

# HEINL RADIO BUSINESS LETTER

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## INDEX TO ISSUE OF AUGUST 10, 1943

|  |    |
|--|----|
| FCC Employees Congress Fired To Fight Back In Court.....   | 1  |
| Marshall Field Appeal Not Expected To Sway Petrillo.....   | 2  |
| Radio ResistorExpansion To Meet All Military Needs.....    | 4  |
| Storer Group Apply For New 50 KW Detroit Outlet.....       | 5  |
| Short-Wave Overseas Service Blacked Out By Sun Spots.....  | 5  |
| Fly And Cox Continue To Slug It Out Publicly.....          | 6  |
| U. S. Probes 11 More Named As Jap Radio Propagandists..... | 7  |
| Capital And Labor To Fight It Out On Air And Screen.....   | 8  |
| Trade Notes.....   | 9  |
| Maritime Gold Star To Federal Telephone And Radio.....     | 11 |
| Mutual Billings Up 104 P.C.....                            | 11 |

No. 1552

August 10, 1943

## FCC EMPLOYEES CONGRESS FIRED TO FIGHT BACK IN COURT

The first definite action to fight for their jobs in the courts was taken this week-end by Robert Lovett, Secretary of the Virgin Islands, Goodwin Watson, Chief Analyst of the Foreign Broadcast Intelligence Service of the Federal Communications Commission and William E. Dodd, Jr., of the same service. Dr. Lovett is on leave of absence and is expected to arrive in Washington today (Tuesday, August 10) to outline plans for the court test.

Charles A. Horsky, of the Washington law firm of Covington, Burling, Rublee, Acheson and Shorb is handling the case. Expectation is that Mr. Horsky will seek in the District of Columbia Supreme Court sometime this month a declaratory judgment holding the act of Congress unconstitutional.

The plan is to attack the congressional statute on the ground that it is an unconstitutional assumption of the power of appointment, vested in the Chief Executive by the Nation's basic law.

Another contention is that the statute violates the constitutional prohibition against bills of attainder. But usurpation of the appointive power is expected to be the central issue on which a test will be sought.

Taking issue with President Roosevelt on the latter's stand in the case, Westbrook Pegler writes:

"The rider in an appropriation act by which Congress has tried to shake loose from the pay roll three political house pets of the New Deal may be a bill of attainder, as President Roosevelt has said, but if Congress has erred in this matter, the motives of those who voted so were purely patriotic. This was a protest, voiced in exasperation against the persistent sympathy of the New Deal for Communists and Fellow-Travelers, who have burrowed into the very walls of Government in Washington and in the bureau out through the country.

"It was also a general rebuke to the defiant impudence of many men and women who have flatly expressed or convincingly indicated their hatred of the economic system, meaning capitalism, on which the American Government is based and the only system under which those freedoms can exist which we are supposed to be presenting, with our compliments, to all the other peoples of the world, with the notable exception of our Russian comrades in arms, who have other preferences.

"The Dies Committee has been blackguarded and derided for years \* \* \* Nevertheless Dies has put the finger on many a covert mutineer on our ship of state and that fact, more than his methods, has been the cause of the uproar against him. Dies has accumulated an enormous file of information on thousands of individuals, including Nazis, Fascists and bigots of one kind and another but including also many friends and political proteges of the New Deal who have identified themselves with Communist organizations. In the course of his inquiries he has had very little cooperation from the departments and bureaus of the Government and, at one stage of the game, was openly opposed by Mrs. Roosevelt who took it upon herself to rebuke this committee of Congress by entertaining some of the individuals under investigation at lunch in the White House.

"In attacking the action of Congress with regard to Lovett, Watson and Dodd, Jr., as usurpation of the executive function, the President may be legally correct but, remembering his own usurpation of the legislative function in the case of the salary limitation within the last year, it is easier to believe that the effect is more offensive to him than the quality of the act. The effect is to publicize to the people the strong affection of the New Deal for people who see little good in and less hope for the preservation of the form of government which was intrusted to Mr. Roosevelt in 1932 and who have tried to junk or alter it and with considerable success to date. Mr. Roosevelt may be able to keep on the pay rolls the three relatively unimportant and harmless individuals who were signled out for the special attention of Congress but the country of course will wonder why he is so devoted to them when he has a choice from so many Americans whose ideas are strictly orthodox and whose associations are above suspicion."

