of the average pocketbook", Mr. Beal said.

Mr. Beal's remarks were the first flat-footed statements from a cautious scientist concerning the imminent Nation-wide launching of the new commercial entertainment industry.

"Years of research - speeded and implemented by wartime discoveries and emergency developments, have paved the way to smooth and highly practical television operation", Mr. Beal said, "and we are confident that its widespread use will open employment to an equally wide range of arts, crafts and labor."

"I believe that in applying all of our new findings to a fresh industry, television will provide a much more satisfactory entertainment medium than has ever been achieved down through the centuries."

Among the feasible facts about television in the postwar period, Mr. Beal included the following:

A network of automatic monitor stations will be employed to relay television's images and sound from a central transmitting tower to any desired distance. Thus a planned relay from New York to Washington could be extended to any part of the country.

Action and sound can be relayed from a fixed state - outdoors or indoors - and from easily-handled portable equipment.

After the television broadcast of black-and-white images, plus sound, to a large section of the Nation, the next normal development will be three-dimensional and color television.

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 ::: TRADE NOTES :::  
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Station WDSM, Superior, Wis., will become affiliated with the Blue Network as a basic supplementary station, bringing the total number of Blue affiliates to 159.

Used defective, exhausted or condemned parts for electronic equipment must be disposed of by producers or suppliers, either for salvage - or be destroyed, within sixty days, War Production Board announced yesterday in an amendment to Limitation Order L-265. This action was taken to prevent such defective parts from getting back into trade channels.

Previously the order had provided for the salvage of such parts, but now they may be destroyed if salvage is not practical.

A permanent WOR Women's Advisory Panel was formed at a luncheon held by Alfred J. McCosker, President of WOR, at the Waldorf Astoria last week. The purpose of the meeting was to devise further means for aiding women listeners at home and in the war effort.

All the prominent women, representing a variety of fields, who attended the lunch signified their willingness to become charter members of the Panel. It was further decided that meetings would be held at least four times a year.

Dissemination of false advertisements in connection with the sale of medicinal preparations is alleged by the Federal Trade Commission in a complaint against Robert Salazar, trading as Los Angeles Pharmacal Co. and Hidalgo Pharmacy, Los Angeles. The respondent sells the preparations under the names "Pulmotol", "Femovita", "Renatone Pills", sometimes known as "Runaton", and "Stomavita", and advertises them in the Spanish language in newspapers and periodicals and by radio continuities.

Walter I. Seigal, formerly Assistant Manager of the CBS Photographic Division, has been named Manager of the Division.

Mrs. Winthrop Aldrich, Vice-Chairman of CDVO, and Miss Hazel Corbin, General Director, Maternity Center Association, will serve as regular members of the WOR Women's Advisory Panel, though they were unable to attend the abovementioned luncheon.

Chairman James L. Fly of the Federal Communications Commission; Walt Disney, creator of delightful screen fantasies, and Francis S. Harmon, Executive Vice Chairman of the War Activities Committee of the Motion Picture Industry, will explore "The World of Sight and Sound" on the NBC Inter-American University of the Air's post-war planning series, "For This We Fight", at 7:00 P.M., EWT, Saturday, July 31st.

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