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#### MARSHALL FIELD APPEAL NOT EXPECTED TO SWAY PETRILLO

Although Marshall Field is known to have the backing of President Roosevelt in many matters, it is not believed James C. Petrillo, President of the American Federation of Musicians, will grant the request of Mr. Field, who as President of the Board of Directors of the New York Philharmonic Orchestra, asked Petrillo to lift the ban on Philharmonic broadcast recordings. As far as the President is concerned, Mr. Petrillo in giving the free orchestra concerts, supposedly at Mr. Roosevelt's suggestion, may feel that he too may have the personal interest of the Chief Executive.

Mr. Field's letter was in response to a request from the AFM president that the Philharmonic Orchestra participate in the concerts that the union proposes to give in the smaller cities with the union musicians of leading symphonic organizations.

Although reported that the War Labor Board panel hearings would begin in New York next Monday (August 16), it was said at WLB that the date as yet had not been definitely set. The panel is



composed of Arthur Meyer, Vice-Chairman of the Regional War Labor Board in New York City, Henry S. Woodbridge, Assistant to the President of the American Optical Company and Max Zaritzky, President of the United Hatter, Cap and Millinery Workers, AFL. Since most of the parties concerned are in New York, panel hearings will likely be held there but if there is another Board hearing, as there most probably will be, that would take place in Washington. All hearings will be public.

The proposal said to have been made by Mr. Petrillo and considered at a meeting of radio and transcription officials in New York last week, was understood to have been rejected. The plan provided for payment to the union of \$18,000,000 over a five-year period in exchange for which the federation would cooperation with the recording companies in seeking new copyright legislation.

The new legislation would presumably enable both the musicians and record companies to collect fees from radio stations using the disks.

"The Philharmonic Society desires", Marshall Field wrote Mr. Petrillo, "in fact requires, the royalties from its recordings in order to insure the continuance of the orchestra which you are proposing to borrow. The other great symphonic orchestras of this country are similarly situated. Their very existence is threatened by the loss of recording symphonies."

Mr. Field said he thought his society would go along with the free concert idea provided that it involved no cost to the society; that cities on the tour be approved by the society; that performances be given in the orchestra's name; that conductors chosen be approved by the society - and that none of the concerts be broadcast "or recorded in any way".

"My plea to you", said Mr. Field in his letter, copies of which were sent to heads of other large symphony orchestras in the country, "is that you will immediately lift your ban on the recording of symphonic music and by so doing contribute to the availability of symphonic music throughout this country in a manner that not even your proposed concerts can accomplish."

"We have the word of the Army and Navy officers, as well as civilian officials in Washington, that the continuance of recording is necessary for the maintenance of military and civilian morale, one of the primary purposes stated by you for your own concerts."

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More than half of the 134 students who completed six weeks' courses offered by the second NBC-Northwestern University Summer Radio Institute had signed up for positions in the industry before receiving their graduation certificates July 29th. The radio stations to which they will go are scattered from Vermont to Texas and from Florida to Oregon.

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## RADIO RESISTOR EXPANSION TO MEET ALL MILITARY NEEDS

Prospective expansion of radio resistor facilities will provide sufficient capacity to meet requirements of the armed services during the remainder of 1943 and the first half of 1944, it was indicated at a meeting of the Fixed and Variable Resistors Industry Advisory Committee with War Production Board representatives in Washington recently.

However, all plants must operate at capacity and proper distribution must be maintained in order to achieve these goals, Daniel J. Connor of the WPB Radio Division told the meeting. The industry's rate of production of resistors showed a slump of approximately 15 percent in June, the Committee was informed. Asked for an opinion on the causes of the June slump, Committee members variously attributed it to hot weather, vacations, absenteeism, lack of adequate supervision, lack of orders, and high labor turnover.

Scheduling procedure under Order M-293 was explained by Oscar W. McDaniel of the Radio Division. Where scheduling is applied, the Committee was told, material to meet the schedule is allowed. Listing in M-293, even though scheduling is not instituted, indicates that every effort will be made to provide material for the listed items, it was pointed out.

Discussing change orders, Elmer R. Crane of the Standard Components Section and Government Presiding Officer at the meeting, urged the early placement of orders. WPB has continually urged contractors to place orders early and follow up with change orders later, if necessary, he said. Resistor manufacturers also should order their materials promptly, the Committee was told.

The Radio Division recommends that manufacturers accept orders only to the extent of their ability to produce, Mr. Crane said. Under Priorities Regulation 1, he pointed out, manufacturers may refuse orders which they cannot deliver because of commitments on equal or higher rated orders. If this practice is followed, purchasers will be forced to sources which are in a position to make delivery, the load will be spread, and scheduling will be unnecessary, he stated.

Standardization of resistors should benefit both the industry and the armed services, Col. G. C. Irwin of the Army Signal Corps Standard Agency told the Committee. The primary importance of standardization is to insure that men in the field are able to obtain repair parts that will fit the equipment in use, he stated, and the benefit to production is a secondary factor.

The progress on resistor specifications is entirely satisfactory except for the length of time it has taken to develop the program, Colonel Irwin said. The Standards Agency does now seek to dictate the standards, but is providing a meeting ground for industry and the services to develop the most suitable specifications. When an agreement has been reached, the standards will be issued as war standards and will be processed immediately as Army, Navy or joint Army-Navy specification, Colonel Irwin explained.

## STORER GROUP APPLY FOR NEW 50 KW DETROIT OUTLET

President of the Fort Industry Company already operating a well-known group of mid-western stations, Lieut. Commander George B. Storer, in the Naval Reserve, is the head of a new company seeking a 50,000 watt outlet in Detroit. The application was filed by William J. Dempsey, former Chief Counsel of the Federal Communications Commission and is made in behalf of a newly formed organization - the Detroit Broadcasting Company - of which 90% of the stock is owned by the Fort Industry Company and 10% by Commander Storer.

Full time on 1220 kc. is sought. An application for 50,000 watts on the same frequency filed by WGAR, Cleveland, now is pending before the FCC following a hearing.

The Fort Industry stations, whose slogan is "You Can Bank on Them" are WSPD, Toledo, WAGA, Atlanta, Ga., WLOK, Lima, Ohio; WHIZ, Zanesville, Ohio; WWVA, Wheeling, West Virginia, and WMMN, Fairmont, West Virginia.

Commander Storer continues to be stationed in Chicago; J. Harold Ryan, Fort Industry Co. Vice-President and General Manager, is on leave and serving as Assistant Director of Censorship in Charge of Radio in Washington.

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## SHORT-WAVE OVERSEAS SERVICE BLACKED OUT BY SUNSPOTS

An almost complete blackout of short-wave broadcasts between the United States and Europe occurred Monday. Observers of the Columbia Broadcasting System in New York said that all radio stations on the Continent were out and that the London overseas radio had been forced off the air for the first time in Columbia's monitoring history.

The overseas service of Radio Corporation of America was halted at 3 P.M. Monday and still was blanketed seven hours later. RCA said there had been no interference in domestic broadcasting, but slight disruptions in telegraph and teletype facilities had been reported.

The Mackay Radio and Telegraph Co. reported that all radio service had been halted, except to the West Coast and to South America, since late afternoon. There were no disruptions of cable service, the company said.

All observers attributed the short-wave blackout to periodic sun-spot disturbances.

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## FLY AND COX CONTINUE TO SLUG IT OUT PUBLICLY

There has been no let-up in the public slugfest between Chairman Fly of the Federal Communications Commission and the Cox FCC Investigating Committee. Although the hearings of the sub-committee in New York were only supposed to last a few days, they occupied an entire week with so much ground yet to be covered that Representative Eugene Cox (D), of Georgia, called off the scheduled session of the full committee in Washington today (Tuesday, August 10) and instead has gone to New York to conduct the remainder of the hearings there personally.

In the meantime the ire of Chairman Fly was aroused by Eugene L. Garey, General Counsel for the Cox Committee saying that testimony taken in New York during the past week showed the FCC and Office of War Information had built up "a hive of alien ideologies" in foreign language radio stations.

Mr. Garey asserted the FCC and Office of War Information had set up in the domestic foreign language stations ideologies "alien in fact, alien in purpose, to the people of the United States and to impose the ideologies on the American people and tell them what our war aims and purposes should be."

He stated "a large majority of the foreign language staffs of the stations had been in the United States only from 5 weeks to 18 months at the time of their appointment, and that evidence showed the program was undertaken at the direction of the FCC.

The attorney said neither the FCC nor the OWI had legal power to "do what they are doing" in respect to hiring or firing of broadcasters in the foreign language stations.

Mr. Garey expressed fear "the censorship", which he claimed existed, might carry through to religious programs and that "the next thing will be the press".

Chairman Fly branded as false the statements made by counsel for the Cox Committee at the hearings in New York denying the authority of the Federal Communications Commission to keep an eye on the operation of our foreign language broadcast stations. Mr. Fly drew attention to the fact that neither he nor any other representative of the Commission has been permitted to take the witness stand to give to the Committee or the public the full facts regarding these matters. Mr. Fly said:

"These irresponsible charges of the Cox Committee counsel follow the pattern of 'judicial' conduct which has characterized this whole proceeding. It is somewhat startling to see the Cox Committee counsel step out publicly in favor of pro-Fascist broadcasts in this country and, at the same time, charge this Commission with endeavoring to force its 'political' beliefs on the broadcasters.

"The Commission would be derelict in its duties as provided in the Communications Act, especially in time of war, if it did not check on these domestic stations broadcasting in the enemy's own language. The reason for this obligation is obvious. With one hundred seventy stations broadcasting foreign language programs - many in enemy tongues and directed at the millions of our people of foreign origins - it is imperative for the national security that the Federal Government exercise some degree of caution to guard against the use of the public's own airways to promote the interests of our enemies. The stations, almost without exception, have welcomed this service as a protection to themselves and as an assistance in their efforts to promote war activities and have co-operated wholeheartedly. The Commission has never censored any program of any broadcasting station, and it is a fortunate circumstance that it has not found it necessary to revoke a single station license to prevent these grave abuses.

"This latest line of attack is typical of the reckless methods that have characterized the whole Cox investigation up to date. Mr. Garey's statement is simply a reiteration of the conclusions announced in advance of a hearing and which, after a week, he has utterly failed to prove."

Commissioner C. J. Durr said that the FCC "has not attempted to dictate to any station with reference to the hiring or firing of foreign language broadcasters".

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#### U. S. PROBES 11 MORE NAMED AS JAP RADIO PROPAGANDISTS

As a follow-up to the recent indictments against eight Americans in Europe for treason, nearly a dozen more are under study by the Department of Justice on the same charge for serving as Japanese radio propagandists.

The Office of War Information gives their names as follows:

Frances Hopkins, believed to be a former missionary; Mrs. Henry Topping "the most loved and honored American in Japan", who has been there since 1895; Charles Hisao Yoshii, American-born Japanese, graduate of the University of Oregon, formerly did some newspaper work and radio broadcasting in this country; Frank Watanabe (radio name), who is believed to have lived in Los Angeles prior to taking up present radio duties; William Axling, preacher, who is not a member of the staff, but is quite frequently heard over Radio Tokyo; Edward Kuroishi, San Francisco-born member of the regular Radio Tokyo staff; Fumikio Saisho, graduate of the University of Michigan, member of the regular radio staff, who also writes commentaries and programs; Herbert Moy, New York born Chinese, mainstay for news and comments on Jap-controlled radio, can easily rate the most brilliant, fluent and persuasive of the renegade crop; Don Chisholm, American-born and American citizen was news announcer and commentator



over Jap-controlled radio in Shanghai; Shoichi Murata, now broadcasting for Radio Tokyo.

The list also contained the name of Carl Flick-Steger, who was said to be known in Providence, R. I., where he was born of German extraction. The memorandum stated, however, that Flick-Steger has already renounced his American citizenship and is under German influence entirely. He is a manager of a radio station in Shanghai, Jap controlled.

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## CAPITAL AND LABOR TO FIGHT IT OUT ON AIR AND SCREEN

In the first all-out fight ever made utilizing the three outstanding show biz media, labor and capital will slug it out this Fall and Winter via a series of stage, screen and radio presentations, aimed at reaching their respective millions of sympathizers, Variety reports.

Plans for the campaign have been quietly shaping up during the past few weeks and, on the basis of what has been accomplished thus far, it'll be no pollyanna slugfest. As far as labor is concerned, the CIO is projecting itself into the show biz picture on a big scale to let the people of America know it's a battle for survival.

Through the educational division of the UAW-CIO, a radio series is in the making which will have definite political overtones, with labor taking a stand on the rollback of prices and fighting the subsidies. While it's realized they're late in getting into the battle via the CIO-sponsored radio presentations in countering the air programs of anti-labor monied interests, it's felt that much good can still be accomplished by the time Congress gets back to Washington.

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This cheering news from a bulletin of FM Broadcasters, Inc.:

"We note that static - according to its summertime wont - is on the increase, making ordinary radio reception sound like the battle of Midway these sultry nights. Folks with FM receivers don't know anything about this, of course. Lightning could blast the top of the house off, but FM still flows in unruffled, minus crashes, devoid of crackles. The many thousand families who had frequency modulation receivers last Summer, and even the Summer before that, have come to accept the phenomenon. They almost take noise-free reception for granted, except when they go out to play bridge with the Joneses and sit through a barrage of static-ridden background music."

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TRADE NOTES

The American Communications Association (CIO) indicated it may carry its fight to block the merger of Western Union and Postal Telegraph to court if the proposed plan is approved by the Federal Communications Commission. Chairman Fly of the FCC has warned the Western Union the FCC would not approve its proposed merger with Postal Telegraph if all Postal offices are to be closed.

The \$5,500,000 cut made by Congress in the appropriations of the Domestic Branch of the Office of War Information, has caused OWI to reduce its staff from 1300 employees to 495, it was learned from Palmer Hoyt, new Director of the Division.

Lieut. John H. Garey, a former guide on NBC's Guest Relations staff, was reported missing after his plane failed to return from a mission over Hanover, Germany, on July 26.

Tony Wakeman, Sports Editor of WINX in Washington, D.C., lost his appeal for occupational draft deferment.

The gross income of the Radio Corporation of America and its subsidiaries from all sources for the first six months of 1943 totaled \$141,001,366, a jump of \$51,565,900 over the first half of last year, the Financial Editor of the New York Times notes. This sharp gain in revenues reflects the accelerated tempo at which the RCA organization is turning out war materials for the armed services. But, despite this gain, net income for the six months of this year actually ran lower than a year ago, the report showing a net of \$4,918,794, against \$4,966,017, a decrease of \$47,223. Taxes are not entirely the cause of this result although they increased \$4,770,100 to \$14,204,800.

Approximately 45,000 radio sets, valued at 90,000,000 pesetas, were produced in Spain in 1942. A foreign technical journal states that 170 companies there are now engaged in manufacturing radio apparatus.

Jeff Sparks, formerly in charge of night operations at WABC, has resigned to become Program Director for an overseas Red Cross unit and leaves shortly for Washington.

Station WBEZ, the Board of Education, Chicago, Ill., was granted authority by the Federal Communications Commission to construct a new non-commercial educational broadcast station to use frequency 42,500 kilocycles with power of 1 kilowatt, limited time for frequency modulation.

A 24-page nontechnical book titled "How Electronic Tubes Work" has been produced by the General Electric Electronics Department at Schenectady, N.Y. It is designed primarily for industrial engineers. The book is available free on request to Dept. 6-215,



8/10/43

Publicity Division, General Electric Company, Schenectady, New York.

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Since he first made the offer three weeks ago, Alfred W. McCann, conductor of WOR's "Pure Food Hour", has received 13,031 requests for his booklet on home canning.

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Led by record business in June and July, WOR's dollar sales volume for the second quarter of 1943 has topped every figure chalked up by the Station during that period in the past.

According to Eugene S. Thomas, WOR Sales Manager, the new record was the result of an unusually heavy placement of Fall orders, presaging one of the busiest Falls in the station's history. WOR's dollar volume sales were 11 percent over the second quarter in 1942.

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Theodore Gamble, assistant to Secretary of the Treasury Henry Morgenthau, Jr., has been added to the list of speakers, including Palmer Hoyt of OWI, and Edward M. Allen, President of the National Retail Dry Goods Association, who will address the nation's retailers on August 10 over a closed circuit to NBC affiliates when groups of retailers will meet in local studios to hear authorities explain plans for the coming War Bond Campaign.

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I. J. Kaar and G. W. Nevin have been appointed managers of the Receiver and Tube Divisions, respectively, of General Electric's Electronics Department. The Receiver Division is located in Bridgeport, Conn., while the headquarters of the Tube Division are located in Schendctady, with manufacturing plants in four cities.

Mr. Kaar, a California, was formerly Managing Engineer of the G.E. Receiver Division and graduated from the University of Utah.

Mr. Nevin, hailing from Idaho was formerly Chairman of the Management Committee of the Tube Division of the Electronics Department.

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The contents of the current issue of "Radio Age" for October, published by the RCA Department of Information, include:

"Radar - Wartime Miracle of Radio", "Lower Distribution Costs Sought", by E. W. Butler; "'For This We Fight' looks Ahead, by Dr. James R. Angell; "RCA War Production", Picture Story of Manufacturing for War; "With RCA - North of the Border", by A. Usher; "Daytime Programs Change" by Edgar Kobak; "'Sewing' by Radio Shown", Machine Developed by RCA Laboratories; "RCA Lifeboat Sets Save 84"; "RCA Develops Stethoscope"; New Role Seen for Radio"; "Stations Built for Allies"; "Future Linked With Science", Sarnoff in University of Air Broadcast; "Testing Radio '7 Miles Up'"; "Outlook of Post-War Television Is Bright".

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## MARITIME GOLD STAR TO FEDERAL TELEPHONE AND RADIO

Award of the first gold star to be added to the "M" Pennant of Federal Telephone and Radio Corporation, manufacturing associate of International Telephone and Telegraph Corporation, has been made by the United States Maritime Commission in recognition of Federal's continued outstanding production achievement.

Colonel Sosthenes Behn, President of I. T. & T., was advised of the new honor by the following telegram from Admiral H. L. Vickery, Chairman of the Maritime Commission's Board of Awards:

"In recognition of your continued outstanding production achievement the Board of Awards of the United States Maritime Commission has awarded Federal Telephone and Radio Corporation its first gold star to be added to your "M" Pennant."

The Maritime Commission "M" Pennant and Victory Fleet Flag were awarded previously to Federal for outstanding performance in the development and production of radio equipment for ships of the Liberty and Victory fleets.

E. H. Price has been appointed Manager of the Marine Division of the Mackay Radio and Telegraph Company, an affiliate of the International Telephone and Telegraph Corporation, to fill the vacancy resulting from the recent death of Walter V. Russ.

The Company also named James T. Chatterton, former District Manager of its Washington, D. C. office to succeed Mr. Price as Commercial Manager, with headquarters in New York City. Mr. Price has served the company as District Manager of its offices at San Diego and Los Angeles, California; Portland, Oregon, and later as Commercial Manager in San Francisco.

Mr. Chatterton was formerly chief operated and later District Manager in Chicago and in 1942 was transferred to Washington, D. C. as District Manager.

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## MUTUAL BILLINGS UP 104 P. C.

The Mutual network gross billings continued the upward trend first made evident in April, 1943, when the July gross billings marked the third consecutive month of over million dollar sales for the network. The gross billings for July, 1943, totalled \$1,088,809, an increase of 104.9 percent over July 1942, when the figure of \$531,305 was reported.

The seven months cumulative billings for 1943 totalled \$6,991,727, a 19.2 per cent increase over a similar period in 1942 when the figure was \$5,866,408.

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